

INTEGRATED REPORT 2026

DAITO KENTAKU GROUP

Daito Group's Purpose

Link the Trust to Make a Better Future.

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.

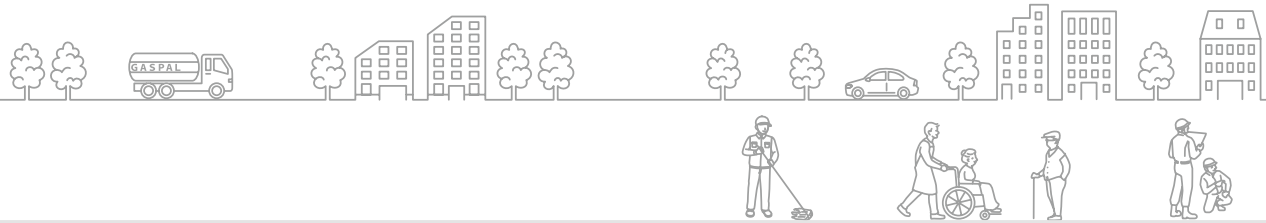
We will never cease striving to realize lifestyles that we can entrust with confidence to the next generation.

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 2026 summarizes our progress as a business that adapts to the environment and continues to respond to the challenges of an ever-changing society. This report conveys our aspirations to achieve sustainable growth by enhancing our core businesses and investing in human capital, even in a difficult business environment. Our goal is to share our future direction with all stakeholders.

As we approach the final year of the medium-term management plan, this report provides a frank look back on the results and issues of the "three pillars" positioned as key strategies. It also explains how we plan to connect our past efforts to the next stage of growth.

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.

Production and Editor Teams
Daito Trust Construction Co., Ltd.
Corporate Planning Department and SHIAN Co., Ltd.



TOP MESSAGE

Maximizing the power of every Group employee. Centered on human capital management, we operate as a “business that adapts to the environment,” achieving both the resolution of social issues and the sustainable improvement of corporate value.

Customer satisfaction arises only when employees are also satisfied. Maintaining focus on this simple belief, we have been simultaneously driving human capital management and business transformation. The growth and independence of each and every employee heighten the levels of our frontline capabilities, generating enhanced provided value for our customers and giving rise to the sustainable growth of our corporate value. We have been growing on an ongoing basis while converting change into strength, operating as a “business that adapts to the environment” with both addressing social issues and enhancing corporate value. We will continue to take on challenges to open up a bright future by bringing to fruition growth stories that only we can describe.

Kei Takeuchi
Representative Director, CEO

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TOP MESSAGE

Evolving Alongside Social Change as a "Business That Adapts to the Environment"

Maximizing the value of customers' dreams and assets—centered on rental housing—entrusted to its care, the Daito Trust Group is a company that has been helping to pass those assets on to the next generation. While continuing to put into practice the values we have been upholding in society since our founding, we have established the Group Purpose—"Link the Trust to Make a Better Future."—to guide our aspirations in the years to come. Our long-term vision, DAITO Group VISION 2030, was formulated by backcasting from the realization of this purpose. Currently taking on the challenges of "Community development that is unique to the Daito Group: Community and regional revitalization," we are aiming to realize that aspirational vision.

Since its founding, the Group has not sought to fit its businesses into the confines of pre-existing categories such as the construction industry or the real estate industry. What we have been aiming for is the approach defined as "a business that adapts to the environment," one that identifies the value demanded amid social change and that continues to provide that value. Since assuming the post of CEO in 2023, I have placed the phrase "a business that adapts to the environment" front and center, continuously urging all employees to make aggressive changes in response to the environment. No one likes change. It would likely be far easier to continue doing things the same way as before. However, the business environment has undergone tremendous changes in recent years, with events unfolding one after another that go far beyond what was expected. Skyrocketing construction costs and rising interest rates know no bounds, while customer needs and values are evolving from one minute to the next. Under such uncertain circumstances, nothing is likely to work out if we simply rely on "business as usual." That is precisely why I continue to convey the message that "We must change" to all Group employees. As a result, I am sensing that a change of mindset is steadily gaining traction among our employees.

Strategic Shift and Frontline Capabilities as a Foundation for Record Profits

I believe that the instilling of a mindset capable of adapting to change was a major factor in our achieving record-high profit for the first time in six years in FY2025 (ended March 2026).

Of course, I have also needed to remain mindful of the need to change and accepted the risks while facing challenges that arise when tackling new initiatives. In FY2025, we put into effect a strategy that involved concentrating property supply in urban centers—characterized by high rents and high occupancy rates—thereby accepting the risks associated with narrowing our area of operations. Generally, the decision to scale back our area of operations would be seen as reckless. Moreover, because the area sees high demand, competition is fierce, making it an uphill battle. However, in light of a number of factors—the projected shrinking population in Japan from 2040 onward, the anticipated drop in regional rental demand, and the timelines of the rental housing we provide—we decided that the time was ripe to shift our course toward narrowing down the area and enhancing the quality of our business. Despite having faced some challenges initially, we ultimately managed to achieve results that surpassed those of the previous year. This achievement is the result of every individual on the front lines fully embracing and taking the initiative in implementing this policy. I am sincerely grateful for the hard work of all our employees.

