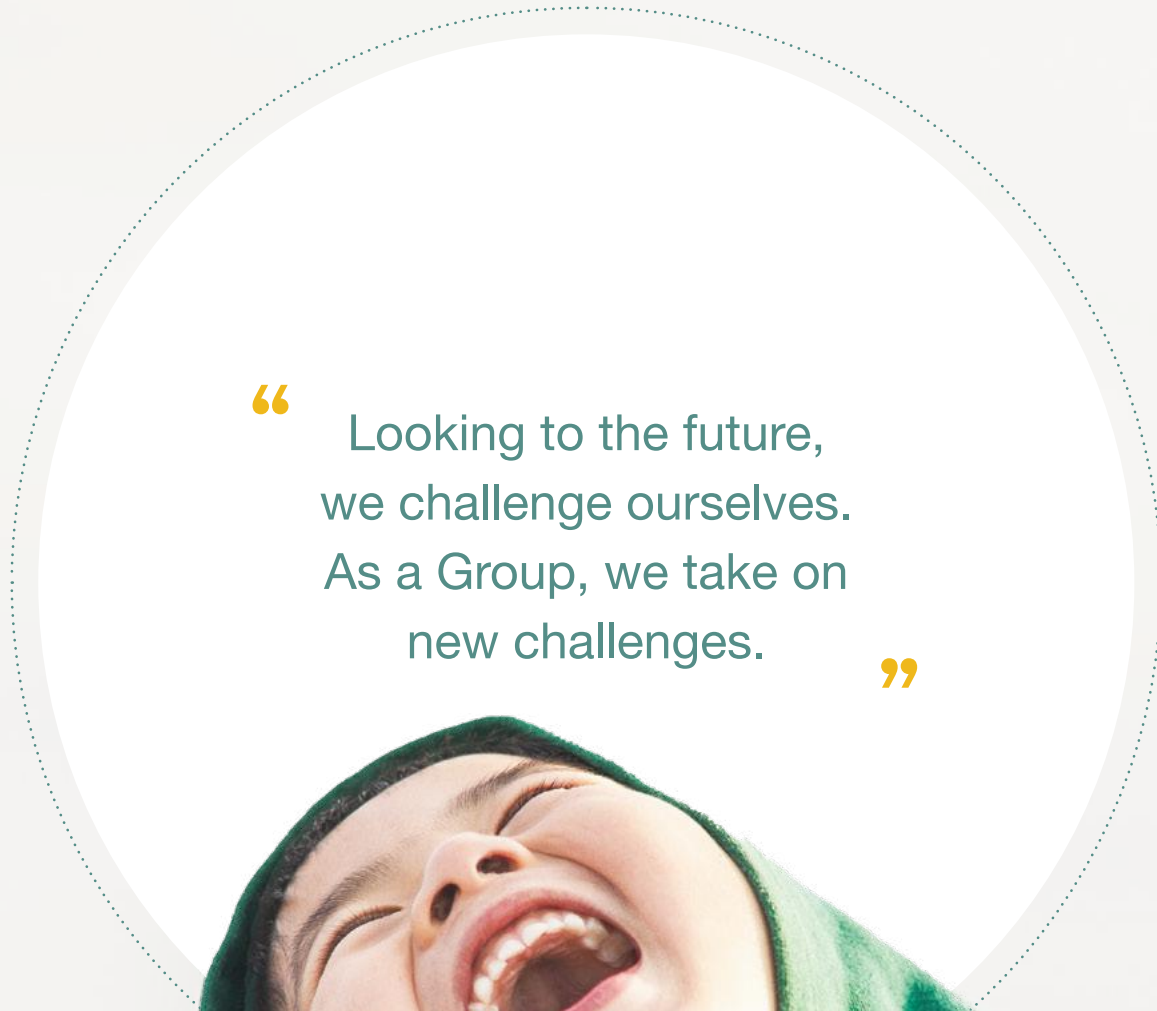




INTEGRATED REPORT 2025

Daito Trust Construction Co., Ltd.
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INTEGRATED REPORT 2025 (2025.11_01)



“ Looking to the future,
we challenge ourselves.
As a Group, we take on
new challenges. ”

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.

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Editorial Policy

This report is issued with the aim of understandably 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.

Integrated Report 2025 was prepared with contents aimed at allowing our investors, each employee responsible for value creation at the Daito Group, as well as the wide range of stakeholders involved with the Group to understand and empathize with the Group's vision and direction for the future. It is structured in a way to communicate the unique nature of the Company.

In terms of the progress in our medium-term management plan, centered on our "three pillars" positioned as key strategies, we have endeavored to communicate in a frank way both areas that we have been able to realize and those that we have not from both a quantitative and qualitative perspective.

This report was created to serve as a starting point for dialogue not only with our investors, but also with our employees and customers. By encouraging communication, we aim to achieve sustainable growth for the Daito Group and to create new value for society.



Important Mindset of the Daito Group

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.

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

Corporate Philosophy

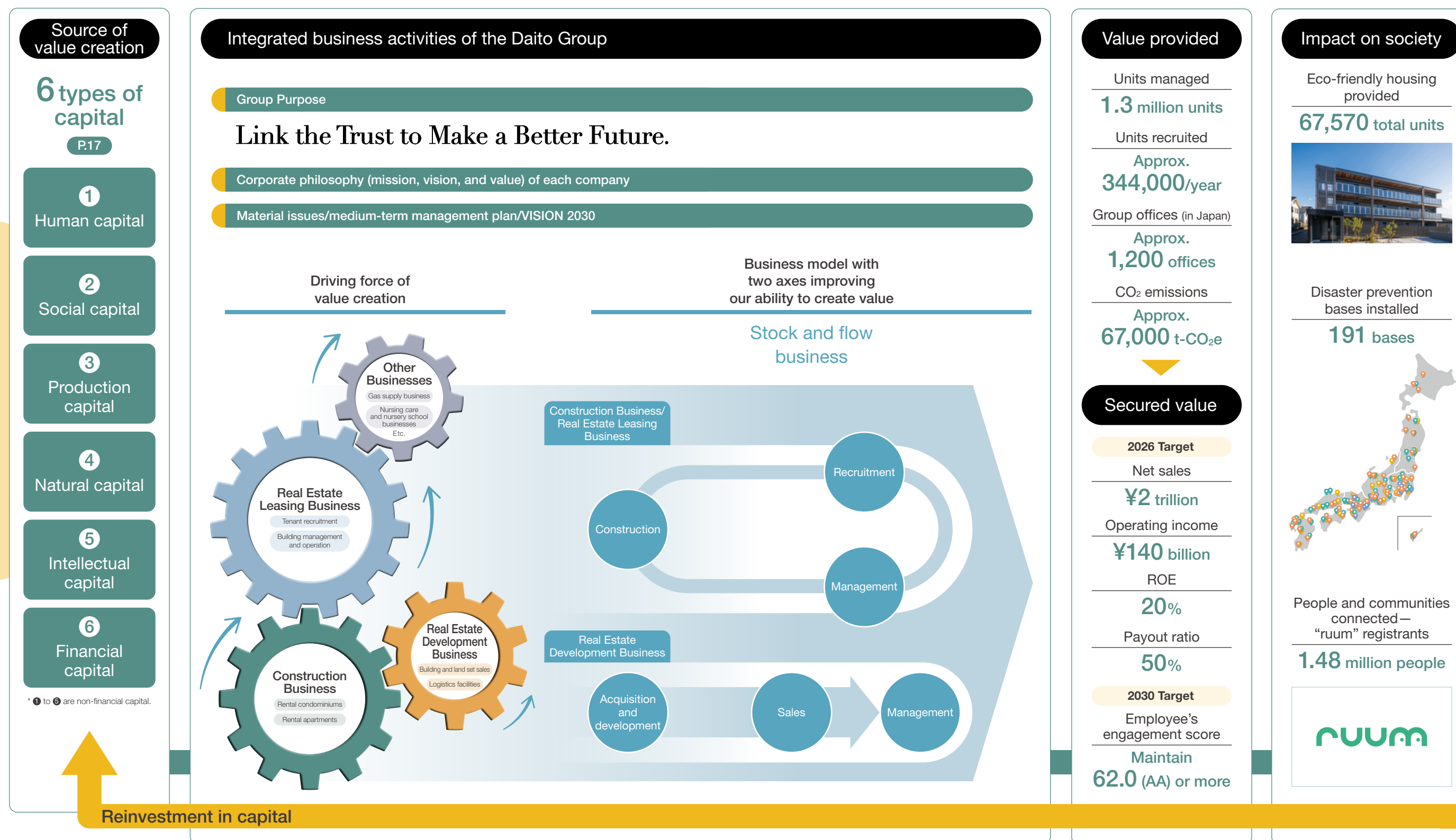
Contributing to society by realizing extensive and effective use of limited land.

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.

Daito Group's Value Creation Process

Through business activities based on the Group Purpose, “Link the Trust to Make a Better Future,” the Daito Group aims to provide value to society and balance solving social issues with the sustainable growth of the Group. By reinvesting the capital gained through our business activities into further growth, we are realizing a virtuous cycle of value creation.



Increasing the Certainty of Achieving Our Vision by Transforming into a Strong Organization Where the Front Line Plays a Leading Role



The front line takes on a leading role, applying a trial-and-error approach, making the decisions, and executing to achieve success.

Top management clearly points the direction and supports the actions on the front line.

If an organization can transform into one where this can be realized, its competitiveness and execution ability will increase, and it will grow into a company that advances to the next round of competition, even in the VUCA era.

I am strongly convinced of this based on my experience on the front line, where I have gone back and forth between success and failure.

TAKEUCHI Kei
Representative Director, CEO

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The Future We Aim for and the Communities We Develop

“Link the Trust to Make a Better Future”—This is the Purpose of the Daito Group and our ambition for the future. The Purpose incorporates the aspirations of the Group’s employees who have worked with us over the years.

Starting from commercial buildings, then shifting to apartments and condominiums, and introducing the Lease Management Trust System through our proprietary whole-building lease system, our business has achieved growth by always understanding the needs of our customers and adapting to the changes of the times. As a business that adapts to the environment and that consistently grasps and responds to social changes, we have opened the path to the future through our business operations by building trust with our customers and by being entrusted by them. The business of the Daito Group, which has evolved along with the times, continues to

revolve around providing buildings—primarily rental housing—that support people’s lives. As our vision for 2030, we have established DAITO Group VISION 2030, expanding the range of value we deliver beyond what it had been, and are now taking on the challenge of “Community development that is unique to the Daito Group: Community and regional revitalization.” Going forward, we will continue to provide value to society and local communities while adapting to and evolving with changes in society.

As our business grows, the responsibilities we must fulfill and the contributions we can make will also increase. We believe that contributing to society and the environment through these business activities will not only support social and environmental progress but will also lead to the growth of both the Company and society.





Human capital management is our cornerstone.

Making a strong organization by “taking a front line-oriented approach.”

My Role in Creating a Company Where the Front Line Plays a Primary Role

I believe the front line is the greatest driving force toward the realization of our Purpose, which is our aspiration toward the future. To this end, we have also set the promotion of human capital management as the cornerstone of the medium-term management plan (FY2024–2026). Why do we place such importance on the front line? The answer to that is related to the career I have followed.

I have worked for Daito Trust for 36 years, beginning as a sales representative in the construction business right after I joined the Company. Although I was demoted along my journey, I was then able to start from scratch to become a branch manager and then a division manager. So that I could leave behind a track record to a certain extent, I moved to the Real Estate Division, where I had no previous experience. Working in areas such as tenant recruitment, in conditions that I had not worked under before, I was eventually entrusted with a top-level position.

Although I was hesitant at the beginning, I went to visit the Real Estate Division. It was an organization of about a thousand with many young employees, where a typical top-down culture was well entrenched. If a top-down organization is in place during the startup phase of launching a business, it can break through barriers and achieve results. However, since the Real Estate Division at that time had achieved a certain scale, it felt the challenges of how to raise the capabilities of human resources and the organization as well as how to get footing back. Because the Real Estate Division could not contribute to profits, it held little promise within the Group and employee motivation waned. I chose not to view this in a negative light, but rather believed it was crucial to stand on our own and changed our direction to one of “generating profits through our own abilities and returning some profits to employees.”

Emulating the business models of hotels, we

adopted a method of raising the occupancy rate per property and thoroughly managed the receipts and expenditures of each outlet according to its profit and loss, thereby raising awareness of profits. Under the belief that this is something we can do on our own, we sought to individualize this for each employee, taking a trial-and-error approach. This has resulted in

significant growth: operating income for the Real Estate Division was ¥22.5 billion in FY2015 and then doubled to ¥44.0 billion over three years; since FY2022, the figure has been over ¥80 billion per year. Witnessing this growth, I learned that when each employee changes their mindset, an organization can become stronger.

Transformation to a Reverse Pyramid-Type Organization by Taking a Front Line-Oriented Approach

From these experiences, what I think is necessary for today’s Daito Group is to transform from a top-down organization to a reverse pyramid-type organization by taking a front line-oriented approach. This is a matter of transforming to a strong organization where every employee can think, make decisions, and take action on the front line. Seeking to become an autonomous organization like this, we have launched the Corporate Characteristics Enhancement Project. As the first step, we drafted the “Action Guidelines Based on the Purpose” over the course of a year so that actions based on the Purpose are implemented in daily work. In drafting this, we benefited from the cooperation of companies with a track record of making major strides on engagement. We took the set of roughly 190 members—including officers, front-line branch managers, and committee chairs—and divided them into several groups, which engaged in heated discussions that lasted a total of 5,000 hours over the course of a year. Lastly, we prepared the Action Guidelines, which revolved around the views of frontline branch managers and section

managers. Rather than having Company officers apply their ideas to the front line, those on the front lines came up with their own ideas, which I think were easier to put into place by everyone involved. As the next step, we will change evaluations and systems to a format that fits an autonomous organization. Finally, we will examine measures from everyone to make this take hold.

Superiors shift from those giving instructions to those providing support and these are the views emerging from the front line during discussions. Up to now, superiors have existed as those giving instructions to the front line. However, from now on, the Daito Group aims to transform to a reverse pyramid-type organization in which employees become the primary players and the management team supports them. To achieve this, superiors must shift their role to that of providing support. When someone becomes a part of management, their mindset might be that they have to give instructions, but if they believe that “managers provide support for achieving results,” their behavior will change.

Promoting Human Capital Management, Which Has Started to Have a Favorable Impact on the Business

The Daito Group promotes human capital management based on the belief that both “ease of work” and “job satisfaction” are essential drivers of our organization. “Ease of work” means creating an environment where everyone can work comfortably and balance their professional and private lives. We are determined to become a company where women can thrive, men can take childcare leave, and nursing care is available as well. Regarding “job satisfaction,” our goal is to ensure that employees feel pride in working at a company that is also valued by society for its contributions to the environment and to society at large. These efforts have been recognized externally, including continuous

certification as a Health & Productivity Management Outstanding Organization (“White 500”) by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi, and, in April 2025, the receipt of the Minister of Land, Infrastructure, Transport and Tourism Award at the Grand Prize for the Global Environment sponsored by Sankei Shimbun Co., Ltd., in recognition of our active engagement in R&D and sales promotion for LCCM* rental complex housing and our contributions to the reduction of greenhouse gas (GHG) emissions.

As the result of these initiatives, we were able to raise our employee engagement score from a mere 54.8 in November 2021 to 63.1 in May 2024 and 65.6

in May 2025. It was such a big rise that a market survey company said it had “not been seen before.” We have been building up measures tied to employee job satisfaction one by one, which has produced results like these in my opinion. Also, as engagement increases, business performance increases in step. Here is an example from the construction business that should be easily understood. In FY2024, the business achieved results above the initial plan, with net income of completed construction contracts increasing 9.9% to ¥540.9 billion and operating income increasing 63.1% to ¥47.1 billion. The operating environment was

characterized by a sharp rise in commodity prices and labor costs, which pushed up construction costs by about 20% over three years, while long-term interest rates rose together with an increase in vacancy rates. While new construction faced a more difficult situation than in the past, the business was able to achieve growth. This was related to improvement in employee engagement in my opinion.

* LCCM housing refers to homes that achieve a negative balance of CO₂ emissions over the entire building life cycle—construction, use, and demolition—by reducing CO₂ emissions at each stage and utilizing the CO₂ reduction effect of energy generation through solar power. “LCCM” is a registered trademark of the Sustainable Building Consortium, and is used by the Company under license.

The Management Strategy that Drives the Daito Group

Although we are a business that adapts to the environment, for nearly 40 years our pillars have been the construction business and the real estate leasing business. However, our investors have increasingly pointed out that “putting all your eggs in one basket won’t get you anywhere.” Because we are aiming to be a 100-year company in the VUCA era, we must increase the business pillars that support the company. This idea lies behind Daito Group VISION 2030. To preserve the Japanese economy amid a declining domestic population plus a low birthrate and aging society, it is necessary to secure the labor force through a variety of methods. For this reason, housing demand for seniors and foreigners is likely to increase. And if we look overseas, we see that although population is growing in North America, housing is in short supply. In light of this social situation, under VISION 2030 we are placing the enhancement of our core businesses at the center, and the future housing demand in places such as the Tokyo metropolitan area has led to our decision to launch a full-scale effort in a new business in real estate development. We are also planning new initiatives aimed at overseas business development.

The real estate development business is showing comparatively solid growth. We are currently developing this business while collaborating with three companies that were recently brought into the Group: INVALANCE Ltd. in 2020, Daito Kentaku Asset Solution Co., Ltd. in 2022, and Ascot Corp. in 2025.

INVALANCE Ltd. specializes in investment condominiums, purchasing land, building condominium structures, and selling one-room type units. Daito Kentaku Asset Solution Co., Ltd. has a similar business model, constructing and selling entire buildings, condominiums, and logistics warehouses, or renovating Daito Trust properties for resale. Ascot Corp. is an urban real estate developer engaged in the condominium sales business.

Working with these Group companies, we will continue to foster the real estate development business as a second pillar as we move toward becoming a 100-year company.

Although this is a business domain the Group has not been involved in up to now, supplying housing has always been at the heart of our business. Without housing—rental or ownership—people cannot live. The axis that our business revolves around is to support people’s lives by supplying buildings that make them feel secure about their housing. This includes, for example, gas supplied by Gaspal Co., Ltd., facilities for seniors provided by Care Partner Co., Ltd., and various other aspects of daily life. This means that the community development we aim for has become an essential element in supporting people’s lifestyles.