Human Capital Management as the Foundation of Sustainable Growth

Since our founding, the philosophy that "people are not a cost, but capital" has been deeply ingrained in our Group, and under the medium-term management plan that is currently in effect, we adopted the further promotion of human capital management as the most important element. It is my belief that there can be no customer satisfaction without employee satisfaction. Only when employees find fulfillment in their work and do that work with vitality can that sentiment and energy be conveyed to customers, allowing value to ripple out to all stakeholders. I believe this progression lies at the very heart of human capital management. Although "increase customer satisfaction" is common refrain, I hold the view that boosting employee satisfaction is a crucial prerequisite; ultimately, it is this that leads to increased customer satisfaction. Recognizing that creating such a virtuous cycle is the responsibility of top management, we are implementing a variety of measures designed to maximize the collective strength of all Group employees.



Maximize the potential of all Group employees through a virtuous cycle of creating value for employees, customers, and society.

One such measure is the introduction of an incentive scheme that utilizes an employee shareholding ownership plan. We grant shares to employees and return profits to them through mechanisms such as restricted stock (RS) and an Employee Stock Ownership Plan (ESOP), which were introduced in FY2024. This initiative has two objectives: to further heighten employees' awareness of improving performance and to support their medium- to long-term asset formation. Through these mechanisms, a mindset is taking root among employees in which individuals view corporate value and their own future as being inextricably linked. By gaining a tangible sense of the connection between daily operations and corporate value (stock price), there is a growing mindset of focusing on the Company's growth from a medium- to long-term perspective. Currently, 96% of employees participate in ESOP, enabling virtually the entire workforce to experience the connection between their daily work and corporate value from the perspective of a shareholder.

In addition, through strengthened public relations activities, in FY2025 the total print area of media coverage expanded by approximately 500% year on year. Having the Company's initiatives widely featured in newspapers, online media, and on social media fosters a sense of pride and belonging among employees, which can yield significant benefits for internal branding. In addition, three of the Group's properties: the Forterb III cross-laminated timber (CLT) rental housing in Chofu, Tokyo; the ASTILE Hiroo urban rental residence, and the AUSPICE Fukuoka Tenjin eco-friendly office building—each received a prize at the FY2025 Good Design Awards hosted by the Japan Institute of Design Promotion. The fact that their work has received social recognition instills a great sense of confidence and pride in our employees. Such a solid sense of achievement has heightened the Company's energy and contributed significantly to boosting overall organizational motivation and employee engagement.

As the accumulated result of a variety of initiatives, the engagement score for the Group*1 rose from 54.8 (BB) in November 2021 to 64.9 (AA) in November 2025, and the Company was chosen as a Best Motivation Company in the Large Enterprise category (5,000 or more employees) at the Best Motivation Company Awards 2026*2. We regard selection for this award as external recognition of the steady progress we have made in human capital management, and the award serves as a significant confidence booster for us. Employee engagement is not something that can be cultivated overnight. Bearing in mind the importance of building upon each individual effort—whether through major initiatives or modest daily actions—we will continue to move forward with our endeavors.

*1 Employees of the three key companies responsible for the Lease Management Trust System that forms the core business of our Group (Daito Trust Construction Co., Ltd., Daito Kentaku Partners Co., Ltd., and Daito Kentaku Leasing Co., Ltd.)

*2 An annual ceremony honoring the 10 companies with the highest levels of engagement—determined by converting the degree of mutual understanding and mutual affinity between a company and its employees into a standardized score—selected from among those companies for which an employee engagement survey was conducted by Link and Motivation Inc. in 2025.

TOP MESSAGE

Smooth Progression of Our Medium-Term Management Plan

In general, we are making good progress with the medium-term management plan that we launched in FY2024. I recognize that we are steadily achieving results across the three pillars of key strategies that we adopted: promote human capital management; establish a strong core business; and tackle focus areas.

As previously mentioned, we have achieved results in promoting human capital management, but in association with this, we are advancing initiatives from multiple perspectives that focus on both a supportive work environment and job satisfaction. In the case of the former, managers—both men and women—take the lead in taking parental leave, thereby fostering a workplace culture that supports child-rearing. In August 2025, we launched a system that provides a single payment of ¥1 million at the time of a cancer diagnosis and grants leave for outpatient cancer treatment. In recognition of these efforts, Daito Trust Construction received a Ministry of Health, Labour and Welfare Award (Grand Prize)—the highest honor—at the FY2025 Corporate Action to Promote Cancer Control Awards, an initiative commissioned by the Ministry of Health, Labour and Welfare. Daito Kentaku Leasing also received the Cancer Control Promotion Partnership Prize, marking a simultaneous win for two Group companies.

Job satisfaction is enhanced when employees themselves can feel that they are contributing to society. Currently, approximately 90% of the properties supplied by Daito Trust Construction are Net Zero Energy Houses (ZEHs), thereby positioning the Company as a leader in environmental initiatives within the rental housing industry. Also, following the Noto Peninsula Earthquake that struck on New Year's Day 2024, employees at our various locations took the initiative to gather relief supplies and deliver them to the affected area. Building upon these proactive frontline initiatives, we are also participating in post-disaster recovery projects. We were selected as the project operator for the public housing reconstruction initiative in Noto Town, Ishikawa Prefecture, in recognition of our CLT construction method and proposal capabilities. Engaging in work that directly contributes to resolving social issues creates an environment in which employees can work with pride.

As part of our business transformation efforts, we are also in the process of implementing Project ZERO, an initiative to review all Group operations from a zero-based perspective. We believe that by meticulously re-examining the necessity of each task—and thereby streamlining or eliminating unnecessary work—we can foster a culture that achieves high results within a limited time. Looking ahead, the plan is to integrate AI and DX and thereby advance further operational reforms.

Since I believe that work is not done for the sake of a company, but for employees themselves and their families, I would like each employee to approach it with a positive attitude. I consistently convey to our employees that working with a forward-looking mindset ultimately leads to delivering value that satisfies our customers. In my younger days, "working hard 24/7" was considered a virtue, but that is not the case now. It is my sincere wish that all employees clearly separate their work from their personal lives and lead fulfilling lifestyles.

Regarding establishing a strong core business, in a challenging business environment, we succeeded in increasing orders received and redevelopment contracts in the three major metropolitan areas by shifting focus to sales areas where rent increases were anticipated, revising sales prices, and strengthening proposals for rebuilding projects. Going forward, we will continue to establish an ecosystem within the Group by, for example, standardizing construction work to accommodate the shortage of engineers and rebuilding the properties we manage, and further strengthening our construction and real estate rental businesses.

Strongly committed to strengthening our core businesses in the current fiscal year, I hold two general managerships: of the Construction Business Sales Headquarters and of the newly established Tokyo Development Headquarters. I am also serving as the leader of a project to address vacancies in newly built properties, personally spearheading efforts to drive the evolution of the business. I believe that this structure will enable us to drive reforms while engaging closely with operations on the front line, ultimately leading to a strengthened business foundation and the accumulation of tangible results.

Regarding us tackling our focus areas, we are advancing initiatives across three key pillars: real estate development, overseas business, and community development projects. In the real estate development business, operations such as the acquisition, renovation, and resale of residential properties, as well as the development and sale of rental housing, are performing well. The addition to the Group of Ascot Corp.—a company with strengths in real estate development in city centers—has also bolstered growth, and the business is expanding steadily as a second pillar alongside the rental housing business. Making steady progress in expanding into diverse asset classes, such as the development of resort hotels, apartment hotels, and large-scale logistics facilities, we will devise ways to strengthen and grow our

TOP MESSAGE



Sharing the big target of becoming a company of ¥2 trillion in net sales across the Daito Group, we will keep moving forward in the same direction.

real estate development business.

In our overseas business, we are expanding our renovation and resale business, with a primary focus on the U.S., and collaborating with local partners to boost sales and promote the diversification of our purchase channels. Looking ahead, we will consider further expansion of our overseas business in North America. We are also engaging in the capturing of medium- to long-term growth opportunities in regions outside the U.S., including entries into new markets.

Including mixed-use regional developments that leverage synergies with our nursing care business, our community development projects are progressing according to plan. Including the establishment of residential care homes for the elderly, we are making steady progress in various regions, collaborating with local governments and companies from different industries. As mentioned earlier, this includes the reconstruction public housing development project in Noto Town, Ishikawa Prefecture, and the development of the Chiba City ZEH Town Project, which utilizes our expertise in ZEH rental housing.

As a Unified Group, Making Rapid Progress toward Becoming a Company of ¥2 Trillion in Net Sales

This year, FY2026, marks the final year of the medium-term management plan. The numerical targets set at the time the plan was formulated were net sales of ¥2 trillion, operating profit of ¥140 billion, and an ROE of 20%, with particular emphasis placed on net sales. That target was set with the aim of reaching a level that was not easy, but achievable based on effort. Above all, we believed that the sheer impact of becoming a ¥2 trillion company would play a significant role in boosting employees' drive to take on challenges. At first, everyone might have felt uneasy about the ambitious target that was set. However, by sharing this ambitious target and moving forward as a unified Group, we achieved net sales of ¥1,984.7 billion for FY2025, bringing our target within reach. Now, we are ready to make one more big push. As we enter the medium-term management plan's final year, having secured consensus among the operational teams, we have raised the net sales target to ¥2.05 trillion. Once we have overcome one challenge, we move on to the next one. We intend to shift up through the gears toward our new target and charge ahead—with the entire Group united and working in close concert—to bring the medium-term management plan to a successful conclusion.

We are currently in the process of formulating the next medium-term management plan. While building upon the framework of the current medium-term management plan, we are formulating an equally ambitious plan to further advance initiatives in growth areas—such as core businesses, real estate development, overseas operations, and community development projects—as we work toward realizing our vision for 2030.

Viewing Adversity as Opportunity, We Will Press on to Build a Stronger Daito Group.

In conclusion, I would like to mention the three management policies I share with our employees.