Another new business for which we have launched initiatives is business overseas. The current status is that we have gone full speed ahead on overseas expansion and are at the stage of building a track record in renovations. However, we would like to push further ahead in this area by using means such as M&A, focusing on real estate management companies to expand the business. To accelerate our business operations in the United States, we have also entered into a business alliance with Sumitomo Forestry Co., Ltd. This company has extensive experience in this area, with over 70% of its profits coming from overseas. We are seeking new business opportunities in several domains, not just in business overseas, including new product development and commercial sawmill operations of Japanese timber. Through initiatives like these, our business overseas aims to become a world leader in number of units under management and to promote business alliances and new development, while also setting its sights on expansion outside the United States.

Contributing to Community and Regional Revitalization through “Community Development that Is Unique to the Daito Group”

“Community development that is unique to the Daito Group” is described in Daito Group VISION 2030. Amid the long-term decline in population and number of households, our vision is to provide business operations and functions that can potentially resolve issues faced by various regions.

We have launched initiatives to resolve social issues and foster sustainable growth at the same time, and are implementing one example, the Chiba ZEH Town Project. Here, we are collaborating with Chiba City, which was designated as a Decarbonization Leading Area in 2022 by the Ministry of the Environment (MOE). The Company is assigned a role as operator of the Wakaba Ward Zoological Park District, where it provides guidance on community development. Net Zero Energy Houses (ZEHs) focus on detached homes and rental housing but also covers commercial facilities, care facilities, and parks. For rental housing, we provide units built completely to ZEH specifications, and for care facilities, we set up residential facilities for seniors handled by Care Partner Co., Ltd. In addition, we plan on developing parks and commercial facilities. We are also working together with Takaoka City in Toyama Prefecture, where we contributed to community development in the region by building rental housing and day-care nursing facilities, stores, common spaces, and community spaces.

In addition to housing and facilities, I would like to expand the use of the “ruum” platform-type

application, which we developed in 2021 as something useful for daily life. For example, users who want to find a day-care nursing facility can search on the app to find the nearest one, and members can also communicate with each other. We aim to provide a variety of services necessary for daily life on this platform and to make it a community space. The Group currently manages 1.33 million properties throughout Japan and app members have surpassed 1.40 million people. In the past, those who have left Group properties have quit the app as well, but currently anyone who moves into a Group property even once will be able to continue receiving Group services thereafter. As a result, we expect to see the membership increase in the future.

The Daito Group is expanding community development that relates closely to people’s lifestyles in a way that is unique to the Group and is contributing to community and regional revitalization. All the while, it strives to become a company that furnishes social infrastructure capable of responding to these social issues.

What will we accomplish over the next 50 years? With our belief in the power of the front line, and regardless of the outcome in response to the bold challenges there, we have taken up the shared rallying cry this year of “Nice Challenge!”, as the Group pushes forward acting in unity with its eyes set on the future.

*At the same time,
we will achieve future growth
through community development
unique to the Daito Group
and resolve social issues.*



Target Organizational Structure of the Daito Group

We are entering a time of turbulent change in which we do not know what will happen in society.
Because of this, our first goal is to strengthen our Company's composition.

“Link the Trust to Make a Better Future.”

To respond to the future needs of society, we aim to increase the number of employees who can “act based on Purpose” (employees who can think and act proactively).

People who can treat everything as their own responsibility will thrive in future society.
We must create an organization where individuals have opinions based on what they would do if every issue was treated as if it was their issue.



Action Guidelines



In 2024, we launched our Corporate Composition Enhancement Project with frontline employees of Daito Trust Construction, Daito Kentaku Leasing, and Daito Kentaku Partners taking core roles and with the involvement of the management team.

With the intention to “improve the company,” the three core operating companies first formulated Action Guidelines designed to be honest, sincere, and a source of comfort for each employee.

By implementing “thoughts and actions based on Purpose” that are unique to each individual while considering each company's Action Guidelines, we will establish the ideal organizational structure of the Daito Group.

Integrated Business Activities of the Daito Group

Construction Business

Construction of apartments, condominiums, etc.

The Daito Group proposes optimal real estate leasing 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 quality control in tasks ranging from purchasing materials used in construction to design, construction, and inspection at completion.

Real Estate Leasing Business

Brokerage/management of rental properties and rental of real estate

The Daito Group maintains high occupancy rates by providing unique tenant services while conducting tenant recruitment. We not only manage and operate our real estate leasing 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.

Real Estate Development Business

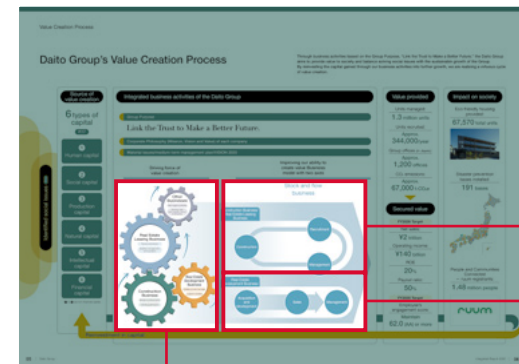
Development of large-scale condominiums and resale of renovated properties

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 launched the purchasing, renovation, and resale business in the United States with the aim of strengthening and expanding our overseas business. In our medium-term management plan that runs through FY2026, we are initially focusing on building a foundation in North America.

Other Businesses

Promotion of business diversification and internationalization

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.



Note: Value Creation Process p. 05

Driving force of value creation



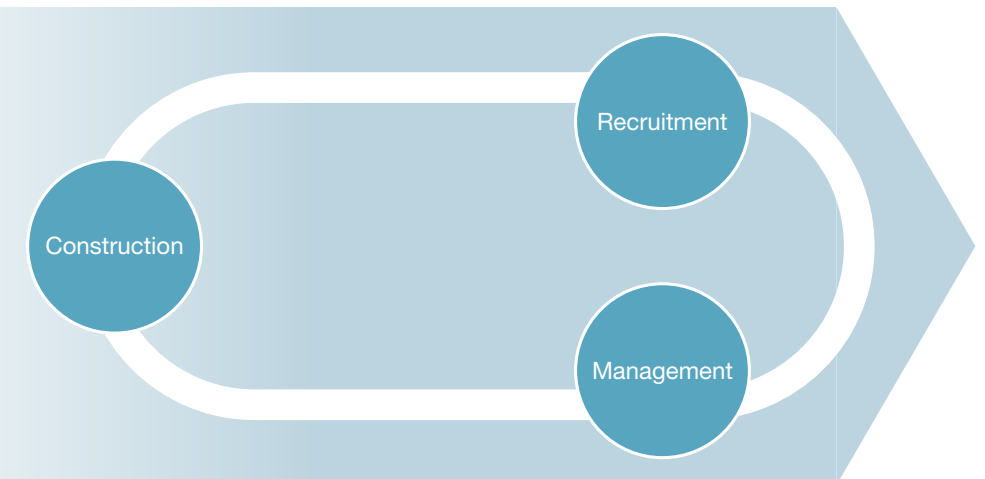
The strength of the Daito Group is that our four businesses link to provide an integrated response in the leasing business, covering construction, recruitment, and management and supporting our customers throughout their lives. Furthermore, by investing the capital from our core businesses built over the past 50 years into our real estate development business, we are increasing our value creation capabilities as well as expanding both revenue and business opportunities.

Business model with two axes improving our ability to create value

Construction Business/ Real Estate Leasing Business

Core business developed over 50 years

In the real estate leasing business which has been in operation for over the past half century, we are managing many buildings that will soon turn 30 years old. The Daito Group has provided integrated services to the individual owners of these properties through our real estate leasing business, which includes planning, proposal, design, construction, recruitment, management, and operation. Moreover, to continue to provide support even after a building has completed its lifecycle, the Group makes appropriate rebuilding proposals to maintain smooth relationships with property owners. Furthermore, by continuing to provide rental housing in the necessary locations, we realize a virtuous cycle of stock and flow, aiming to balance corporate growth with social contribution.



Real Estate Development Business

The two pillars responsible for the future

The Daito Group's corporate philosophy, "Contributing to society by realizing extensive and effective use of limited land," will remain unchanged for the coming 50 years, as we aim to become a 100-year Group. For various reasons, there is land that is unable to be used, or there is no choice but to abandon asset succession in certain cases, meaning there is still plenty of land available for optimal utilization. The Daito Group will leverage our business model that has been developed over 50 years in real estate development to build the second pillar for future corporate growth.



Six Forms of Capital that Act as the Source of Value Creation

1

Human capital



“Promoting human capital management” is an important pillar of the Daito Group’s management, and the Group regards human capital as the cornerstone of sustained corporate growth, building its organization accordingly. To realize our Purpose and furthermore to realize our formula to “maximize the power of every Group employee through ease of work and job satisfaction,” we are enhancing our human resources strategy, diversity, equity, and inclusion, as well as other initiatives, fostering an organization in which diversity is a strength and where a wide range of human resources can be successful. In addition, the Daito Group Human Rights Policy aims to realize respect for the human rights of all our stakeholders.

Number of employees on a consolidated basis

18,814

Percentage of female management personnel

8.9%

Score of employee engagement score

62.8 (AA)

2

Social capital



The Daito Group introduced its unique Lease Management Trust System—which encompasses all aspects of lease management from planning, design, and construction to tenant recruitment services, property management and operation, and business risk management—to provide enhanced support that transforms property owners’ unease into peace of mind. We also work together with local stakeholders to contribute to regional revitalization by gathering tenants for the rental properties provided through the relationships between property owners and the Daito Group and through the Group’s target community development. Furthermore, through mediation between the building construction and the tenants, we improve relationships with partner companies and brokerage companies, leading to mutual corporate growth. Daito Group companies supply LP gas and municipal gas as well as operate nursing care facilities and nursery schools, building relationships with different people through “lifestyle.”

Number of property owners

Approx. 92,000 people

Number of tenants

Approx. 2.29 million people

“ruum” registrants

Approx. 1.48 million people

3

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.

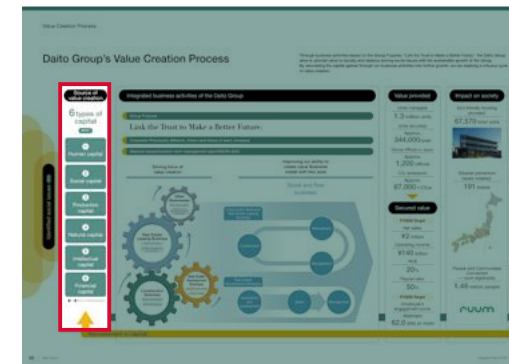
Number of Daito Group offices (in Japan)

Approx. 1,200 locations

Number of design and construction partner companies

10,948 companies

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 the environment.



Note: Value Creation Process p. 05

4

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 the 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.

Percentage of sustainable wood procurement

96.9%

Percentage of domestically produced lumber (of structural materials)

9.0%

Greenhouse gas emissions (Scope 1 + 2)

Approx. 67,000 t-CO₂e

5

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,” a disaster preparedness research initiative that serves as a platform for connecting people and communities, 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

Furthermore, 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 4,533 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.

*As of May 31, 2025

6

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.

ROE

21.5%

Debt-to-equity ratio

0.26

Equity ratio

38.3%

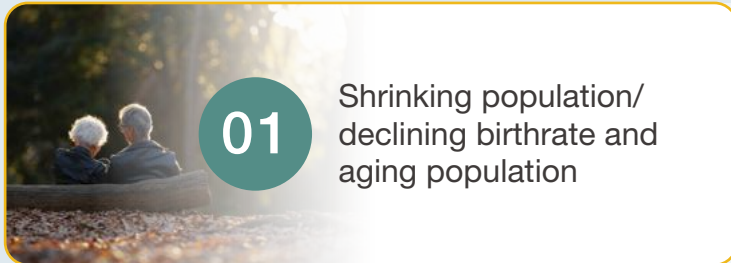
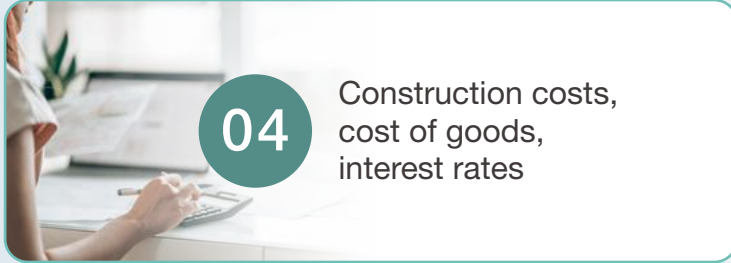
Issuer rating

A

Recognized Social Issues (Risks and Opportunities)

External environment surrounding the Company

The Daito Group analyzes five 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 risks and opportunities and taking measures accordingly. The work is conducted at the Sustainability Promotion Meeting and is reflected when reviewing material issues. The Board of Directors conducts further analysis and evaluations in cases where risks emerge that could affect the formulation of the medium-term management plan and vision or that have particularly serious financial or strategic implications.

			Risks	Opportunities
	The trend is expected to keep decreasing, with a birthrate of 1.20 in 2023 marking an eight-year decline The percentage of seniors is approaching 30%		• Oversupply, increase in vacancy rates • Decrease in labor force • Decrease in rental demand • Population distortion in urban areas • Inheritance	• Increase in demand for nursing care business • Increase in demand for services for seniors • Extended employment periods • Taking on the challenge of overseas businesses
	The reduction in working hours is accelerating due to laws and regulations Since the COVID-19 pandemic, work styles have been diversified (telework and remote meetings)		• Reduced business hours • Shortage of skilled workers • Extended construction times • Soaring labor unit costs • Fewer means of logistics	• Improving business efficiency • Promoting digitalization • Pursuit of workplace comfort and job satisfaction
	Expanding demand for smart housing Changing levels of lifestyle satisfaction		• Diversification of products, low-profit high-volume sales • Reduced opportunities for face-to-face communication	• Increase in digital demand • Improving individual capabilities • Improving service provision quality
	Since the COVID-19 pandemic and wood shock, base costs and labor costs continue to rise		• Decrease in construction sentiment • Stricter lending • Lower gross profit margins	• Increase in demand for value-added products • Differentiating from competitors • Strengthening sales abilities
	The impact of greenhouse gas emission reductions is flat The frequency of natural disasters is rapidly rising Emergencies have become the norm Expanding demand for biodiversity responses		• Normalization of natural disasters • Response to environmental regulations • Demand for environmentally conscious management • Insufficient resources for information disclosure	• Increase in demand for ZEH rental housing • Participating in the energy business • Selling renewable energy • Selling carbon credits

* Analysis of risks and opportunities based on the framework of the Task Force on Climate-related Financial Disclosures (TCFD) is disclosed in detail in the Securities Report.

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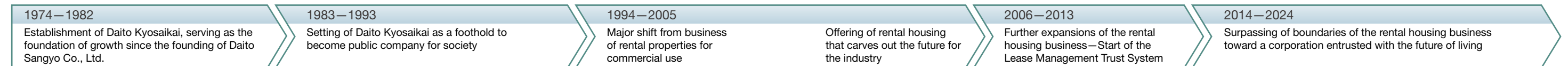
A Daito Group History of Value Created

While adjusting to the changes of the times, the Daito Group has grown by building relationships of trust, being close at hand to provide long-term, secure, safe, and stable operational support for issues facing owners that relate to land utilization and asset succession. We will continue to transcend the framework of the rental housing business, supporting people's lives and contributing to community and regional revitalization through ideal community-building.

Global trends

- 1974** ■ Production Green Space Act established
- 1980** ■ Agricultural Land Use Promotion Act established
- 1991** ■ Economic bubble collapsed
- 1992** ■ Production Green Space Act revised and enforced
- 1995** ■ Great Hanshin Awaji Earthquake
- 2004** ■ Ordinance for the Prevention of Residential Rental Disputes in Tokyo enforced
- 2006** ■ Insurance Business Act revised and enforced
- 2008** ■ Global financial crisis
- 2011** ■ Great East Japan Earthquake
- 2015** ■ Inheritance Tax Law revised
- 2016** ■ Negative interest rates introduced
- 2019** ■ Consumption tax raised to 10%
- 2020** ■ COVID-19 pandemic spread ■ Subleasing regulations enforced
- 2021** ■ Wood shock (Supply shortage of timber)
- 2022** ■ Invasion of Ukraine

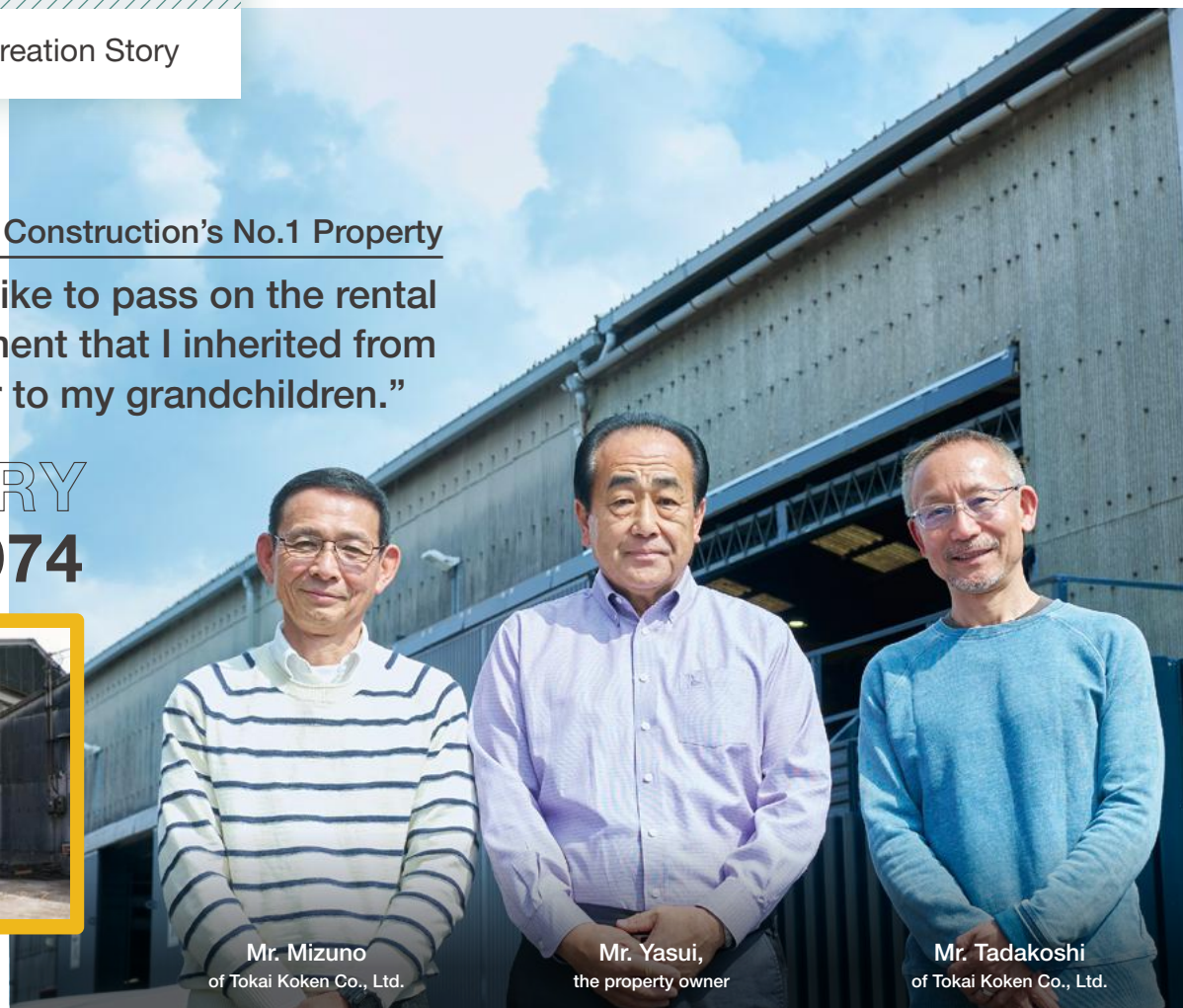
Evolution of the Daito Group and Changes in Rental Housing Units Under Management



Daito Trust Construction's No.1 Property

"I would like to pass on the rental management that I inherited from my father to my grandchildren."