TOP MESSAGE

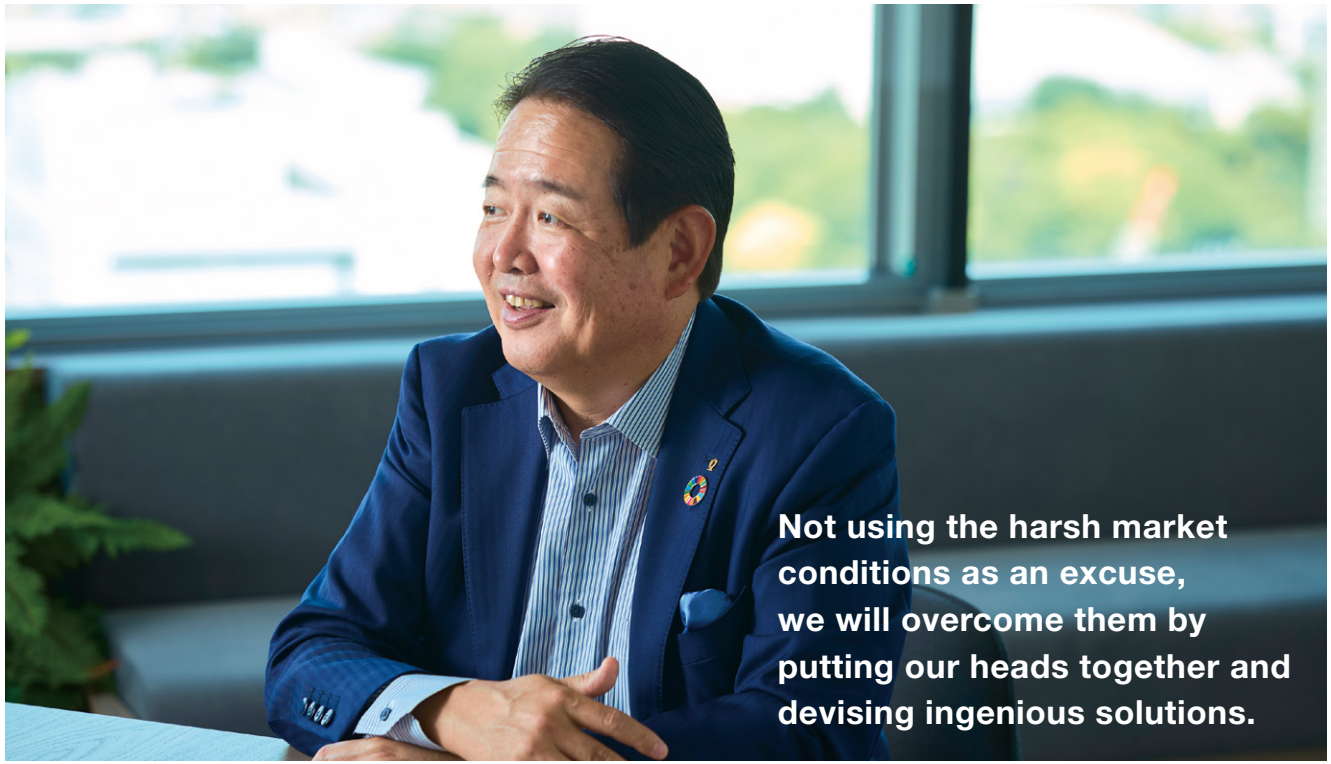
The first point is to “Be thankful and take on challenges.” People naturally feel a desire to reciprocate the kindness they have received from others. That sentiment becomes energy, leading to the next challenge. We place the utmost importance on gratitude toward the stakeholders who support us, and we channel that sentiment into the strength to keep taking on new challenges.

The second is to “Take a frontline-oriented approach.” The driving force behind our Group is the employees who work hard on the front lines every day. No matter how difficult the challenge, the key to resolving it can always be found on the front lines. That is why I make it a priority to visit front lines across Japan and listen directly to what employees have to say. I also encourage officers to actively visit the front lines, thereby ensuring that decision-making originates from a thorough grounding in front-line realities.

My third management policy is to “Keep it simple.” Unless a message is simple, it will not get across. If it does not get across, it will not resonate or lead to action. Therefore, I make a conscious effort to ensure that the messages and instructions I convey are extremely simple and easy to understand.

The domestic landscape is changing rapidly, and a succession of unavoidable challenges—such as a shrinking population, a declining birthrate and aging population, and regional disparities—is bearing down upon us. However, as the saying goes “tough times bring opportunities,” and viewing these environmental changes, which could be described as adverse conditions, as opportunities for growth, I would like to build a more robust Daito Trust Group. The words I take to heart are: “Those who believe they can succeed, will.” Rather than using the harsh market environment as an excuse, I am determined to shift my mindset and view such conditions as the perfect opportunity to demonstrate our capabilities, overcoming challenges through ingenuity and resourcefulness.

We take pride in our work supporting people’s enriched lives through our involvement with housing—an essential infrastructure for living. No matter how the times change, we will continue to provide “homes in which people can live with peace of mind,” the foundation of a fulfilling life, while contributing to community and regional revitalization through community development that relates closely to people’s lifestyles. It is precisely the efforts of each and every employee that underpin these initiatives. Aiming to remain a truly unique company that society continues to choose, we are pressing on as a unified Group. Please hold great expectations for the Daito Group in the years to come.



Carrying forward our values that have remained since our founding, we have continued our business activities.

— Our values that have remained since our founding —

A Business that Adapts to the Environment

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.
Today, against the backdrop of the nation's tax system and rising land prices, both landowners and tenants have earnest concerns.
We must answer those needs as they evolve and grow.

Corporate Philosophy

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

Since
1974

History of the Daito Group

—Our Journey as a Business That Adapts to the Environment—

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.

TURNING POINTS

1980

March 1980

Daito Kyosaikai established to guarantee rent during times of mid-term vacancies

Forerunner to the Lease Management Trust System

Founded in 1974 as Daito Sangyo Co., Ltd., we began building rental properties for commercial use and proposing solutions for self-utilization of land to produce rental income.

In 1980, in response to customer requests, we established Daito Kyosaikai, which guarantees rent during times of vacancy, as the first step on our path to establishing a comprehensive lease management support service.

1992

February 1992

Listed on the First Section of the Tokyo Stock Exchange

Shifting to the rental housing business

With significant declines in demand for rental properties for commercial use as a result of Japan's economic bubble bursting, we decided on a shift to the rental housing market, which was expanding due to the revision and enforcement of the Production Green Space Act in 1992.

We reformed the image of the typical apartment through the popularity of our New Crestall 24, low-rise rental housing built with the two-by-four construction method, launched in February 1995.

2006

July 2006

Lease Management Trust System started

Birth of the Lease Management Trust System

The business operations of Daito Kyosaikai, which was the business foundation of the Daito Group, encountered difficulties following the revision and enforcement of the Insurance Business Act in 2006. The new system that replaced Daito Kyosaikai was the Lease Management Trust System, and it remains at the core of the Group.

2023 –

June 2023

Approaching the 50th anniversary of our founding and developing the Group Purpose

Toward a company "entrusted with the daily life of the future"

While increasing synergies with Group companies and expanding around the Lease Management Trust System, we have achieved one million rental properties under management. By developing the Group Purpose in 2023, we have embarked on our journey for the next 100 years. We are also taking on the challenges of the real estate development business and overseas businesses as we expand our business domains.









❶ Our first rental property, with whose owner and tenant companies we presently continue to do business ❷ New City, sold in 1990 at the beginning of the shift to the residential-use housing business
❸ Expanded rapidly after launching New Crestall 24 in 1995, a wooden rental using the two-by-four method ❹❺ Expanded product variations from 2000s with the expansion of designs such as Meridio 24, and from 2009 with the launch of the L'ill series with reinforced concrete structure
❻ Launched Bo-ku Lab "niimo" rental housing specialized in flood countermeasures in March 2022 ❼ Launched NEW RiSE in May 2022, adopting ZEH-oriented standards and other eco-friendly products addressing social issues

History of the Daito Group

—Our Journey as a Business That Adapts to the Environment—

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 lumber)
- 2022 Invasion of Ukraine

Evolution of the Daito Group and changes in rental housing units under management

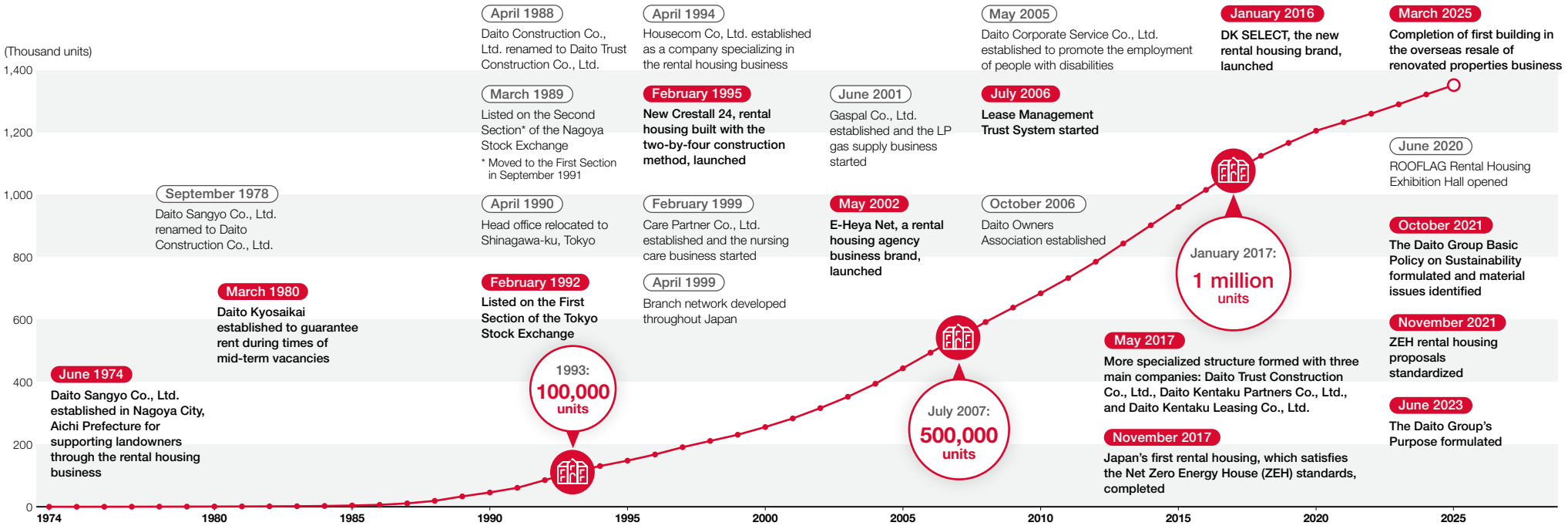
1974—1982
Establishment of Daito Kyosaikai, serving as the foundation of growth since the founding of Daito Sangyo Co., Ltd.