STORY
SINCE 1974



Mr. Mizuno
of Tokai Koken Co., Ltd.

Mr. Yasui,
the property owner

Mr. Tadakoshi
of Tokai Koken Co., Ltd.

We Are Grateful for the Commitment Shown to the Daito Group Since We Were Founded

When switching from farmland to rental management, inheritance tax becomes a major issue

The first rental management contract received by Katsumi Tada, the founder of Daito Trust Construction, came from Mr. Yasui's father.

"I remember Mr. Tada very clearly from when I was a student in middle school. I did not know what conversations he had with my father, but he came every day to visit us in our fields. I got the impression that he was a person who really did come often." Mr. Yasui recalled that time with a smile.

Mr. Yasui's father started to develop an interest in land utilization and rental management, which was related to his bitter experience when he inherited land from his own father.

Mr. Yasui conjectures, "We had been farmers for generations, but my grandfather explained that it would be difficult to put food on our own table if we stayed in the farming business, so we should switch to land utilization. When the farm got passed down and the inheritance took place, a much larger inheritance tax than we had imagined was imposed. It was then that my father started to

consider the matter seriously."

He continued, "I remembered that by incurring such a large inheritance tax, we had to sell some valuable land to pay the tax. After that, I started to think about rental management myself as an inheritance measure. Thanks to this, we were able to keep the land and buildings when concluding my parents' inheritance. Today, I am thankful to Mr. Tada and my father."

A suitable partner in apartment management who can be consulted right away

"It was my first rental management, and I was right to ask Daito Trust for help. Prior to this, commercial buildings constructed by other companies had been excluded, so we managed them ourselves. There were many difficult matters, and it was extremely helpful that we could hand them over," said Mr. Yasui. "This was also helpful because we could educate sales personnel on our worries and things we did not understand."

On the other hand, the owner of Property No. 1 also had some concerns. We were told, "Property No. 1 had been occupied for a long time by Tokai Koken. Because we did

the maintenance ourselves, we did not think it was ideal to have a building that had stood for over 50 years. However, because we had other buildings in our portfolio, what we paid attention to was the way it would be used in the future."

A proposal that meets the aims of rental management and the needs of the time

The Daito Group's approach toward rental management varies according to its purpose. Approaches vary such as expecting profits after the loan is paid off and seeking to rebuild in anticipation of taxes falling due to depreciation. Under these circumstances, Mr. Yasui explains, "Because a primary purpose is to serve as a countermeasure to the inheritance tax, even if profits do fall, I believe we can make adept use of certain things right now and at the least maintain the asset over the long term. For this reason, rental properties for commercial use are not just for reworking our branch network. Rather, in my opinion, if a building still has some use left in it, we must control our investments so that we can still earn profits on it."

Even for apartment buildings, we received opinions that it would be nice to have proposals that can preserve the value of the building rather than "rents fall because the building was built many years ago."

As someone who would like to leave rental property to

his grandchildren's generation through Daito Trust, whom he can entrust with peace of mind over the long term, Mr. Yasui has this to say about the rental management support from us: "Amid the good relations of my father's generation, I listened to what was said by various members and received tons of cooperation, which made us who we are today. If I didn't try my hand at land utilization, there are many things I wouldn't know, but it helps to leave things up to Daito Trust. I believe there would be mutual benefits within this good relationship if things work out." He also mentioned that the key points for utilizing land are to have thorough discussions with the sales representative, to think things through all the way, and to start with everything fully understood.

Lastly, we at the Daito Group asked about future land utilization. Mr. Yasui told us, "Our land utilization methods are roughly divided in two. One method involves building rental properties while borrowing funds, whereas the other method is to clear the position by selling the property. However, because we can part with a property at any time, I would like to pass it on to my sons and grandchildren. My first grandchild is one and a half years old, so it would be good to link that far. In that sense, you can rest easily if it's Daito Trust Construction at the helm." Mr. Yasui, who aims for a rental management linked to the future, places great importance on connecting to people.

The Importance of Relationships with Property Owners and Neighborly Relations

Tokai Koken Co., Ltd. has moved into Daito Trust's Property No.1. This is a conversation with Mr. Tadakoshi and Mr. Mizuno from the company.

"Since the founder of our company was a war veteran, we heard the story many times of how he barely made it out alive from the battlefield. Having survived the war by mere fate, he had a spirit that seemed willing to do anything. Above all, he loved being No. 1. He died a few decades ago at the age of 93 and used to say with joy, 'I was the first to sign a contract with Daito Trust.'"

After that, the building was remodeled when the current CEO succeeded him in office. He said, "Although it is a building from 50 years ago, there is no damage as of late and the external appearance has not changed in my opinion. Nevertheless, a complete check was made for damaged sections and renewal work was done, which was praised by employees and customers alike." The property owner, Mr. Yasui, was pleased by this.

"There are obstacles to touching up a rental property, but I am grateful that Mr. Yasui seems to be giving his willing consent if it's Tokai Koken. The

relationship with Mr. Yasui is like this, but the relationship with Mr. Kondo is also important. Every morning, I pick up around the site, and people around the neighborhood speak up to say they value good neighborhood relationships. For property owners, for Daito Trust, and for us as well, building good human relationships is recognized as a way to enter into win-win relationships."

He explained the reasoning behind remaining tenants for so long. "The Company holds an M Grade certification from the Ministry of Land, Infrastructure, Transport, and Tourism for its ability to handle the production of a wide variety of steel frames for structures such as mid- to high-rise buildings. Many players in the industry who hold the same qualifications have moved to the outskirts of urban areas, and it is rare to have a company like Daito Trust inside the city of Nagoya. This site is close to our suppliers and other partners, and this is an attractive point for doing business."

Regarding the management of Daito Trust, Mr. Yasui went on to say, "If something happens, I feel they will come right away and very quickly. Names are often mentioned in our industry too. From time to time, I will notice it's a property managed by Daito Trust."

New Challenges as a Group toward the Realization of VISION 2030

The medium-term management plan for FY2024–2026 is positioned as “new challenges as a Group” toward the realization of VISION 2030. We will promote community development unique to Daito Group, supported by the pillars of three key strategies, leading to VISION 2030. In this chapter, we will introduce the results and issues of the plan’s first fiscal year, as well as our direction for future challenges.



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”). VISION 2030 aims to expand the scope of our core businesses and organically connect them with peripheral businesses, and to promote initiatives to resolve 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)

Material Issues

In 2021, the Daito Group identified its material Issues that must be addressed. The 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	Environment  1	Society  2	Talent/ Organization  3	Corporate governance  4
	Taking action on climate risk through business activities	Contributing to a society where no one is left behind	Instilling a corporate culture where everyone can grow and take on challenges	Building an industry-leading governance structure
KPI	(1) Greenhouse gas emissions reduction rate (2) Rate of renewable energy use (3) Energy efficiency (4) Amount of renewable energy supplied in-house	(1) Number of regions in which community contribution activities are conducted (2) Number of project partnerships with municipalities	(1) Employee engagement score (2) Percentage of female management personnel (3) Percentage of male employees taking childcare leave (4) Number of DX Silver certified employees (internal system)	(1) Number of serious compliance violations (2) Penetration rate of compliance efforts (3) Percentage of female directors
2030 targets	(1) 55% reduction (Scope 1 + 2, 3)* (2) 60% (3) 2x* (4) 40,000MWh	(1) 47 prefectures (2) 30 projects	(1) 62.0 (AA) or above (2) 13% (3) 100% (4) 800 employees	(1) 0 cases (2) 95% or above (3) 30%
FY2024 results	(1) Scope 1 + 2 reduced by 25.4%* Scope 3 reduced by 50.3%* (2) 34% (3) 1.18 times (4) 13,498 MWh	(1) 28 prefectures (2) 25 projects	(1) 62.8 (AA) (2) 8.9% (3) 100% (4) 145 employees	(1) 0 cases (2) 91.9% (3) 15.3%

* Compared with FY2017

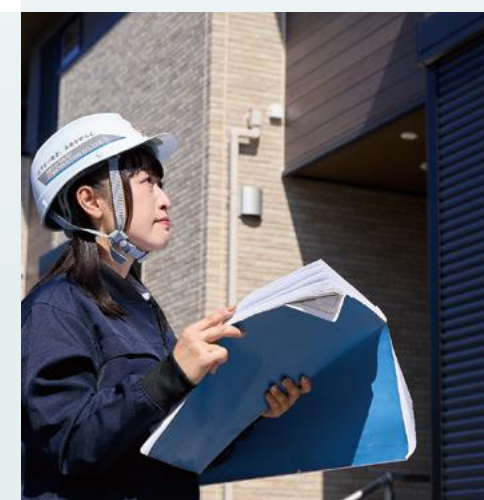
Business-Related Material Issues			
Material issues	Land/Assets  5	Rental housing  6	Living/Lifestyles  7
	Supporting the most effective use of land and assets	Improving asset value while also resolving social issues	Improving convenience of living and neighborhoods
KPI	(1) Number of members of the Asset Transformation comprehensive asset service platform (2) Asset Transformation contract rate	(1) Provision rate of ZEH rental housing (2) Number of existing buildings converted to ZEH	(1) Number of members of platform services useful for their everyday lives (2) Number of core facilities of DK Future Circle
2030 targets	(1) 82,000 members (2) 12.8%	(1) 100% (2) Formulation of ZEH standards for existing buildings	(1) 4 million people (2) 10 facilities
FY2024 results	(1) 4,746 members (2) 0.73%	(1) 80.0% (2) Under discussion	(1) 1.48 million people (2) 0 facilities



Medium-Term Management Plan Three Pillars

The power of employees, a strong core business,
and taking on the challenges of new business domains.

In these times when the future is uncertain, it will not be easy to realize community and regional revitalization through community development “unique” to the Daito Group. However, we will continue to strengthen our existing businesses, and take on challenges in new fields toward the realization of our vision. What we must do to execute all this is to refine the “power of talent.” This is the Daito Group way of thinking.



01

Promote Human
Capital Management

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02

Establish a Strong
Core Business

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03

Tackle Focus Areas of
the Medium-Term
Management Plan

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Medium-Term Management Plan (FY2024–2026)

This medium-term plan is positioned as “new challenges as a Group” toward the realization of Daito Group VISION 2030, with important measures set as three pillars of the plan. By promoting community development unique to the Daito Group, through initiatives for the growth of our employees and core businesses, we will proceed to the realization of VISION 2030 while raising corporate value.

01

Promote Human Capital Management

P.31

Overview of the Plan

- Granting Restricted Stock to Employees (Job Satisfaction)**
The Daito Group will grant to all Group employees restricted stock that is set to have its restrictions removed in the last year of the medium-term management plan. The Group will balance Company and employee growth.
- Promoting SDGs and Resolving Social Issues (Job Satisfaction)**
The Daito Group's initiatives toward resolving environmental and social issues that involve our businesses surrounding its business will transform into job satisfaction for our employees.
- Developing a Work Environment Where Everyone Can Thrive (Ease of Work)**
By continuous promoting the development of a pleasant work environment, we aspire to have a workplace where diverse talents will work with vitality.

Promotions and Future Initiatives

- Through granting of restricted stock, increased participation in the Employees Shareholding Association from 69% to 93%.
- Set Action Guidelines to realize thoughts and actions based on our Purpose. The Daito Group will work for the penetration of these guidelines to promote autonomous action by our employees, linking together employee and corporate growth.
- Began operation of the Asago Biomass Power Plant, toward making all power used in our business activities renewable energy.
- Implemented an award system to put a spotlight on employees' actions.
- The Daito Group will create a pleasant work environment for employees, without restrictions on time or place, through the development of DX talent and utilization of DX.

02

Establish a Strong Core Business

P.35

Overview of the Plan

- Responding to Major Social Changes**
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 in response to the shortage of construction engineers, aiming to expand construction volumes and control rising engineering costs while doing away with excessive or wasteful construction.
- A Virtuous Cycle from Stock to Flow**
Taking advantage of Daito Group's extensive stock to establish an ecosystem by proposing the rebuilding of properties that have been in use for many years.

Promotions and Future Initiatives

- Maintain high occupancy rates by re-examining sales prices in light of the state of inflation, and ensuring balance of earnings and expenses in the rental business. Aim for expanded orders by shifting our area of operations to central areas.
- Through the equalization of construction volumes, the amount of construction per project manager has increased 7.4% compared to the previous year. The Daito Group will continue equalization efforts, to build a construction system that can respond to an increase in order volumes.
- The rebuilding rate of Daito Group properties was 8.6%. By maintaining a high occupancy rate and implementing building management that leads to improvement in business prices, the Group will implement proposals for continuation of entrusted management and rebuilding to owners of aging buildings.

03

Tackle Focus Areas of the Medium-Term Management Plan

P.41

Overview of the Plan

- Expanding Real Estate Development Business**
The Daito Group will expand the scope of its core businesses by investing in renovation and resale, and expanding its real estate development business, which will temporarily possess land and buildings then sell them after completion of those projects.
- Taking on Challenges Overseas**
Aiming to be the world's largest property management company, the Daito Group is first starting with purchasing, renovating, and reselling in the North American market.
- Community Development through DK Future Circle**
The Daito Group will contribute to the revitalization of communities by organically linking the value it provides.

Promotions and Future Initiatives

- Ascot Corp., with strengths in the capital region, joins the Daito Group. the Group aims to expand its business domain by creating synergy with the three companies of the real estate development group—INVALANCE. Ltd., Daito Kentaku Asset Solution Co., Ltd., and Ascot Corp.
- The renovation and resale of two properties in the United States have been completed. The Daito Group will coordinate with local companies to enter the building management field.
- The Daito Group has begun community development projects with the local governments of Chiba City and Takaoka City. The Group aspires to promote talks with local governments to expand its community development area.

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

Financial targets In the final 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.

Medium-Term Management Plan (FY2024–2026) Policies		
Targets for FY2026		
Financials	Equity ratio	35% or above
	Debt-to-equity ratio	0.3 or below
	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%
Shareholder returns	Acquisition of treasury stock	Implementation on a flexible basis (to be determined on a single-fiscal-year basis)

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

KPIs	Reasons for selection	FY2024 (results)	FY2026 (targets)	FY2030 (targets)
Employee engagement score	Comprehensive indicator for employees' ease of work and job satisfaction	62.8 (AA)	62.0 (AA) or above	
Percentage of female management personnel	Key indicator for ease of work	8.9%	10.0%	13.0%
Number of project partnerships with municipalities	Indicator for VISION 2030 promotion	25 projects	10 projects	30 projects
Greenhouse gas emissions reduction rate (Scope 1+2, compared with FY2017)	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	15.4%	20.0%	30.0%

Next Thoughts and Actions for Realization of the Vision

✓

Work for penetration of the Action Guidelines, review the assessment system that values actual performance, and promote human capital management

Along with working for penetration of the Action Guidelines that is imbued with thoughts and beliefs of the front line, it is necessary to make changes to the system and assessment in order for all employees to put them into effect.
The Daito Group will build an environment where all employees can freely express their abilities, by following the Action Guidelines and acting autonomously, while adding evaluation to the management that will support this.

✓

Reexamine the growth plan for the real estate development business, and proactively invest both domestically and internationally

Along with subdividing the real estate development business from four businesses to seven, and setting strategy for each area, the Daito Group will attempt accelerated growth, increasing the amount of real estate development business investment from ¥100.0 billion at the time the medium-term management plan was set to ¥280.0 billion.

✓

Increase the scope of community development that resolves the issues of each community, through stronger ties with local governments

In order to contribute to the solution of issues in each community, cooperation with local governments is essential. Using its community development currently underway in Chiba City and Takaoka City as a model, the Daito Group will expand the scope of its community development, with repeated discussions with other local governments.



Maximize the Power of All Group Employees

Since its founding, the Daito Group has recognized “maximizing the power of employees” to be the driving force behind enhancing corporate value, and it has grown through maximum application of the potential of its employee talent. In the medium-term management plan, we identify human capital management as our cornerstone and endeavor to create an environment where our diverse talent can thrive. By striving for both “ease of work” and “job satisfaction,” we aim to enhance our corporate value and realize sustainable growth by drawing upon the power of each and every employee.

Preserving a High Level of Employee Engagement

Since FY2021, we have been conducting employee engagement surveys at the Company and the Group companies. The results of these surveys were set as KPIs linked to material issues, the medium-term management plan, officer remuneration, and management strategy and are being used toward visualization of human capital and continuous improvement.

Results of the “Employee engagement survey”^{*1} (2030 target: Maintain at 62.0 [AA] or higher.)

Engagement score	Nov. 2021 (Round 1)	Nov. 2024 (Round 7)	May 2025 (Round 8)
Group ^{*2}	54.8 (BB)	62.8 (AA)	65.6 (AA)
Daito Trust Construction Co., Ltd.	53.8 (BB)	64.2 (AA)	66.7 (AA)
Daito Kentaku Leasing Co., Ltd.	54.2 (BB)	65.5 (AA)	67.7 (AAA)
Daito Kentaku Partners Co., Ltd.	57.8 (BBB)	61.0 (AA)	63.8 (AA)

^{*1} This 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.