1983—1993
Setting of Daito Kyosaikai as a foothold to become a public company for society

1994—2005
Major shift from business of rental properties for commercial use
Offering of rental housing that carves out the future for the industry

2006—2013
Further expansions of the rental housing business—start of the Lease Management Trust System

2014—2025
Surpassing of boundaries of the rental housing business toward a corporation entrusted with the future of living



How the Daito Group Creates Value (Our Value Creation Process)

Guided by the Group Purpose, “Link the Trust to Make a Better Future,” the Daito Group utilizes six forms of capital as sources of value creation to drive its business activities. By integrating tangible and intangible capital into our business activities, we balance the resolution of social and environmental issues with business growth, reinvesting the value created to realize a virtuous cycle of value creation.

INPUT

6 forms of capital

Human Capital
Diverse talent and a work environment that embraces challenges

Social Capital
Relationships of trust with property owners, tenants, partner companies, and local communities

Production Capital
Building and management expertise, branches nationwide, and construction systems

Natural Capital
Conservation of natural capital and addressing climate change

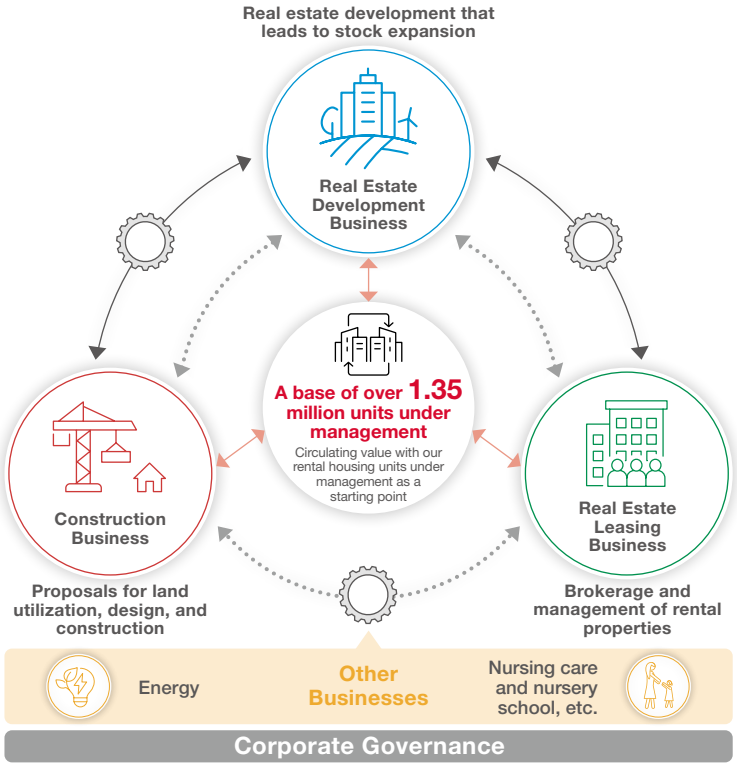
Intellectual Capital
Data, technology, brand, and expertise

Financial Capital
Strong financial foundation and stable cash generation

BUSINESS ACTIVITIES

Integrated business activities of the Daito Group

Group Purpose / Corporate philosophy of each company / VISION 2030 / Medium-term management plan / Material issues



OUTPUT

Value provided

Land that stays valuable. Communities people want to stay in.

Rental housing units supplied
Approx. **38,000**/year

Tenants recruited
Approx. **345,000**/year

Group offices (in Japan)
Approx. **1,200** offices

Secured value

2026 Target

Net sales	ROE
¥**2,050** billion	**20** %
Operating profit	**Payout ratio**
¥**142** billion	**50** %

2030 Target

Employee Engagement Score
Maintain **62.0** (AA) or above

OUTCOME

Impact on society and the environment

Eco-friendly housing units provided
102,457 total units



Disaster preparedness bases installed
213 bases



People and communities connected—“ruum” registrants
1.76 million people

Reinvestment in capital

Track Record of Value Creation (Provided Value)

Land that stays valuable.
Communities people want to stay in.

The challenges surrounding land and assets, residences, lifestyles, local communities, and the environment are becoming increasingly diverse along with changes in society. Confronting these changes, the Daito Group is continuing to create new value for its stakeholders through its business activities.

Strengths of the Daito Group

- **A track record in land utilization** that has been built up through the development of its rental housing business
- **Community development unique to the Daito Group** through the collaboration and diversity of Group companies
- Rather than a "scrap-and-build" mentality, a **community-based, social contribution approach** that has involved working closely on local issues for long periods of time

Competitive Advantage (Strengths of the Daito Group)

Management Capabilities
Management systems and expertise that support lease management over the long term

Brokerage Capabilities
Brokerage network that ascertains tenant needs and connects people with housing

Market Understanding Capabilities
Community-based sales and market data-backed proposal capabilities

Value-Added Proposal Capabilities
Solutions that address a wide range of issues, including land utilization, inheritance, taxes, and financing

Technical Expertise
Build quality and product appeal that underpin asset value

Group Development Capabilities
A business foundation that extends value from residences to lifestyles and local communities

Provided Value (Value Provided to Stakeholders)

Enhancement of Land/ Asset Values
Supporting asset formation and succession through lease management, increasing the value of land



Property owners

Residence/ Lifestyle Value Enhancement
Supporting more affluent lifestyles through safe, comfortable living environments and services that underpin daily life



Current and prospective tenants

Enhancement of Regional and Co-Created Value
Addressing local community issues and expanding value together with diverse partners



Local communities, partner companies, shareholders, and investors

Supportive Work Environment and Enhancement of Job Satisfaction
Providing workplace environments that enable diverse talent to demonstrate their abilities and grow



Employees

Secured Value (Outcomes and Results of Created Value)

Number of owners **93,000**	Number of units under management **1.351 million** Note: Includes commercial properties
Number of tenants **2.36 million**	Occupancy rate*1 **98.0 %**
Number of design/construction partner companies **10,415 companies**	Number of brokerage offices **620 offices**
Cumulative number of contracted ZEH rental housing **157,000 units**	Number of project partnerships with municipalities **32 locations**
Number of Group employees **19,000**	Ratio of female managers*2 **9.8 %**

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

Risk and Opportunities Associated with the Material Issues of the Daito Group

The Daito Group owes its growth to its flexible response to changing social issues and creating added value unique to the Company. We have analyzed and assessed the impact of social issues and environmental changes upon the Group—from aspects of both risks and opportunities—and organized this into a set of issues revolving around sustainability, including the environment, society, and governance. We then identified the Group's material issues and are now moving forward on their resolution through the Group's business activity.

After analyzing the social situation and market environment that could impact future profits and losses, we have created five categories of issues and identified how each one impacts the Group as a risk or opportunity. We are now developing measures in response. This work on identification and assessment is conducted by the Sustainability Promotion Meeting and is reflected in the review and updating of the Group's material issues. We have also established a policy of conducting 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—and are reporting our findings to the Board of Directors.

Social and Market Environment Surrounding the Daito Group

		Risks	Opportunities
01 Shrinking population/ declining birthrate and aging population	The trend is expected to keep decreasing, with a birthrate of 1.14 in 2025 marking an 10-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
02 Working-age population/time/ work styles	The reduction in working hours is accelerating due to laws and regulations. Work styles such as telework have been diversified.	• 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
03 Consumer awareness/ lifestyles	Demand is expanding for smart housing. Lifestyle satisfaction levels are changing.	• 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
04 Construction costs, cost of goods, interest rates	Due to heightened geopolitical risks, 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
05 Environmental issues	The impact of greenhouse gas emission reductions is flat. The frequency of natural disasters is rapidly rising. Emergencies have become the norm. Demand is expanding for responses to biodiversity.	• 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

Note: An analysis of risks and opportunities based on the frameworks of the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD) is disclosed in detail in the Sustainability Report 2026.

The Daito Group's 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. These material issues are positioned as key issues for achieving the medium-term management plan and realizing DAITO Group VISION 2030.

Management-Related Material Issues

Business-Related Material Issues

Material issues	1 Environment	2 Society	3 Talent/ Organization	4 Corporate governance	5 Land/ Assets	6 Rental housing	7 Living/ Lifestyles
	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**	**Supporting the most effective use of land and assets**	**Improving asset value while also resolving social issues**	**Improving convenience of living and neighborhoods**
Our vision for 2030	Actively address the climate crisis by reducing CO_2 emissions and improving energy efficiency.	Contribute to society as a bridge that connects people with people and communities with people, by solving the challenges specific to each region.	Create an environment where everyone can work with excitement about the future VISION.	Become a company trusted by all stakeholders.	Provide utilization proposals tailored to a variety of land and assets.	Add to all rental housing the value of being a solution to social issues.	Begin creating communities connected through people, buildings, and services.
KPIs	(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*2 (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	(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) 55% reduction (Compared with FY2017) (Scope 1 + 2, 3) (2) 60% (3) 2x (Compared with FY2017) (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%	(1) 82,000 members (2) 12.8%	(1) 100% (2) Formulation of ZEH standards for existing buildings	(1) 4 million people (2) 10 facilities
FY2025 results	(1) Scope 1 + 2 reduced by 29.6%*1 Scope 3 reduced by 50.0%*1 (2) 45% (3) 1.34 times (4) 29,201MWh	(1) 47 prefectures (2) 32 projects	(1) 64.9 (AA) (2) 9.8% (3) 120.9% (4) 274 employees	(1) 0 cases (2) 91.8% (3) 21.4%	(1) 7,867 members (2) 1.88%	(1) 85.9% (2) Under discussion	(1) 1.76 million people (2) 0 facilities

*1 Compared with FY2017 *2 Daito Trust Construction Co., Ltd., Daito Kentaku Partners Co., Ltd., and Daito Kentaku Leasing Co., Ltd.