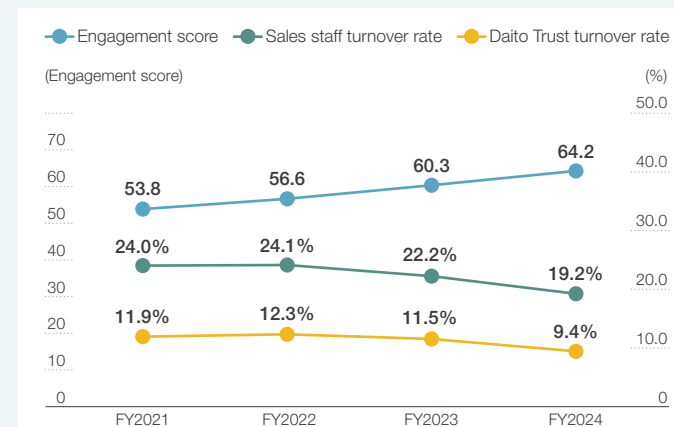
^{*2} The three major companies in the Lease Management Trust System that anchors the Group's core businesses (Daito Trust Construction Co., Ltd.; Daito Kentaku Partners Co., Ltd.; and Daito Kentaku Leasing Co., Ltd.)

Factors for Improving the Engagement Score

Improving ease of work and job satisfaction via a robust relationship of trust between the Company and employees

- Granting restricted stock units to employees
- Outside commendations for initiatives to promote environmental and social sustainable contribution activities and to promote and expand LCCM rental housing including the Minister of Land, Infrastructure, Transportation and Tourism Award at the Grand Prize for the Local Environment Awards
- Creating a working environment where diverse talent can exercise their abilities over the long term
- Providing growth opportunities by enhancing the career support system
- Direct explanation of management policies to all employees at the Management Plan Briefing
- Joint drafting of the Action Guidelines by frontline employees and top management

Relationship between engagement and turnover rate at Daito Trust



Expectation level and satisfaction are on an upward trend with particularly high evaluations for working environment, penetration of the philosophy, business details, and human resources.

We have made significant improvement in reducing the percentage of low-scoring organizations by extracting issues from these organizations and getting support from Group departments. This indicates a recovery in employee's trust toward the Company, which we see as having an impact on lowering the turnover rate. We will continually address the balance between improving engagement and securing good business performance and believe that a virtuous cycle has arisen between improving employees' desire to take on challenges and ensuring good business performance.



The Management Plan Briefing

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. Starting in 1985, the event was expanded in scale as the Management Plan Briefing, an in-house event attended by all employees.

The briefing continues to be held face to face, which highlights the management team's desire to approach each of its employees directly and convey the management plan with enthusiasm, similar to the face-to-face meetings with customers that have always been important to the us. This initiative to directly discuss the fiscal year's targets while facing all employees, while rare for Japan, is an important part of a culture to support the Group's growth.

In April 2025, we held the briefing in four cities across the country over seven days. In addition to the Group's management plan, we presented the Corporate Characteristics Enhancement Project and the new Action Guidelines. On the briefing days, employees who personify the Action Guidelines called “Purpose Ambassadors,” were recognized and presented awards by type of work, which turned the event into a venue for employee awareness and extolling good conduct.

Corporate Characteristics Enhancement Project (Frontline Employees × Management: Purpose Dissemination Project)

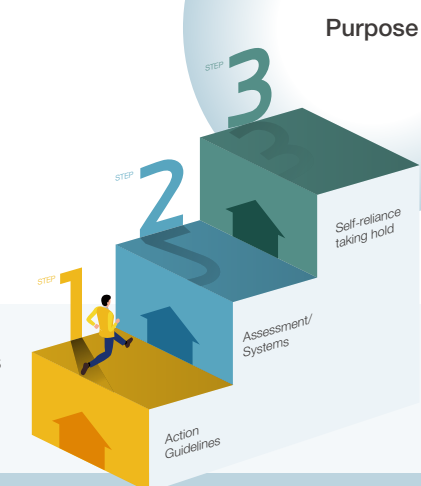
To realize sustainable growth in the VUCA era of drastic change, we launched the Corporate Characteristics Enhancement Project in FY2024. To increase organizational flexibility and autonomy, we are following a plan to convert from a traditional, top-down organizational model to a reverse pyramid-type organization in which individual employees think for themselves and take action (think and act).

The project has the goal of actualizing the Group Purpose and resulted in the formulation of the Action Guidelines among the three major companies—Daito Trust Construction Co., Ltd., Daito Kentaku Partners Co., Ltd., and Daito Kentaku Leasing Co., Ltd.—through cooperation between frontline employees and top management. We believe that proactive employee action leads to stronger organizational characteristics and enhanced corporate value.



Members of the Corporate Characteristics Enhancement Project

The formulation of the Action Guidelines is, at its utmost, nothing more than an entry point to organizational reform. So that all employees can think and act toward our Purpose, it is essential to review not only the Action Guidelines but also the workings of the entire Company, including performance appraisal and system design. In order to move forward to the next step, including system reform, we are nourishing a culture that supports employees in their independence.



Participating in the Project Is a Privilege

In discussions with other branches and people in other types of work, the feeling increased of “wanting to make the company better.” I am grateful that I could participate in the Corporate Characteristics Enhancement Project and relish the valuable time that I was able to spend there. Looking ahead, I am confident that the Company's significant growth will continue!



MUTA Kazuma
Daito Trust Construction Co., Ltd.
Kagoshima Branch,
Construction Division

One Team DAITO!

I was allowed to participate in a project in which all members had passion, strength, and vision. Throughout our discussions from various angles and perspectives, we kept in mind the goal of creating content that would make people think, “I want to keep working at Daito Trust!” I believe that the Daito Trust Group will continue to evolve in the years ahead!

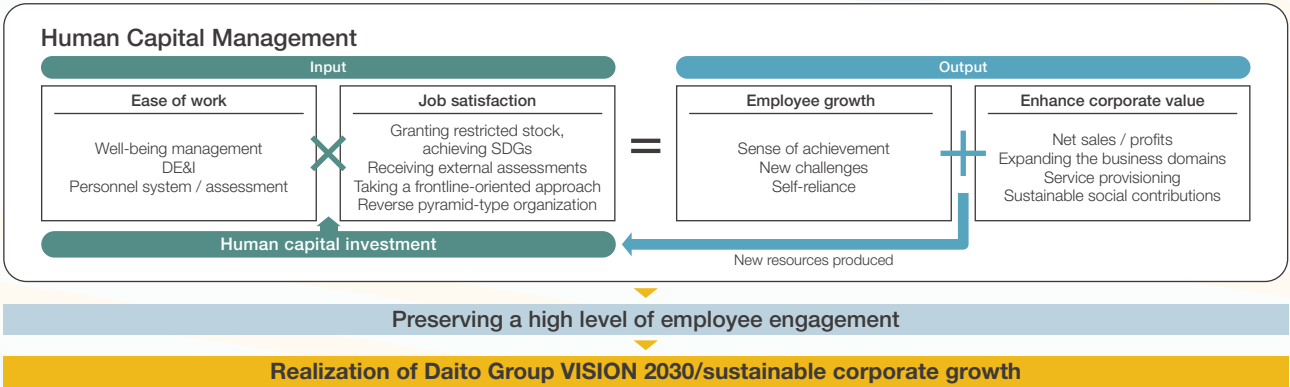
SHIMIZU Yutaro

Daito Trust Construction Co., Ltd.
Tokyo Branch for Distribution Development
Corporate Sales Manager



Strategy

Achieving both “ease of work” and “job satisfaction”—the pillars of human capital management at the Daito Group—while enabling employee growth and enhancing corporate value will produce new resources that will be reinvested in human capital. This is how we support sustainable employee growth. We aim to exploit the virtuous cycle of human capital to realize VISION 2030 and sustainable corporate growth.



Creating an Environment Where Everyone Can Thrive



YUNOME Yukari
Daito Trust Construction Co., Ltd.
Executive Officer,
General Manager of Human
Resource Headquarters

01 Diversity, Equity, and Inclusion (DE&I)

As General Manager of Human Resource Headquarters, I am working to create a workplace where everyone finds it easy to work and can feel a sense of fulfillment. When I first joined the Company, the culture was very “old-fashioned,” emphasizing perseverance and spirit, and there were challenges in terms of work comfort. Over the past decade, however, the Company has changed significantly. We have been promoting reforms in mindset and corporate culture through measures such as mandatory paternity leave for male employees and the inclusion of “ease of work” in branch office evaluation systems. Since FY2021, we have introduced the Female Employee Development Program to systematically promote women to management positions, with the goal of achieving a 13% ratio of female managers across the Group* by 2030 (8.9% as of FY2024). I am particularly pleased to see more female employees who now feel, “I can do it too,” as we nurture supportive leadership.

Promotion of Female Managers to Management Due to the Female Employee Development Program and the Effects

An increase in female managers will lead to a wider range of proposals from a female perspective, including those for improving operations, business strategies, and service delivery. This not only creates a more comfortable work environment for women but is also expected to generate innovative ideas across various fields. The promotion of women to management is recognized as a key initiative that enhances the sustainability of the Daito Group, and we will continue our efforts toward achieving this goal.

* The three major companies in the Lease Management Trust System in charge of the Group's core businesses (Daito Trust Construction Co., Ltd.; Daito Kentaku Partners Co., Ltd.; and Daito Kentaku Leasing Co., Ltd.)

02 Support for Career Self-Reliance

To increase employee job satisfaction, the Group is bolstering career support. We have prepared a talent development program that defines the image of the organization we aim to become and promotes the development of people and a corporate culture that can adapt to a changing environment to realize the Group Purpose.

HIRAKU New Business Proposal System

To further realize human capital management and to develop the talent that will shoulder the task of management in the future, in 2025 we launched the HIRAKU new business proposal system that updates our challenge system, including internal ventures. HIRAKU offers hands-on study and creates an environment where the challenge of business development can be addressed. Employees who participate, come with a variety of motivations including wanting to use the opportunity to solve work-related problems, wanting to show their children how they can take on challenges while balancing childcare, and wanting to take on new challenges in response to changes in their life stages.



Improving Ease of Work and Job Satisfaction through the Resolution of Social Issues

Aiming to realize a sustainable society through business, we recognize initiatives toward environmental problems and disaster prevention as important management concerns for a corporation and have undertaken proactive measures to resolve social issues. This is in line with our goal to be a corporation that is needed and indispensable to society.

01 Initiatives on Climate Change

In order to achieve both the solution of environmental issues and the generation of profits at the same time, we are actively promoting the sale of ZEH and LCCM* rental housing as steps toward the reduction of greenhouse gas emissions. Since FY2023, we have participated in a biomass development business with an eye on achieving RE100. In FY2025, we acquired our second biomass electric power generation station and started supplying renewable energy to Group facilities throughout Japan.

* LCCM housing refers to homes that achieve a negative balance of CO₂ emissions over the entire building life cycle—construction, use, and demolition—by reducing CO₂ emissions at each stage and utilizing the CO₂ reduction effect of energy generation through solar power. “LCCM” is a registered trademark of the Sustainable Building Consortium, and is used by the Company under license.

Cumulative Total of Contracted Units of ZEH and LCCM Rental Housing Tops 120,000

At the end of FY2024, total contracted units of ZEH had topped 120,000 with the cumulative total of completed units at 67,570. We aim for totals of 160,000 units in FY2025 and 400,000 units by 2030. Up to now, the Company has established standards for ZEH and LCCM rental housing, and has actively proposed and supplied these housing types. The asset values of buildings with ZEH certification do not fall very easily, so this standards initiative is essential for the Company to preserve property owners' assets. Furthermore, tenants can contribute to the solution of environmental issues through their lifestyles. In standardizing ZEH rental housing, the Company recognizes that it can increase and preserve its advantage over others in tackling environmental issues together with its customers.

ZEH/LCCM Rental Housing: Targets and Results

	FY2024 results		2030 target	
	Units supplied	Percentage supplied	Units supplied	Percentage supplied
LCCM rental housing	528	1.2%	2,364	5%
ZEH rental housing (solar panels installed)	11,647	27.6%	26,004	55%
ZEH rental housing (solar panels not installed)	21,700	51.2%	18,912	40%
Percentage of all units supplied	—	80.0%	—	100%

02 Biodiversity Initiatives

As a corporation that supplies wood-framed rental housing nationwide, the Daito Group views the preservation of biodiversity as a major social responsibility and management challenge.

Regarding the supply chain, we are promoting financially sound transactions through use of sustainability after establishing eco-friendly provisions in the Sustainable Procurement Guidelines and are engaged in due diligence of wood products as a step toward zero forest destruction based on the Wood Procurement Guidelines. As a result, for FY2024 we have achieved a 96.9% sustainable wood procurement ratio.

We also devised Meguru Tomarigi, a concept for the outward appearance of buildings designed to respect the ecosystem in various regions throughout the country. Our aim is to form a network connecting regions to greenery through such measures as keeping the native species percentage at 50% or greater and providing locations that a diverse set of living organisms can inhabit, even on small sites.



03 Disaster Prevention Initiatives

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.” It is engaged in local disaster prevention activities and community revitalization.

In FY2024, we entered into disaster agreements with local municipalities and neighborhood councils at 14 locations across the country concerning goods supply and infrastructure provisioning. Since FY2019, we have expanded the number of local entities with whom we have signed such an agreement to a cumulative total of 33 locations.



* For details on initiatives related to human capital management and the environment, please refer to the Securities Report and the Sustainability Book or visit the Company's website.

Purpose Ambassadors Roundtable

The frontline talks: Group collaboration now and in the years ahead



Shown from the left

AMAMIYA Takeshi

Daito Trust
Construction Co. Ltd.
Yokohama Construction
Division
Construction

HAYASHI Emiko

Daito Kentaku
Partners Co., Ltd.
Ome Office
Operations

TANAKA Yudai

Daito Kentaku
Partners Co., Ltd.
Yokkaichi Office
Management

TAKAHASHI Yumi

Daito Kentaku
Leasing Co., Ltd.
Kitakami Branch
Brokerage

MINAKOSHI Takuma

Daito Trust
Construction Co. Ltd.
Shiga Branch
Sales

*As of September 30, 2025

The Daito Group has raised the theme of “New challenges as a Group” in its medium-term management plan (FY2024–2026).

We spoke with employees working on the front lines at Daito Trust Construction (sales and construction), Daito Kentaku Partners (property management and operations), and Daito Kentaku Leasing (brokerage)—companies that support the Group’s core rental housing business. They shared their perspectives on the current state of cross-Group collaboration, the challenges they see, and their outlook for the future.

What are Purpose Ambassadors?

In FY2024, the Daito Group launched an initiative to recognize and award by job type the employees who personify the Group Purpose of “Link the Trust to Make a Better Future” in their daily work.

In FY2025, the Group recognized 56 employees putting the Purpose into practice based on the Action Guidelines at three companies— Daito Trust Construction Co., Ltd.; Daito Kentaku Partners Co., Ltd.; and Daito Kentaku Leasing Co., Ltd.



Please start by describing your work history before the Daito Group and your reasons for joining your company.

Minakoshi After working in a brokerage of a real estate company and in sales for steel-frame construction sites and roof painting, I joined Daito Trust Construction in 2012. I now have 13 years of history at the Company. My No.1 reason for joining the Company was my belief that I could take on challenges in sales that can only be found at a large company the size of Daito Trust. However, once I started working, I encountered proposals I had not experienced before in the tens of millions of yen, or even hundreds of millions, and felt from the start that “these are tough” and not something I could expect to bring together easily. It took a full 11 months before my first contract came in, and yet I was not stymied along the way—thanks to the support I received at the time from my branch manager, the direct supervisor of my organization, and my colleagues who supported me and kept watch over how far I could go.

Amamiya After I left college, I went to work for a homebuilder and started as a person responsible for construction. I worked there for 21 years. It has now been nine years since I joined Daito Trust Construction, and the deciding factor behind me changing jobs was that I felt I had done all that I could in construction management at a homebuilder. As the next step, I wanted the experience in construction management at a large company like Daito Trust.

Tanaka When I was a student, my ambition was to become an instructor. I worked as a high school teacher, but chose to follow a different path after one year. The thing that I envisioned was so much different, so I reassessed the future. While thinking that among the things that are necessary for people—clothing, food, and housing—my top interest lay in housing, I looked at a job search website and came across a listing from Daito Kentaku Partners. I had the feeling that I was being left behind by the world, so for five years I have been engaged in a job where I get to study everything in the world around me.

Hayashi I was among the sixth cohort of new graduates joining Daito Kentaku Partners. I have been a member of the front office staff with such duties as serving clients, preparing documents, and accounting. For nine years, each day has passed as if we were in a ship amid the waves. Sometimes

it’s the constant changes in how the company does its work or in related laws, other times it’s my personal experience with raising a family. At my work settings up to now, if someone is noticed to be struggling with their work, others will come forward to say something, in an atmosphere where a single accomplishment has been accomplished by everyone. I believe I have been able to continue working due to the very existence of a system that provides follow-up on people returning from maternity leave or childcare leave.

Takahashi I was in the Architecture Department in college and developed an interest in housing while learning about buildings. However, I was better suited for rental sales than for building work. After examining various alternatives, I took a job at Daito Trust Construction in 2009. About 10 years ago, I went through the experience of maternity leave and childcare leave and after returning to work following a three-year leave, I became part of the Daito Kentaku Leasing organization, which had been created while I was away. My branch at that time was all women. Some of us were mothers raising children, and there was an atmosphere of “we’ll all join in to give it our best,” which allowed me to overcome the day-to-day challenges of learning my work all over again.



How do each of you understand your own role in the Daito Group’s business?

Minakoshi The Daito Group caters to property owners who manage rental housing, handling a full suite of services from the construction of apartment and condominium buildings to maintenance management to tenant recruitment and follow-up. I believe that a sales representative at Daito Trust Construction, who is involved with the property owner from

the very start, should be an all-around liaison who can be consulted about anything. Property owners have a wide range of worries including operating funds, taxes, construction, and leasing operations. What would be ideal is the presence of someone they could talk to freely if something is worrying them and who is connected to the

02 Establish a Strong Core Business

right specialists inside and outside the Group.

Tanaka The customers of Daito Kentaku Partners, which is responsible for maintenance management of rental properties, consist of both property owners and tenants, and we also aspire to be the most reliable presence for property owners. Because these property owners' routine point of contact is often someone at Daito Kentaku Partners, we should be sure that we provide thorough responses to their detailed issues in maintenance management. For tenants, the main thing is to respond to equipment defects or malfunctions affecting their daily lives. We should respond quickly with attention to every detail and keep in mind that we should never let tenants' concerns get too big.

Hayashi At Daito Kentaku Partners, we have set up a dedicated phone line for communications with property owners, and recognize the importance of having those who staff the front desk dispatch property owners' requests quickly and reliably to frontline staff on the ground. Even if we can set things up correctly, property owners may be left dissatisfied. Therefore, we must listen attentively to what

the property owners have to say, which I see as our major role. For tenants, we now have set up a call center, which has reduced matters requiring an immediate response. We are in charge of handling inquiries coming from an app, and it is important to respond promptly to these as well. At my sales office, we work hard to turn these inquiries around in five minutes or less and to resolve issues on the same day as much as possible. At times, a letter with a word of thanks will come in from a property owner or a tenant, which is encouraging.

Takahashi The most important role of Daito Kentaku Leasing is, of course, to find tenants quickly for a property owner's rental property, sometimes as soon as one day. Apartment hunters today will not just visit real estate companies for all units. Some will routinely contact our Company after first getting various information from the internet. Because basic information such as the layout can be acquired this way, we work hard to talk about their specific image of their new lifestyle such as "which furniture to place in which area." For the properties introduced by our company, we also describe the 24-hour support from our fellow Group company, Daito Kentaku Partners. There have been more than a few cases when this has proven to be the decisive factor behind the selection. One major sales point we use is, "If it's an apartment from the Daito Group, you can rest assured."

Amamiya Because I am a construction management representative, my primary involvement with the Group's leasing business lasts from specific construction plans to the start of construction and then later to the handover. As each property owner has their own style of ideas, we meet with them in person before the start of construction and ask a lot about what they want. We strive to deliver work that allows our sales representatives to proudly declare, "It was good that you entrusted this to our company." Building trust at this early stage should have the positive effect of building a warm, long-term relationship with the property owner.

Q Could you describe the actual issues and future possibilities for collaboration between your three Group companies, as felt in your day-to-day work?

Tanaka What I still remember at the fifth anniversary of my joining and what I initially felt upon my joining was that despite all the talk explaining the importance of the three-company collaboration, barriers between companies were still substantial. When construction issues occurred and responses shifted to Daito Trust's Construction Division, those of us responsible for management were out of touch and unaware of what had happened. The lack of cross-company information-sharing became a concern, including scheduling conflicts between our restoration work during the period of February to April, when tenant turnover is most concentrated, and the tenant acceptance schedule set by Daito Kentaku Leasing. This led to much confusion.



We currently have a manual prepared, and I believe its dissemination among employees will reduce problems. As of late, the barriers are likely of my doing, I believe, so I have been asking the frontline workers transferred to the Construction Division to let me accompany them as well. And so, human relationships are deepening, technical expertise is growing, and our ability to take action within Daito Kentaku Partners is being augmented, without going as far as asking for help from the Construction Division.

Amamiya As the scale of the companies increased and new companies proceed to become part of the Group, the barriers by job type and company will likely give rise to harmful effects. At the homebuilder where I previously worked, the maintenance division, whose role was close to that of Daito Kentaku Partners, and the Construction Division worked on the same floor in an environment where they could consult right away, even on minor concerns. If we worked as next-door neighbors with Daito Kentaku Partners, collaboration would be a lot easier, I feel.

Hayashi As Mr. Tanaka was saying, it's important to broaden what we can do without imposing limits on ourselves. For example, for matters such as changing the name of the property owner recorded on documents, rather than simply asking the Daito Trust sales representative, having someone work in advance to compile and hand over the information we obtain will make future interactions smoother, allowing customer confidence to flourish. I believe matters of this sort are being handled by someone entrusted with this task at branches and sales offices throughout Japan. It follows that there should be a platform to enable information exchange within the Group, not just for company officers, but also at the individual contributor level.

Takahashi For Daito Kentaku Leasing, which handles tenant recruitment, it would be helpful if sales representatives could communicate to us via Microsoft Teams or similar means which geographical areas they are focusing on. This information would assist us in making future recruitment plans. I sometimes call the Construction Division and ask whether they might have some information that would be decisive for customers who are worried about moving into a property. This is because I started out at Daito Trust Construction and have a long work history there. So, I don't feel there are so many barriers between companies. It would be good to have a Group platform where anyone can freely ask questions about things they want to know, and someone from the department directly in charge can answer them.

Minakoshi I also believe in the importance of exchanging and sharing information within the Group. While there is a bulletin board on the company's internal network, finding the information you want can be difficult at times, and it's not a rare occurrence that you can't access that information due to restrictions based on such factors as job title. I have reflected on the state of the front lines and believe it would be good to have information-sharing systems that are a little more user-friendly. In addition to that, as Mr. Tanaka stated a little bit ago, coming along to the construction site is a really good idea. By having someone at Daito Kentaku Partners go with us to the front lines and engage in various conversations, there is much for a sales representative like me to learn from them. Right now, the entity with the lightest involvement in sales is Daito Kentaku Leasing, but if they could explain to us the characteristics of prospective tenants that vary by region, I believe it would make us a lot more persuasive in making proposals to property owners.

Tanaka The importance of the three-company collaboration is that everybody understands in their own way, yet it feels like there is a difference in degree in whether or not people transfer this understanding to their behavior. By acting proactively, we can often bring joy to customers and proceed smoothly with our work, and by disseminating examples of this within the Group, there will be more employees who think, "I will give it a try myself," won't there? I moved to Yokkaichi Branch six months ago and knew absolutely nothing about this region. To deepen my understanding of the area, I had various interviews with sales representatives of Daito Trust Construction. This allowed me to begin serving customers more smoothly. I hope I can share little insights like these with everyone in the Group, plus my hands-on experience with success.

Hayashi Along these lines, I have also felt that understanding based on what other Group companies can do is important. Daito Kentaku Partners receives various inquiries from property owners and tenants. However, between my vague response of, "I'll check on that," and responding similarly while thinking this is something to ask of the Construction Division, there is a big difference between the certainty of my words and the speed of the subsequent response. I believe the accumulation of forward-looking actions enhances Daito Group collaboration, and will lead to enhancing customers' sense of assurance and satisfaction.



A Virtuous Cycle from Stock to Flow

The Daito Group has over 1.3 million rental housing units under management nationwide, and the number of residences that are more than 30 years old will increase going forward. We will maintain an optimal balance between healthy leasing business management for property owners and revenue for the Group, even after high-quality buildings are completed, and taking advantage of our extensive stock, we will establish an internal ecosystem by proposing the repair and rebuilding of properties that have been in use for many years.

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.

Supplied
per year
40,000
units

Real Estate Leasing Business

Contracted for management



By taking on management of our Lease Management Trust System and dealing with balance fluctuation risk in addition to maintenance, rent, and contract management of buildings entrusted to us by landowners, the Daito Group supports long-term stable lease management and provides tenants with a safe and comfortable living environment.

No. of units
managed
1.32
million units*

*Including commercial use

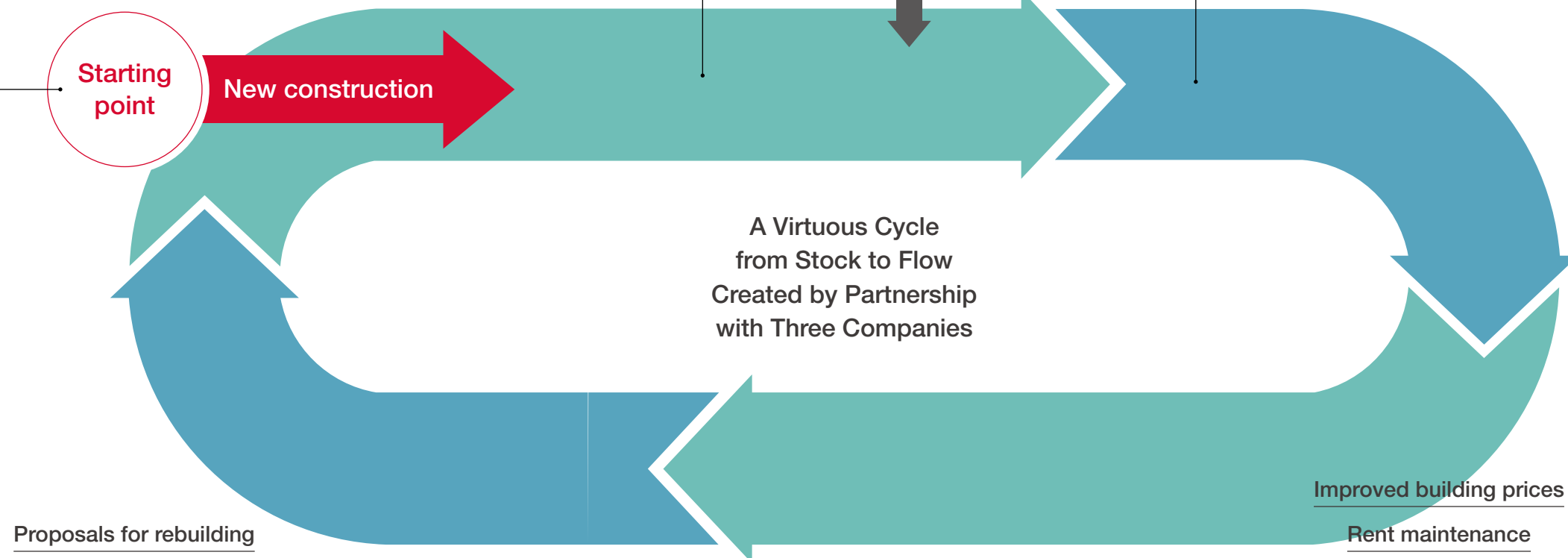
Tenant recruitment



Taking on the apartment-finding services of the Lease Management Trust System, Daito Group will collect detailed information on environment, convenience, and the residences and lifestyles of each community, proposing the optimal residences to those looking for apartments. Along with tenant recruitment, we will maintain a high occupancy rate by providing unique services to tenants.

No. of
recruitment
cases
340,000
cases

Buildings constructed by other companies



A Virtuous Cycle
from Stock to Flow
Created by Partnership
with Three Companies

Improved building prices

Rent maintenance

Proposals for rebuilding

The capital created
by our core businesses
will go to the real estate
development business
investment

P.43

Stable and sustainable
cash creation
by our core businesses
will be possible

Rebuilding by the Daito Group with aging/rental business proposal/
design/construction and recruitment/building management
Daito Group's rental business will cover everything from proposal,
design and construction to recruitment and building management,
with aging buildings rebuilt by the Group.
We will be able to be with customers every step of the way.

Enhancing and Strengthening the Real Estate Development Business

AMANO Yutaka

Director,
Senior Executive Officer
General Manager of
Business Development
Headquarters

Becoming a New Business Pillar, Supporting Group Expansion and Growth

The Real Estate Development Business: From M&A to Full-Scale Operations

I began focusing on the real estate development business because I believed that, in Japan where the population and number of households are declining, it would become difficult for our construction and real estate leasing businesses to achieve sustainable growth. In 2019, I assumed the position as head of the business strategy office, which seeks out growth possibilities for the Group, where I took on a variety of challenges directed at creating new business. This did not lead to results, however. Eventually, I came to realize that suddenly taking on new businesses with little relevance to our core operations was not going so well, so I turned my attention to the real estate development business. From acquiring a site to erecting a building, the business is not significantly different from our traditional core business, and although sales expertise is necessary, I started out with the full confidence we could enter the market.

The Group has delineated a growth strategy using fields close to the core business and businesses that leverage the Company's strengths, but we manage our businesses with few of our own assets, so progress didn't go smoothly. When we embarked on

the real estate development business, some expressed the view that "it would be difficult to assess the quality of potential sites," but I continued with my proposal, believing that we could make use of the experience we had cultivated in the rental housing business. What spurred a breakout from this standstill was welcoming INVALANCE Ltd. to the Group. While we had difficulties in receiving orders for rental housing in urban areas, we realized that by focusing on the 23 wards of "inner Tokyo," we could employ a business model in which we acquire land and construct rental-condominiums and apartment buildings, sell the units to investors in the form of condominiums, solicit rental tenants, and then return profits to investors. I clearly felt that this model would be an effective one for the Tokyo area and saw this as a major turning point. Also, before INVALANCE Ltd. was added to the Group, Daito Trust established a company called Daito Kentaku Asset Solution Co., Ltd. to develop real estate on a national scale with a primary focus on rental condominiums and apartments. In parallel with supporting INVALANCE Ltd., Daito Kentaku Asset Solution Co., Ltd. has strengthened its staff lineup by such steps as scouting people experienced in real estate development. These actions have led to greater-than-expected profits. The

timing of attaining these results overlapped with the formulation of the Daito Group VISION 2030, which allowed the real estate development business to move full speed ahead. This was the moment when my proposal was accepted by the Company.

FY2024: A Year of Healthy Growth in Business Performance

In FY2024, INVALANCE Ltd. increased profits to record highs after riding out the hard times of the COVID-19 period, and Daito Kentaku Asset Solution Co., Ltd. had solid growth in business performance. In line with my belief that a higher growth rate should be demanded from the real estate development business than for the core businesses, I think that what matters more than a single year's results is the seeds of growth leading to the future, which I feel are too few. FY2024 was also a year in which we reinforced our business structure by welcoming Ascot Corp., a developer of condominiums and commercial facilities in the Kanto region (mainly Tokyo and its three neighboring prefectures), into the Group in March 2025. We must augment our organizational strength and solidify the purchase and sale of sites, along with the supporting framework.

In addition to strengthening the framework, I am fixated on greater efficiency in our business operations. The population decline in Japan is not only showing up in the number of customers; it is also having a huge impact on securing people who can carry out the Company's business including in sales and construction. For this very reason, the real estate development business must use its capital with greater care and apply it as a lever for making the business one that excels in profitability. In entrusted construction, net sales per salesperson is around ¥100 million, but the real estate development business targets ¥500 million. In order that this business becomes the Company's second pillar, I will remain fixated on growth rates.

To raise the growth rate, it is essential that we exercise synergies through collaboration between Daito Kentaku Asset Solution Co., Ltd., which we launched on our own, and INVALANCE Ltd. and Ascot Corp., which were added to the Group. In addition to having creditworthiness on the scale of large corporate groups and improving the fund procurement efficiency of its individual companies, the Daito Group is generating synergies in which its over 90,000 existing property owners join the customer base of INVALANCE Ltd. and Ascot Corp. Thus, when we attained various results in FY2024, it became a year in which the likelihood rose of adding a second pillar.

The Real Estate Development Business: A New Pillar Based on Our Purpose

The future vision of the real estate development business imagines having the business grow into a presence that overtakes our existing core businesses by 2030, including by building a track record overseas. Another goal is to be added to the "major seven" big companies in the Japanese real estate development sector. To achieve this, it is crucial to broaden our domestic foundation and expand our overseas business. The growth of vacant homes is becoming a social problem in Japan. Meanwhile, there are many regions overseas, including the United States, that suffer from a shortage of housing.

I believe we need not only to promote the business, but also to expand the set of talented employees directly responsible for the work, by making full use of the Group's 18,000 employees. By expanding our business domains, including real estate development and overseas expansion, we can expand the newly active domains for the Group's human capital and also find a new place where employees can thrive. This will all lead to opportunities for career growth I would like this to be linked to, and to create the links, for broadening the platform from which a variety of people can take on challenges on a variety of matters.

Our Group targets a business model depicted by a virtuous cycle of sustainable growth that runs on both stock and flow. In real estate development, the development part is the "flow" and rental management the "stock," and big results can be earned by running the business on these two wheels in complement. Furthermore, we aim to expand the business domain of the "stock" business into asset management over the medium to long term. Moreover, because "Link the Trust to Make a Better Future." is our Purpose, even in the real estate development business, we do not simply sell properties and move on. Instead, we aim to provide the infrastructure that supports daily life by maintaining proper management, contributing to community development, and continuing to engage with local communities.

Strengthening and Expanding the Real Estate Development Business

Capital created by our core businesses P.39

Investment

Daito Trust aims to expand revenue for the real estate development business by reorganizing four of its businesses into seven, ensuring real estate sales and stock by a synergy of the Group companies and a detailed strategy for each business.

Real Estate Development Business

Seven Businesses Following Reorganization

Residences

- 1 Purchase, renovation, and resale
- 2 Single building
- 3 Condominium

4 Healthcare

5 Hotels

6 Facilities development such as distribution warehouses

7 Revenue-generation real estate held

1 Purchase, renovation, and resale

Development and encouragement in major markets nationwide along with strengthening of buying properties managed by other companies by buying, renovating and reselling as a core business



After



2 Single building



3 Condominium

4 Healthcare



6 Facilities development such as distribution warehouses



5 Hotels



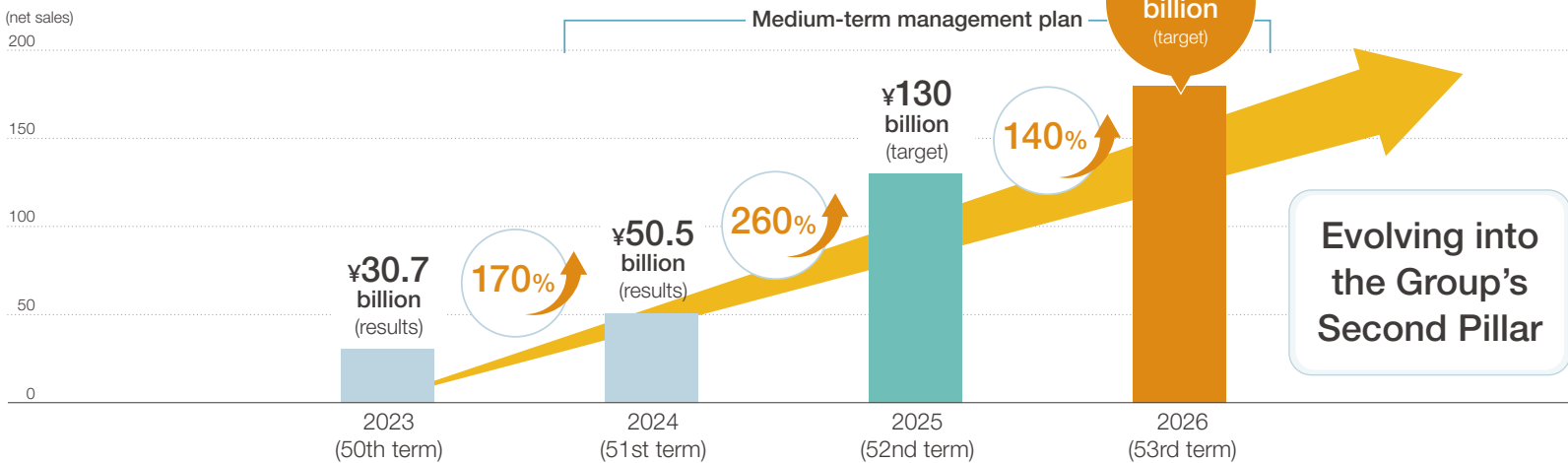
Vision of the Real Estate Development Business

Leveraging the capital created by the core businesses to make real estate development the second pillar of the Daito Group

2026
Sales
¥180 billion

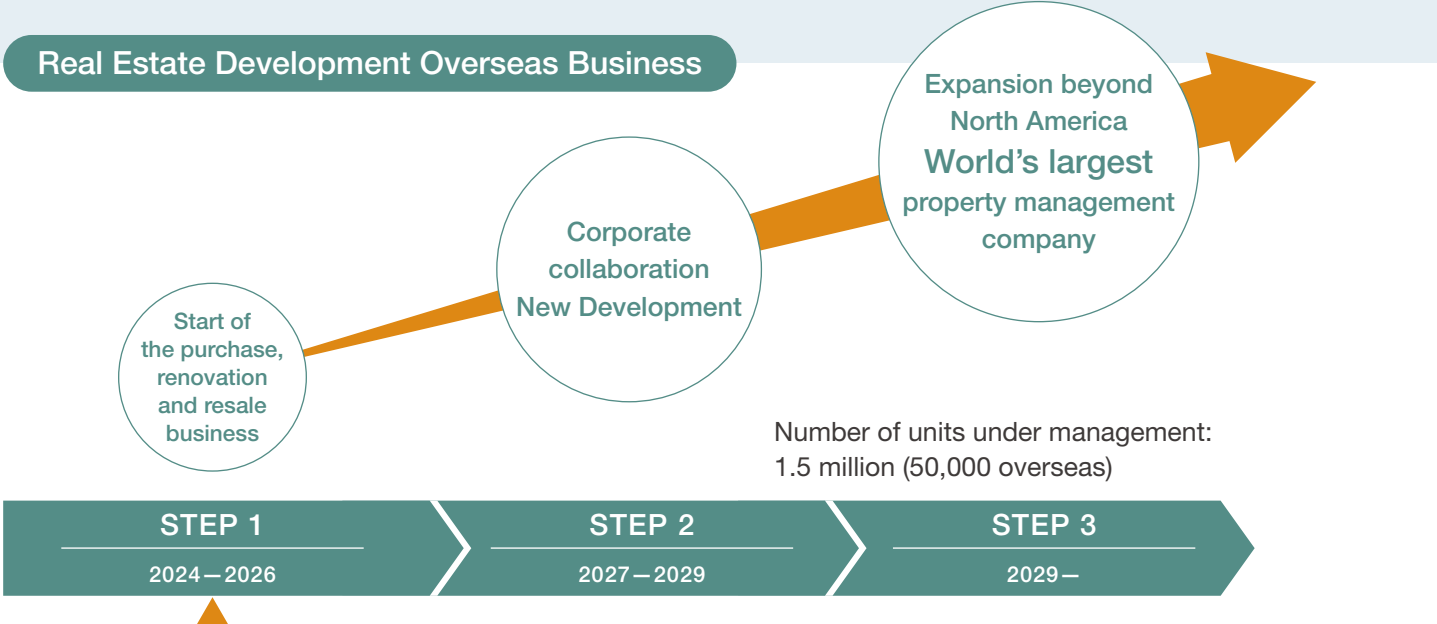
For the real estate development business, the Daito Group focuses on growth rate, aiming for sales of ¥180 billion by 2026. To achieve this target, it is absolutely necessary to have synergy between the real estate development business companies Daito Kentaku Asset Solution Co., Ltd., INVALANCE Ltd., and Ascot Corp.

Also, the renovation and resale business will be developed not just domestically, but also overseas. Starting with North America, where demand for residences is rising, we will attempt expansion into other countries, as well, growing the real estate development business into the second pillar of the Daito Group.



Evolving into the Group's Second Pillar

Challenging to Become the World's Largest Property Management Company



Starting the Purchase, Renovation, and Resale Business in North America

Aiming to become the world's largest property management company, the Daito Group began its challenge for overseas business in 2024. Aiming to achieve our goal of being the world's largest property management company by 2029, the Daito Group began first by purchasing, renovating, and reselling revenue-generating real estate in the North American market, with following plans for working on corporate collaboration and new development, and then expanding to other countries as we accumulate actual results.

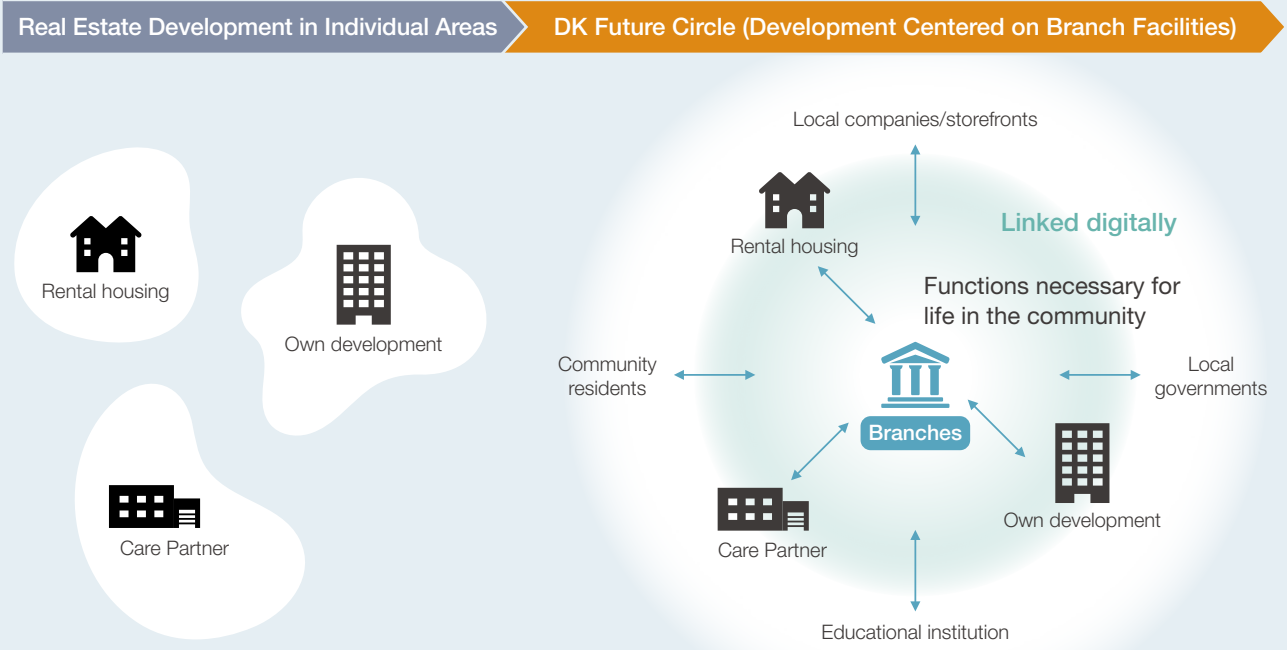
For FY2024, we have already completed the renovation and sale of one unit. We have opened a local branch, smoothly transitioning to purchasing. It was a good first year start toward achieving our goal of being the world's largest property management company.



Development of a DK Future Circle

For community development unique to the Daito Group, we held multiple discussions with local governments in FY2024, and are proceeding with community development in two locations. Utilizing Daito Group's ZEH rental housing know-how, we have partnered with Chiba City and are proceeding with a ZEH town concept.

The ZEH Town Project with Chiba City is partnering with companies in other industries and institutes of higher learning, and this development is a first step, taken with many stakeholders, toward sustainable community development.



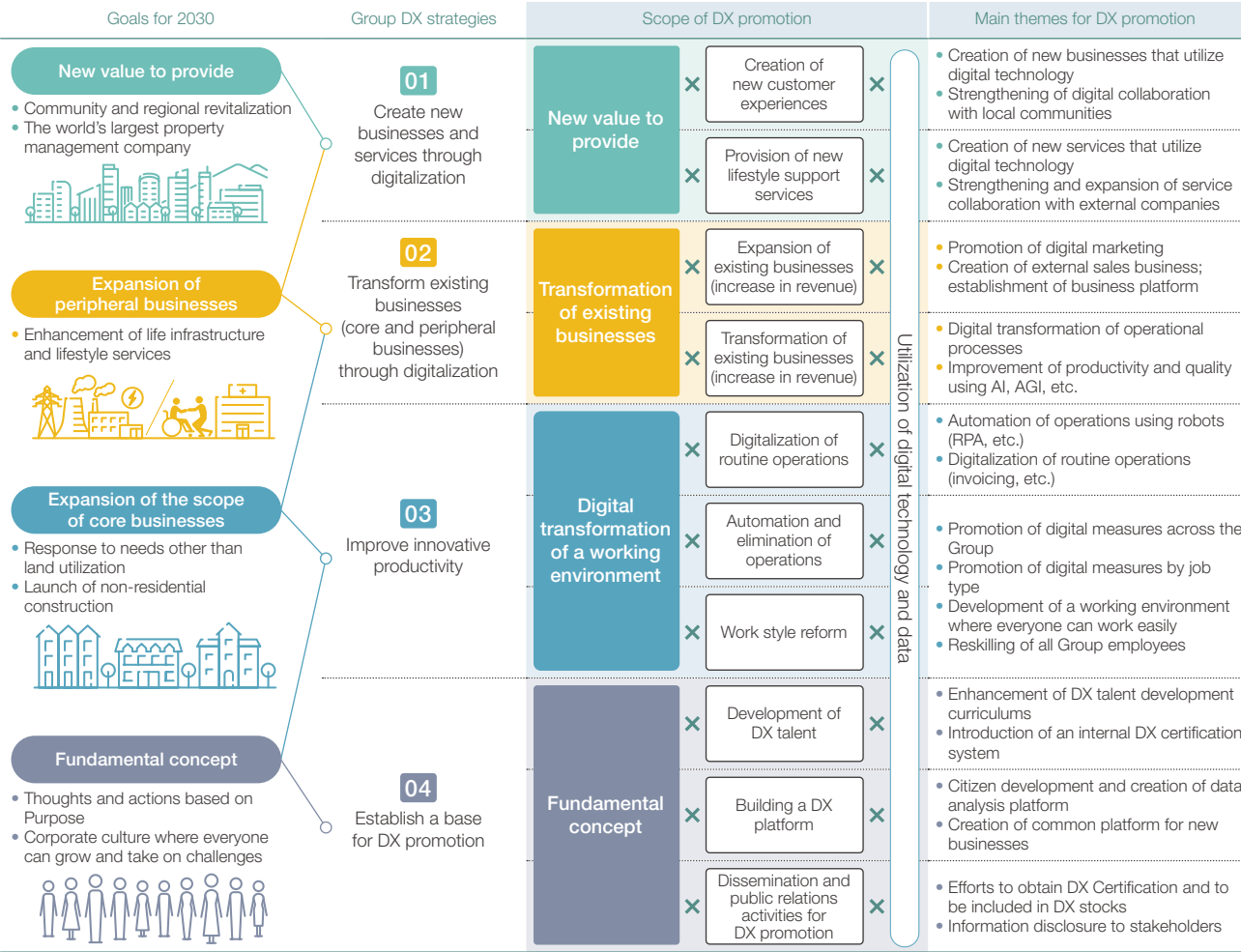
Projects in Progress

Starting in FY2024, we launched two projects: the Chiba City ZEH Town Concept, which aims to create a sustainable community by leveraging our expertise in ZEH rental housing, and the Takaoka City, Toyama Prefecture Community Development Concept, which seeks to revitalize the region and address local issues through collaboration with residents, companies, municipalities, and educational institutions. These projects are now in progress, with community openings planned for 2029 and 2027, respectively. In addition, together with various stakeholders, we are planning sustainable community development initiatives in multiple areas.



At the Daito Group, we have formulated Daito Group VISION 2030, based on our Purpose, to represent where we want to be in 2030. To realize this vision, the Daito Group has adopted the following for policies in our DX strategies.

Daito Group DX Strategies and Main Themes for DX Promotion



01 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.

Electronic Construction Management System

The Daito Group is developing "TAKUMI Builders Connect," a service platform for external sales with an electronic ordering system that was developed in-house.

02 Transform existing businesses through digitalization

Through proactive use of AI, and a review of the scope and methods of data and digital technology use, we will realize a process transformation in existing (core and peripheral) businesses, and improve revenue-generating capacity.

AI Site Supervision

The Daito Group has begun development of "AI Site Supervision," to support construction site supervisory operations with AI, and aims to improve site supervision per-capita operational efficiency by 20% by 2028.

03 Improve innovative productivity

The Daito Group aims for substantial improvement in productivity by combining the development of a digital environment with allowing employees to focus on work that brings the joy of fully demonstrating their potential through automation and elimination of unnecessary operations.

Project ZERO

This is an operational reform to fundamentally review the processes anticipated for the realization of the medium-term management plan and VISION 2030, as well as promote digital transformation and the decluttering of Daito Group's operations as a whole.

04 Establish a base for DX promotion

In order to promote DX centered on the job site, the Daito Group aspires for all of its employees to obtain the in-house DX certification, and is putting its efforts into reskilling all employees, to continually develop DX talent equipped with the necessary knowledge, skills, and understanding. Also, starting from FY2025, the Daito Group has introduced its internal DAITO DX Award*, further accelerating the Daito Group's DX promotions through early realization and horizontal expansion of operational reform ideas that we have thought of ourselves.

*In FY2025, we held a contest for operational reform utilizing generative AI and awarded the recipients prize money.

Ranks of Internal DX Certification

DX rank	DX Beginner	DX Bronze	DX Silver	DX Gold
Role	Mastering digital tool use in 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
FY2030 targets (FY2024 results)	All Group employees (1,848 employees)	2,500 employees (1,677 employees)	800 employees (145 employees)	200 employees (48 employees)

Voices from DX Talent

DX Silver Certified Members

There was a tremendous return from learning about the Daito Group's DX initiatives and clearly recognizing what was possible. Since I had begun being aware of the things I could do more efficiently, I was finding more time to challenge myself with new tasks.



MORI Hironori
Daito Trust Construction Co., Ltd.
Sales Recruitment and Training Department

DAITO DX Award Recipients

We are so very happy that by utilizing ChatGPT we were able to make a proposal that brought about innovative changes in our sales support. We will continue to contribute to the development of the Daito Group by challenging ourselves in DX initiatives, while enjoying the transformations that result.



TAKEUCHI Tomomi **SHIOTSUKA Ryosaku** **NARAKI Ryo**
Daito Corporate Service Co., Ltd.
Support Business Department

Internal/External DX Promotion Platforms

At the Daito Group, we utilize internal/external DX promotion platforms to create an environment where all employees can advance DX.

Internal DX Promotion Platform

Equipping an integrated database that collects all internal data in one place, as well as a citizen development base and data analysis base to promote and realize digital transformation that comes from the employees

External DX Promotion Platform

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

Employees outside the IT Department with the internal DX certification are driving the automation of their work as citizen developers, utilizing the internal DX platform to develop apps with the support of the DX Promotion Department. In FY2024, 144 citizen developers developed and started operation on 33 apps, such as an open office seating lottery app, and an app to confirm smartphone-only references.

The Meaning of DX to the Daito Group

We consider DX to be one method to adjust to an ever-changing social environment, in anticipation of the next 50 years. We think it is very important to cultivate and establish a corporate culture wherein all Daito Group employees utilize an environment (training, system, base, etc.) in which they can independently and autonomously take on challenges, and implement digital transformation themselves.



ASHINO Naoki
Daito Trust Construction Co., Ltd.
Deputy Manager, DX Promotion Department

CFO Message

Enhancing Corporate Value by Accelerating Investment in Human Capital and Expanding Our Investment in Growth Fields

To realize Daito Group VISION 2030, I view my major role as CFO not only as accelerating investment in human capital and expanding investment in growth fields, but also as controlling funds in tune with growth speed, maintaining a stable financial base, and enhancing corporate value from both aggressive and defensive perspectives.

In the previous fiscal year, the first year of our current medium-term management plan, we granted restricted stock to Group employees as a human capital investment. I believe individual growth, through greater employee awareness of participation in management, is tied to enhanced corporate value.

Looking ahead, with strengthening the core business as our basic axis, we are exploring the use of cash reserves and diversifying fund procurement to continue growth investments and expand into new businesses such as real estate development.

We will also execute a stock split to foster an environment conducive to investing. This is intended to expand the investor base and improve share liquidity.



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

Our Basic Concept

The 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

①Business Revenue A Virtuous Cycle from Stock to Flow P.39

The Daito Group’s core businesses—the construction business and real estate leasing 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 leasing 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 leasing 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 virtuous cycle from stock to flow.

Additionally, our real estate development business, which we aim to make our second pillar after the core businesses, generates revenue not only by purchasing land, constructing buildings, and selling them upon completion, but also by continuing management of the properties within the Group after sale, thereby augmenting our stock. The latter case contributes to a virtuous cycle from stock to flow and to expanding revenue.

②Stable Financial Foundations

The Company has established the financial indicators of maintaining an equity ratio of 35% or above and a debt-to-equity ratio of 0.3 or below.

The stable cash flow generated by our stock-type business, combined with risk-limited fund management and allocation together with high capital efficiency, form the stable financial foundations of the Daito Group.

We are working hard at the Group companies to use funds more efficiently. We have put in place finance and accounting systems at Group subsidiaries and are enhancing regular monitoring of subsidiaries at the Group’s head office. We have also introduced a cash management system (CMS) to absorb and reallocate surplus funds from

each company.

To prepare for unforeseen matters, we have entered into a commitment line agreement for ¥40.0 billion (one-year term) to ensure stable yet flexible funds. In August 2025, we received an A issuer rating (“Stable” outlook) for financial soundness from Rating and Investment Information, Inc. (R&I).

To expand in the future, we will carry out flexible and agile financial management to secure the necessary funds for aggressive growth investments in areas such as the real estate development business. Among the steps we will examine are switching out some of our asset holdings and diversifying our fund procurement.

Cash Allocation

③Shareholder 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.

④Growth Investment

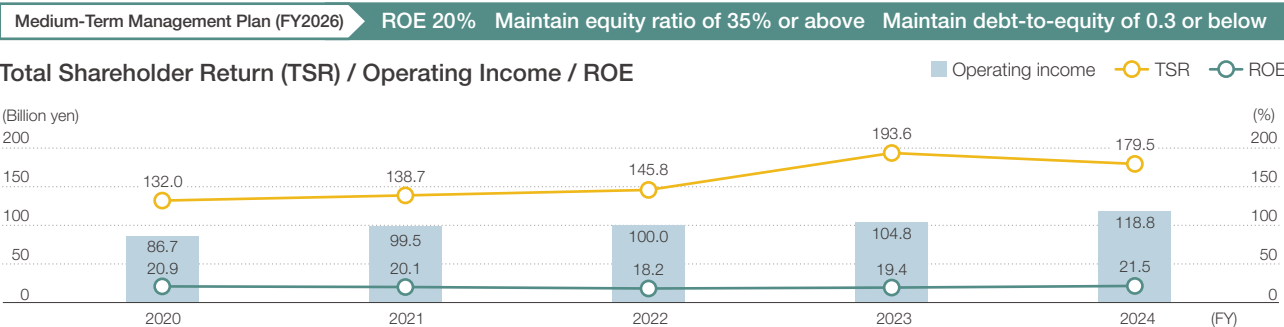
The first pillar in the Daito Group’s medium-term management plan (FY2024–2026) is the promotion of human capital management. We believe that by maximizing the potential of Group employees, we can achieve the medium-term management plan and contribute to solving issues faced by society and local communities. To this end, we will grant restricted stock units to employees. We will also invest ¥30.0 billion or more in IT and digital transformation (DX) to further progress in DX.

We also plan to invest over ¥100.0 billion over three years into real estate development, which we aim to make our second pillar. The amount of ¥100.0 billion or more will be allocated to growth investments including internal reserves as well as external sources such as bank loans and corporate bonds.

While recognizing the changes in the external environment, we will carry out an investment plan directed at achieving the medium-term management plan.

Business Portfolio Management

In FY2024, the Daito Group divided its reporting segments into the four categories: the construction business, real estate leasing business, real estate development business, and “other businesses.” 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. As a result of this, in FY2024 we made Housecom Co., Ltd. into a wholly owned subsidiary with the goal of optimizing management resources, and we acquired Ascot Corp. with the goal of early achievement of the medium-term management plan. We will continue to put our efforts into enhancing corporate value while taking into account the overall balance of the financial soundness of our business as a whole.





Directors

1. TAKEUCHI Kei

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

2. MORI Yoshihiro

Director, Managing Executive Officer
General Manager of Real Estate
Business Headquarters
Member of Governance Committee

3. OKAMOTO Tsukasa

Director, Senior Executive Officer
CFO, General Manager of Corporate
Management Headquarters and
Group Finance and Accounting
Department
Member of Governance Committee

4. AMANO Yutaka

Director, Senior Executive Officer
General Manager of Business
Development Headquarters

5. TANAKA Yoshimasa

Director, Senior Executive Officer
General Manager of Human
Resource Management
Headquarters

Directors
(Audit &
Supervisory
Committee
Members)

Outside

11. MATSUSHITA Masa

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

12. KAWAI Shuji

Director, Audit & Supervisory
Committee Member
Member of Governance Committee

Outside

13. KOBAYASHI Kenji

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

6. TAKAHASHI Yutaka

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

Outside

7. IRITANI Atsushi

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

Outside

8. OWADA Junko

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

Outside

9. ABE Koichi

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

Outside

10. ASAKAWA Kyoko

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

Outside

14. OUCHI Chieko

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

Basic Policy

Our basic policy for corporate governance is to live up to the expectations and trust of our shareholders and all other stakeholders, continuously enhance corporate value, and make 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.

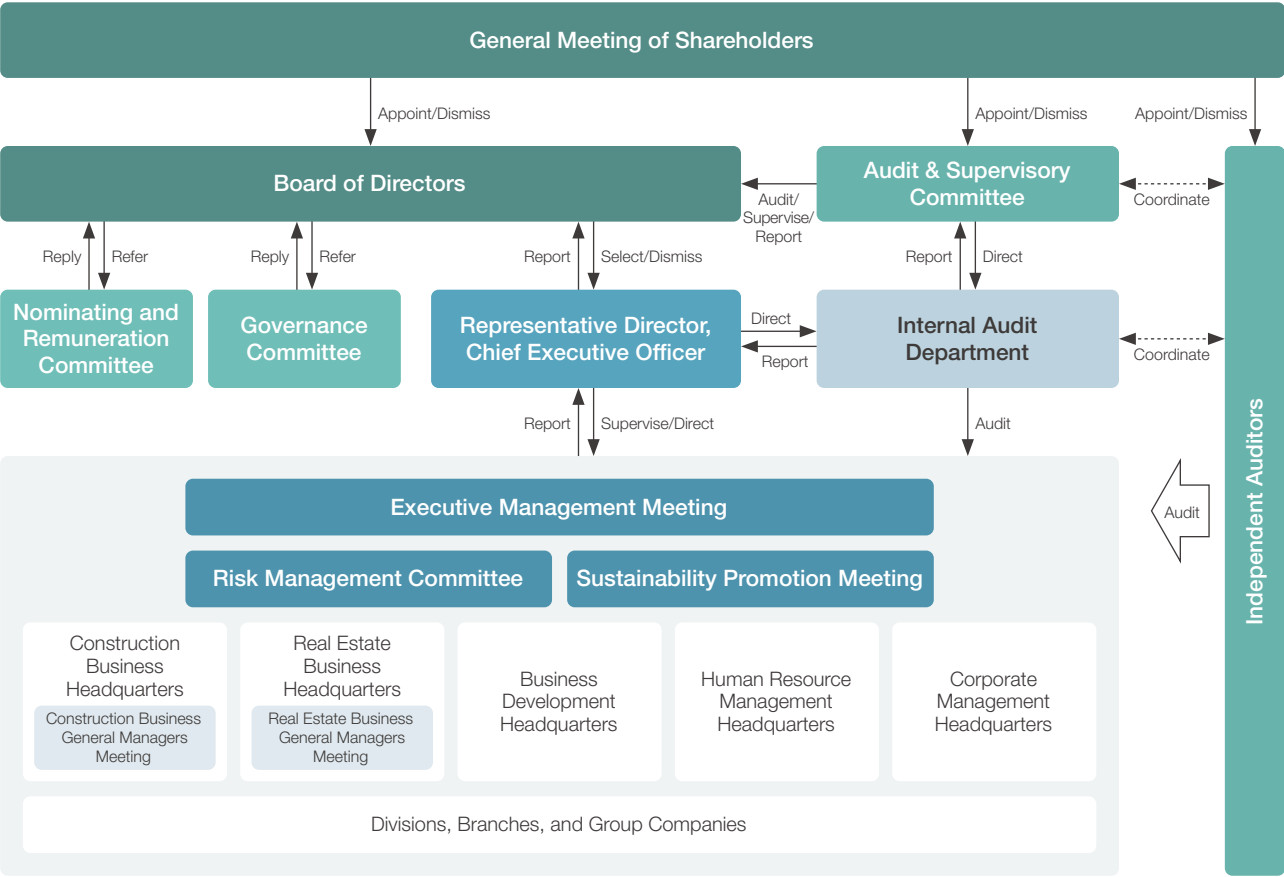
Corporate Governance System

The Company has adapted a company with an audit & supervisory committee since June 2023, to clarify responsibilities for managerial decision-making, supervision and business execution, leading to stronger supervision and speedy decision-making.

The Board of Directors decides on matters stipulated in laws and regulations and the Articles of Incorporation and other important matters involving the Company and Group companies. The Company delegates, as necessary, decision-making authority for business execution from the Board of Directors to Executive Officers to enable flexible decision-making.

The Company has divided the business areas of the Company and Group companies into “Headquarters in charge of the Construction Business,” “Headquarters in charge of the Real Estate Business,” “Headquarters in charge of Business Development,” “Headquarters in charge of Human Resource Management” and “Headquarters in charge of Corporate Management,” and assigns Directors as the General Manager responsible for each headquarters.

Corporate Governance System (As of June 26, 2025)



Main Bodies’ Roles

Board of Directors

The Board of Directors comprises 14 directors, seven in-house and seven 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, as well as

means of doing so. Once every quarter, the Board receives reports from executive 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 FY2024, the Board of Directors met 15 times.

Audit & Supervisory Committee

The Audit & Supervisory Committee comprises four members, three of whom are independent outside directors. One is a standing member. The committee monitors, supervises, and audits the legality and appropriateness 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 discusses the development of policies decided upon by the Board of Directors and measures for issues spanning multiple business fields. The results are reported to each member of the Board of Directors, as a mechanism that enables 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 FY2024.

Risk Management Committee

Chaired by the Representative Director, the Risk Management Committee comprises 16 members, including five directors, seven executive officers, two general managers, and two members from Group companies. The committee analyzes risks in business activities, assesses their likelihood and degree of impact, and determines priority management items as well as specifying initial responses to be taken when risks emerge. Meeting quarterly, the committee runs a PDCA cycle to review items and implement monitoring, thereby preventing risk management from devolving into a mere formality and helping 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 governance, including basic policies on corporate governance and improvement of the effectiveness of the Board of Directors. In FY2024, the Governance Committee met six times.

The Group Internal Control Promotion Meeting

The Group Internal Control Promotion Meeting is chaired by the director responsible for overseeing the Group’s internal controls and comprises risk management executive officers and members from Group companies. The meeting deliberates on countermeasures and responses to individual compliance cases and risk management matters. It also promotes compliance initiatives across the Group as a whole, including employee education and monitoring of the state of legal compliance.

Sustainability Promotion Meeting

The Sustainability Promotion Meeting, chaired by the representative director and joined by directors responsible for KPIs of material issues, has been established to promote sustainability management across the Group. The meeting discusses initiatives aimed at resolving material issues

through business activities, and reports regularly to the Board of Directors, which decides and supervises sustainability management policies. Through this dual structure of management and execution, the Group promotes sustainability management.

Board of Directors’ Skills Matrix

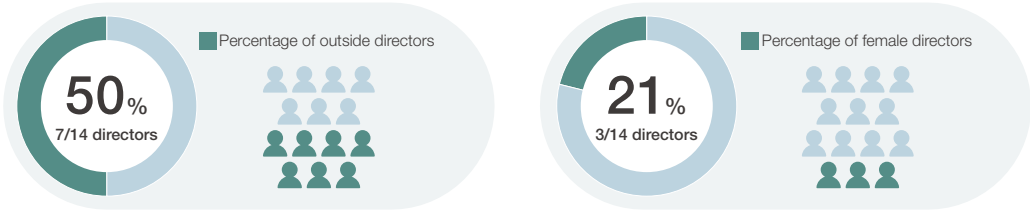
	Name	Expertise/ Experience	Corporate management	Business strategy/ Marketing	Technology/ Research and development/ Quality control	Finance/ Accounting	Sustainability	Legal affairs/ Compliance/ Internal control	International/ Overseas business	Human capital management	IT/DX
Directors	TAKEUCHI Kei	—	●	●	●			●		●	
	MORI Yoshihiro	—	●	●			●			●	●
	OKAMOTO Tsukasa	Certified public accountant	●			●		●			
	AMANO Yutaka	—	●	●	●				●		
	TANAKA Yoshimasa	—	●				●			●	●
	TAKAHASHI Yutaka	—	●	●	●						
	IRITANI Atsushi Outside	Lawyer/Certified public accountant Former prosecutor				●	●	●	●		
	OWADA Junko Outside Female	Officer of listed company						●	●	●	●
	ABE Koichi Outside	Corporate manager of listed company	●	●	●		●	●			
	ASAKAWA Kyoko Outside Female	Former government official		●	●		●	●			
Directors (Audit & Supervisory Committee members)	MATSUSHITA Masa Outside	Lawyer/Former corporate manager of listed company	●	●		●		●	●		
	KAWAI Shuji	—	●			●		●	●		
	KOBAYASHI Kenji Outside	Certified public accountant Company manager	●	●		●		●	●		
	OUCHI Chieko Outside Female	Former officer of listed company		●			●	●		●	

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.

Skills Expected of Directors and the Reasons

Skills expected	Reason for selection
Corporate management	To appropriately and promptly identify opportunities and risks, and carry out appropriate decision-making and oversight aimed at sustainably increasing corporate value in a rapidly changing environment
Business strategy/Marketing	To understand from market changes the ideal form of a secure lifestyle, materialize services including new businesses, and provide them to customers
Technology/Research and development/Quality control	To improve technology aimed at realizing a safe and secure lifestyle, and accurately realize and offer it to customers
Finance/Accounting	To generate cash flows through sustainable profit growth and effective use of assets, and strengthen a stable financial base based on business characteristics and risks
Sustainability	To resolve social issues through ESG initiatives aimed at the realization of a sustainable society
Legal affairs/Compliance/Internal control	To establish internal control, accurately control risks, and ensure sound management activities through compliance with laws and regulations
International/Overseas business	To lead and manage business across borders in order to expand globally
Human capital management	To enhance the capabilities of employees, who are the source of corporate value improvement, and foster an organizational culture that allows them to fully utilize their capabilities
IT/DX	To employ the latest technology to improve productivity and efficiency and support the transformation of core businesses and the creation of new businesses

Composition of the Board of Directors



Director’s Compensation System

We have adopted a simple compensation system designed to incentivize contributions to the medium- to long-term enhancement of corporate value, while maintaining the speed of the Company’s corporate reforms and setting compensation at a level that enables us to gain and retain excellent human resources who contribute to sustainable growth. Specifically, our basic policy is as follows.

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

- 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

Based on the above basic policy, compensation for directors is structured with an emphasis on incentives. Compensation for directors (excluding directors on the Audit & Supervisory Committee and outside directors) comprises basic compensation, performance-linked bonuses, and stock compensation.

At the General Meeting of Shareholders held in June 2025, the ratio of basic compensation, performance-linked bonuses, and stock compensation was revised to 1:0.6:1 (from the previous ratio of 1:0.6:0.6), with the aim of further enhancing directors’ motivation to contribute to medium- to long-term improvement in performance and corporate value, and to further promote shared interests with shareholders. 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 in light of their role of appropriately supervising the business executors.

Composition of Officer Compensation	Fixed 1	Performance-linked compensation 0.6	Stock compensation 1
	Fixed	Variable	
Compensation type	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- to long-term performance) Determined according to achievement of goals withing target period (three years)
Upper limit	Basic compensation and bonus: up to ¥2.0 billion		¥3.3 billion/3 years
Payment conditions	—	Consolidated net income of ¥50.0 billion or more and achievement of certain performance targets	ROE of 20% or more and dividend payout ratio of 50% or more
Malus and clawback causes*	—	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.

The performance-linked compensation coefficient incorporates multiple non-financial indicators selected in line with the medium-term management plan, in addition to financial indicators. These include ESG-related indicators such as initiatives in environment, society, and governance. By incorporating non-financial as well as financial indicators, we ensure that incentive compensation appropriately supports achievement of the medium-term management plan and material issues.

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 Consolidated operating income	Financial ROE Payout ratio
Non-financial	Core business sales indicators ZEH supply rate Employee engagement score* Permeation rate of compliance efforts	Non-financial Consolidated operating income growth rate Achievement of CO ₂ emission reduction goals Ratio of female managers Employee engagement score Permeation rate of compliance efforts
—	Individual evaluation	

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

Succession Plan

To realize our Purpose, the Company has instituted a CEO succession plan to ensure the CEO has a clear vision and the necessary qualifications as a manager, to deepen our existing businesses, and to deliberately identify and develop next-generation managers. The CEO succession plan is discussed mainly at the Nominating and Remuneration Committee, which met a total of 12 times and took up eight agenda items in FY2024, engaging in both discussion and monitoring.

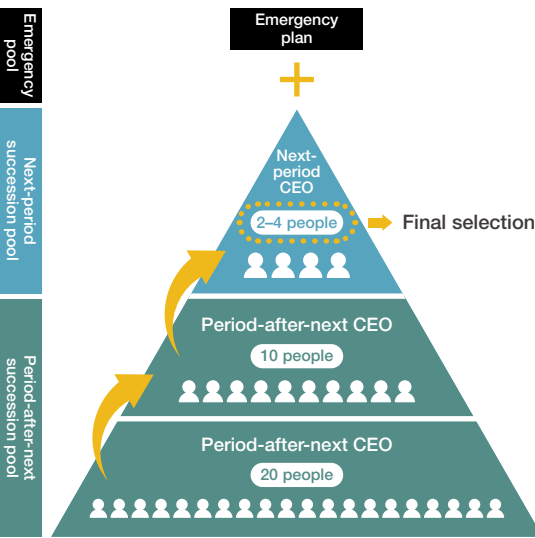
CEO Succession Plan

Overall Process



CEO Succession Plan

Image for Human Resources Pool of Candidates



By deliberately selecting and developing candidates for the next-period CEO and the period-after-next CEO according to the above overall process and roadmap, we ensure the stable and deliberate development and supply of executive human resources.

Based on the CEO definition of requirements that were newly revised in FY2023 (21 items), in our next-period succession plan, we aim to select the best CEO human resources, and, following the leadership of the Nominating and Remunerating Committee, the current CEO provides direct guidance, and the Company offers individual support program coaching. For the period-after-next succession plan, through annual meetings of the Career Evaluation Committee composed of all the Company's executive directors, we discuss the individual evaluations, development, and tough assignment plans for each candidate and provide direct guidance from the current management class, working to support the growth of future next-period CEO candidates.

The Company has also formulated an emergency plan in the event of an emergency with the current President and Representative Director, which clearly establishes a process aimed at the immediate recovery and stabilization of management functions in the event of an emergency.

Outside Director's Perspective

Reforms to our compensation

system and the development of

next-generation management

personnel for sustainable growth

IRITANI Atsushi

Outside Director
Governance Committee
Chairperson
Nominating and Remuneration
Committee Chairperson



■ Review of the Director Compensation System

The Company's director compensation system was originally designed envisioning a structure with a proportion of 1:0.6:0.6 for basic compensation, performance-linked compensation, and stock compensation. Even with the existing component proportions, we believe that the structure functions as a sufficient incentive to increase the Company's medium- to long-term corporate value. However, in the interest of the Company's growth from a medium- to long-term perspective (increasing earning power), and additionally, to further align our interests with our shareholders, we have increased the proportion of stock compensation and changed the design of our compensation structure to envision a proportion of 1:0.6:1 for basic compensation, performance-linked compensation, and stock compensation.

These changes not only represent policy aimed at boosting short-term results, but also should act as a more appropriate incentive to increase corporate value from a medium- to long-term perspective.

Furthermore, regarding the factors that form the basis of performance-linked compensation and stock compensation, to clarify the rationality of the performance-linked portion with our medium-term management plan, we have further clarified our commitment to the plan.

Going forward, while taking stock of the changes in the business environment surrounding the Company, so that compensation acts more appropriately as an incentive to enhance corporate value from and medium- to long-term perspective, we envision engaging in even further evaluation that considers compensation functioning appropriately as an incentive toward even longer-term growth than that covered by the medium-term management plan.

■ Reinforcement of the Succession Plan

In terms of our period-after-next succession plan, which represents a new initiative, we are first creating a human resources pool of top management candidates for the period after next. Based on a growth plan that considers the suitability and experience of the candidates, as well as tough assignments, we reflect these factors in our human capital and perform regular evaluations to renew our human resources pool.

People are the form of capital that acts to grow companies. Through this new succession plan, by formulating a growth plan based on the individuality of our candidates, we can identify human resources that will be key to the Company's growth. Moreover, when these human resources are added to our management team, we expect that we will be able to maximize their abilities.

In what is known as the VUCA era, amid significant changes to the business environment surrounding the Company, there is not a single set of qualities and experiences required of our period-after-next management team. Given this, we recognize that we face significant management issues including from what perspectives we select candidates for our period-after-next management team and how we appropriately define our human resource requirements. Furthermore, in selecting candidates for the period-after-next management team, we plan to properly address various issues including whether we need to incorporate external perspectives or evaluations, whether we have hidden talent, whether we have sufficient diversity, and whether there are still remaining issues to be tackled.

Evaluating the Effectiveness of the Board of Directors

The Daito Group aims to improve the functions of the Board of Directors, while also increasing corporate value. Once each year, we perform a self-analysis of the effectiveness of the Board of Directors and analyze the results.

Overview of the Evaluation of Effectiveness

We conduct a survey of all Directors who are members of the Board of Directors on the discussion, operational, and supervisory functions of the Board of Directors, as well as the support system for directors and the operations of the Nominating and Remuneration Committee. We ensure anonymity by having the responses sent directly to an external organization. Based on the report on the tabulation and outcome of the survey analysis from the external organization, we identify issues and points of improvement at the Board of Directors and Governance Committee that will lead to improving the functions and effectiveness of the Board of Directors.

Survey period: February 2025

Evaluation items (major items):

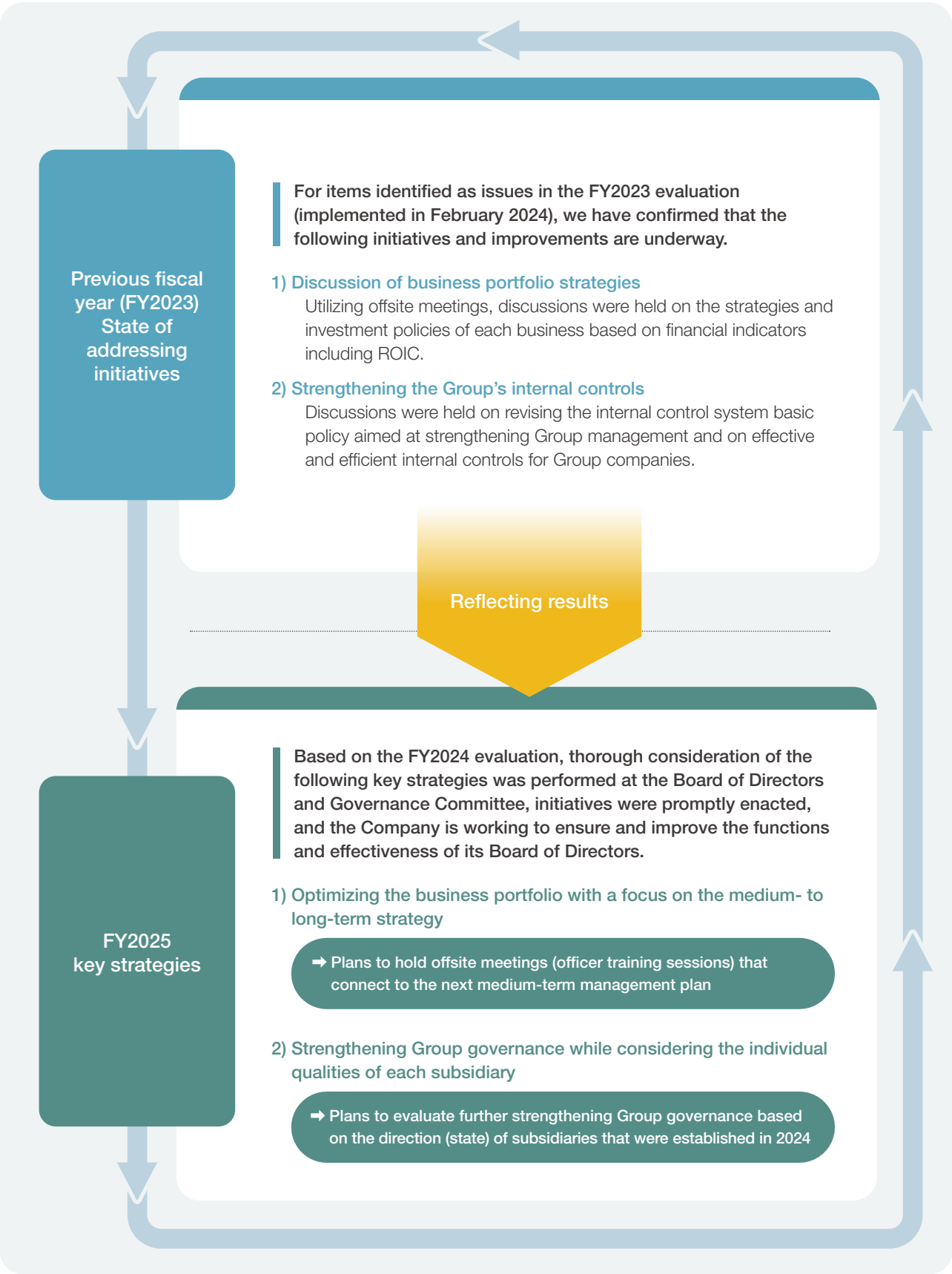
- 1) Composition of the Board of Directors
- 2) Operations of the Board of Directors
- 3) Discussions by the Board of Directors
- 4) Supervisory function of the Board of Directors
- 5) Roles of Outside Directors
- 6) Support system for the Board of Directors
- 7) Training
- 8) Dialogue with shareholders (investors)
- 9) Personal initiatives
- 10) Nominating and Remuneration Committee
- 11) Audit and Supervisory Committee
- 12) Summary

FY2024 Evaluation 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.

Item		Opinions (summary)
Composition of the Board of Directors	Diversity of the Board of Directors	There is a need to increase the percentage of female directors (evaluating internal appointment)
Discussion by the Board of Directors	Discussion of medium- to long-term strategies	- There are still insufficient discussions from a medium- to long-term perspective and concerning growth strategies that consider our SDGs - Separate opportunities need to be created to explain discussions on climate change and biodiversity - There needs to be discussions on themes that connect to the next medium-term management plan - Discussions on the overall external operating environment are important
	Discussion of business portfolio strategies	- Separate opportunities need to be created for discussions on the business portfolio - An evaluation of the balance of focus on core businesses and new businesses (the next core businesses) is required - The best owners of each business (focus businesses and withdrawal businesses) need to be discussed - A deep dive is required of the seven-segment real estate development portfolio
Supervisory function of the Board of Directors	Group's internal controls	- Time needs to be spent on internal control-related issues - The subsidiary supervisory and oversight function needs to be strengthened
	Report from the Internal Audit Department	- Regular monitoring is required for Group governance effectiveness - Rather than simple explanations of conditions, reports are needed on true root causes and management perspectives

State of Initiatives and Future Key Strategies



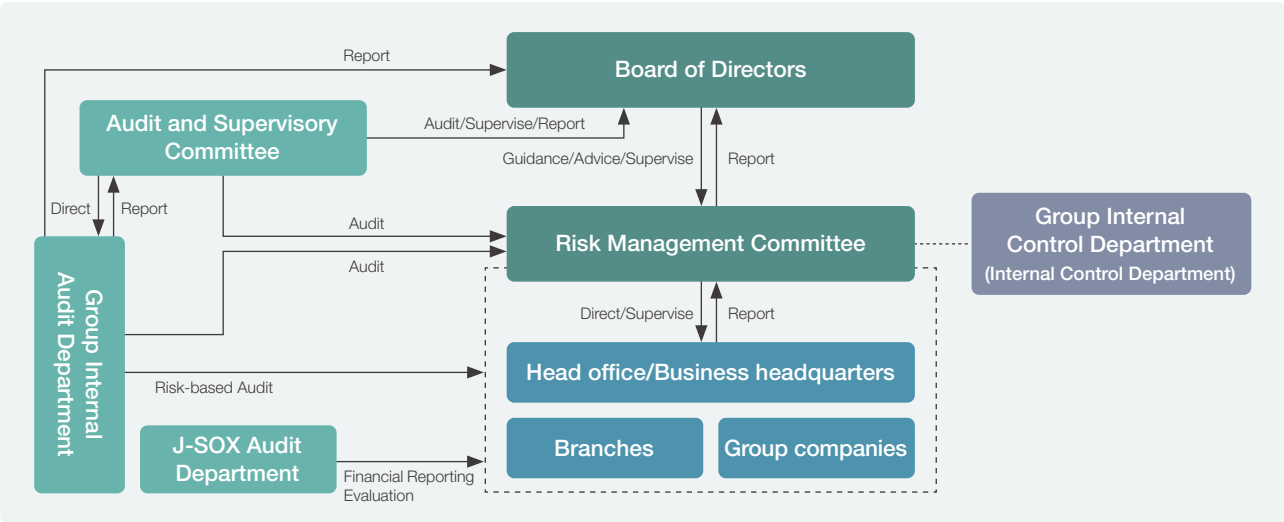
Risk Management System

The Daito Group has created Risk Management Regulations and has both established and currently operates a risk management system that covers all offices and business activities for the entire Group.

Based on in-house regulations, the Risk Management Committee identifies, analyzes, and assesses important risks to Group management and decides key management risks. The committee also coordinates with business departments and Group companies, monitors the state of progress of response policies for key management risks, and provides guidance on corrections where necessary. The Board of Directors intensively monitors particularly important management and business risks, receives regular reports on current conditions, and works to obtain information. When an issue that has or could have material impact on the Company occurs, the Board of Directors receives reports and provides directions where necessary.

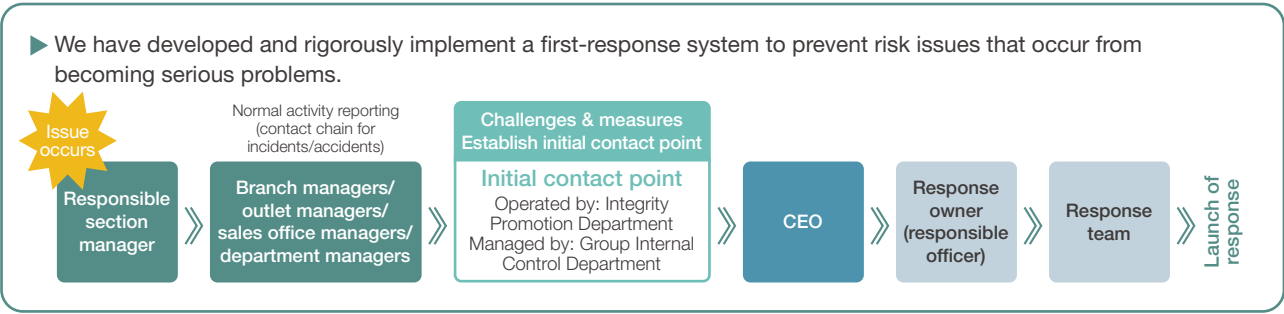
The Internal Audit Department performs audits of the Company and its Group companies based on an audit plan that considers risks important to Group management and reports the audit results to the Board of Directors and Audit and Supervisory Committee. Based on the reported audit results, the Board of Directors provides directions on corrections and improvements where necessary. Additionally, the J-SOX Audit Department evaluates the suitability of the Company-wide state of control and the operational, accounting, and financial reporting processes based on the basic plan and guidelines on internal controls related to financial reporting.

Risk Management System



- The main risks recognized by the Risk Management Committee as having the possibility of significantly impacting management are listed to the right.
- Rise in unit costs and drop in profit ratio due to sharp rise in raw material costs
 - Effect on performance due to tax law amendments
 - Sudden cancellations due to sharp rises in interest rates
 - Increased expenses due to new law and law amendments
 - Risk of personal information leaks
 - Risk of natural disasters
 - Risk of quality management
 - Risk of decrease in construction skilled workers
 - Risk of climate changes

First-Response System for When Risks Occur



Basic Policy on Compliance

The Daito Group has rules of conduct that apply to all our directors and employees and has established a Basic Policy on Internal Control Systems to develop our business activities by maximizing our human capital and to ensure that the operations of the entire Daito Group are appropriately conducted toward our goal of realizing a sustainable society.

Our standards for compliance are embodied in our Daito Group Code of Conduct, which establishes behavioral standards and guidelines for our employees, and our Daito Group 7 Prohibition Rules, which establish extremely important prohibited items among the Group's various rules (maximum penalty being dismissal from the Company). We also ensure legal and regulatory compliance in every area of our business activities. In June 2023, we agreed to and became a signatory of the United Nations Global Compact and are carrying out initiatives that contribute to anticorruption.

- Basic Policy on Internal Control Systems (in Japanese only)
<https://www.kentaku.co.jp/corporate/pr/info/2025/aeqhc400000n87u7-att/aeqhc400000n87zg.pdf>
- Daito Trust Construction Code of Conduct/Daito Group 7 Prohibition Rules
<https://www.kentaku.co.jp/corporate/en/ir/governance/compliance.html>

Compliance Promotion System

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 our people in the field. The second line, the Legal Department and Group Internal Control Department, implements risk prevention policies for the first line. The third line, the Internal Auditing Department, has a system in place to monitor the state of risk prevention and response at 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. Based on our in-house regulations, the whistleblowing system has been established within our Compliance Promotion Division, and we also have external law firms and outsourced hotlines. The whistleblowing system can be used by all stakeholders, including employees, subcontractors, business partners, and the general public, and facilitates anonymous reports. The system allows reports to be made through various methods including telephone, e-mail, and an internal whistleblowing online system, as we strive for the early discovery and correction of harassment and wrongful behavior. The Representative Director has also called to promote the use of the reporting hotline. Data on these reports can only be accessed by designated members mainly in the Integrity Promotion Department, ensuring confidentiality.

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.

Thorough Compliance Education

The "Integrity Program" is a set of guidelines based on the Daito 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.

At the same time, the Integrity Promotion Department spearheads compliance training for all Group employees on issues such as harassment and information security. Additionally, by conducting regular surveys on compliance, the department works to promote employees' understanding concerning compliance. Through these initiatives, we visualize the state of compliance among the Group companies, as well as employees' awareness and organizational culture, leading to improved compliance awareness and the prevention of misconduct.

Outline (As of March 31, 2025)

- 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:

18,814 (consolidated)

Main Group Companies (As of October 1, 2025)

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	■ E-Heya 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 Kentaku Asset Solution Co., Ltd. Purchasing, renovation and resale business, and development and sales business	■ Ascot Corp. Real estate development business

Other Businesses

Promotion of business diversification and internationalization		
■ Gaspal Co., Ltd. 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 Company Limited Handling of managed trust	■ House Guard S.S. Insurance Co., Ltd. Low-amount, short-term insurance business
■ DAITO BIO ENERGY CO., LTD. Biomass power generation business	■ Ichinohe Forest Power Co., Ltd. Biomass power generation business	■ D.T.C. REINSURANCE LIMITED Fire insurance re-insurance business
■ DAITO KENTAKU USA, LLC Overseas real estate investment	■ AMETHYST INVESTMENT, LLC. Overseas lease management business	■ DAITO ASIA DEVELOPMENT PTE. LTD. Investing and other services for management companies in overseas hotel business
■ DAITO ASIA DEVELOPMENT (MALAYSIA) SDN. BHD. Overseas hotel business (Le Meridien)	■ DAITO ASIA DEVELOPMENT (MALAYSIA) II SDN. BHD. Overseas hotel business (Hilton)	

Share Data (As of March 31, 2025)

- Number of shares authorized:

329,541,100 shares
- Number of shares issued:

68,918,979 shares
- Number of shareholders:

22,085
- Fiscal year:

April 1 to March 31
- Trading unit:

100 shares
- Stock exchange listing:

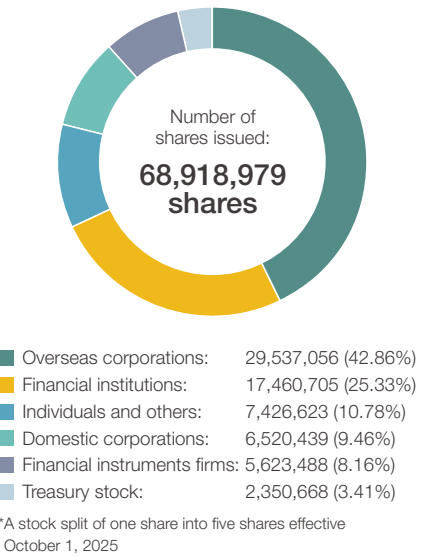
Tokyo Stock Exchange (Prime Market)
Nagoya Stock Exchange (Premier Market)
(Securities code: 1878)
- Transfer agent:

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:

Electronic notices are posted on
Daito Trust's website
(<https://www.kentaku.co.jp/corporate/ir/koukoku.html>).
However, in the event that it is impossible to issue an
electronic 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, 2025)



Large Shareholders (As of March 31, 2025)

Shareholders	Number of shares (thousand shares)	Percentage held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	10,674	16.03
STATE STREET BANK AND TRUST COMPANY 505001	3,825	5.75
HIKARI TSUSHIN, INC.	3,598	5.41
Custody Bank of Japan, Ltd. (Trust account)	3,349	5.03
JPMorgan Securities Japan Co., Ltd.	1,731	2.60
Co-op Suppliers' Stock Holding	1,634	2.46
Daito Trust Construction Employees Shareholding Association	1,534	2.30
STATE STREET BANK WEST CLIENT-TREATY 505234	1,417	2.13
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	1,346	2.02
STATE STREET BANK AND TRUST COMPANY 505103	1,201	1.81

Note: Treasury stock (2,350 thousand shares) is deducted in calculations of percentage held.

Share Price and Trading Volume