Material Issues
A Few Words on Where We Stand with KPIs from Managers in Charge

The Daito Group is now involved in discussions and resolutions on important measures, including the establishment of KPIs linked to material issues, reporting on their progress to the Board of Directors every six months, and continuous monitoring.
To increase our effectiveness in addressing material issues, we not only establish KPIs, but are also constantly engaged on the front lines of our business.
We spoke with two representatives responsible for driving progress on achieving our KPI targets about the progress, challenges, and future outlook for our initiatives.



All 47 Prefectures, Connected
— Five Years Ahead of Schedule: From the Front Lines of Social Contribution

Mika Asano | Corporate Branding Department, Plan Development Section

The material issues under my charge have to do with carrying out community contribution activities in all of Japan's 47 prefectures. From the start, we set our targets for achievement by 2030, yet we were able to achieve them five years ahead of the plan with the help of proactive implementation by employees at Company bases. The horizontal application of these activities across the Group is what spurred the expansion of our efforts. Looking at examples at bases where initiatives were actually applied, we see the makings of a virtuous cycle generating activity at other bases. We also received an increasing number of inquiries from other units that had seen media coverage, which enabled the circle of activities to widen. Elsewhere, awareness has grown toward community contributions by those at the sites, resulting from the onward progress of cooperative agreements focused on disaster preparedness with 32 local governments. The expansion throughout Japan of these types of activities, rooted in the community, have led directly to greater faith in the Daito Trust brand. I am also confident that our employees' continued engagement with the community—including customers, suppliers and other partners, as well as residents—will strengthen the ties between community and Group, which can create and expand sales opportunities as a result. However, we continue to face the issue of discrepancies among communities in their natural conditions and in the number of activities.

In this fiscal year, I believe we should brush-up on activities that leverage our companies' own strengths while keeping community needs and efficiency in mind, and promote this work as efforts cherished by the whole community to which employees can point to with pride.



A Decarbonized Society Fostered by Widespread Adoption of ZEH
— From the Front Lines as the "No. 1 Company in Housing Supply"

Ryota Mukai | Design Department, ZEH Promotion Section, Section Manager

The material issues under my charge have to do with promoting the adoption of ZEH and the strategy for incorporating decarbonization and energy-savings designs in rental housing. Against a target metric of 75% for FY2025, we achieved actual results of 85.9% and topped 157,000 in total of contracted units. We have been able to accurately grasp the national trends in decarbonization and steadily accelerate our market penetration. These efforts are underpinned by the realization of long-term financing incentives over 40 to 50 years, achieved by standardizing ZEH proposals and their supply system across the Company, disseminating the importance of environmental performance through consulting with owners, and working together with financial institutions. As for the contribution to corporate value, one major step is to supply renewal energy to all our homes, achieved through technology from a joint patent with KYOCERA CORPORATION. As a result of having both resolved social issues and improved our ESG evaluation, we have established market superiority, fostered greater trust from stakeholders, and enhanced the corporate brand. I am convinced that this has led directly to a large increase in long-term corporate value. We still face the issue, however, of responding to the FY2027 revisions to the ZEH standards. Capitalizing on these program reforms, we will set forth to build a new brand and will devote ourselves even more to enhancing product power, while solidifying our market competitiveness for the next generation. As widespread adoption of ZEH is indispensable to achieving science-based targets (SBTs) with surety, we seek to make our next-generation residences harmonize with the environment and the economy of Japan and to drive the realization of a decarbonized society from the front lines as the No. 1 company in housing supply.









DAITO Group VISION 2030

Realizing community development by expanding the scope of the core rental housing business and connecting it organically with its peripheral businesses



At the Daito Group, we have defined our desired state for 2030 as "VISION 2030," based on the Group Purpose, "Link the Trust to Make a Better Future," as the first step toward becoming a 100-year company.
The aims of VISION 2030 are to expand the scope of our core businesses and connect them organically with our peripheral businesses, and to promote initiatives to resolve issues such as the aging population, depopulation, and living under the fear of disasters.





Core of VISION 2030

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

Medium-Term Management Plan 2024–2026

Three Pillars of Priority Measures

01 Promote Human Capital Management P.19

02 Establish a Strong Core Business P.26

03 Tackle Focus Areas of the Medium-Term Management Plan P.31

Financial Targets

In the final year of the medium-term management plan, the Daito Group has raised its targets to net sales of ¥2.05 trillion and operating profit of ¥142 billion, and aims for ROE of 20%.

We will make a ¥60 billion capital investment throughout the plan period, of which ¥30 billion or more will be invested in IT and DX.

Targets for FY2026

Net sales	¥2 trillion (initial target)	**¥2.05 trillion**
Operating profit	¥140 billion (initial target)	**¥142 billion**

		Medium-Term Management Plan (FY2024–2026) Policies
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
Shareholder returns	Payout ratio	50%
	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	FY2025 (results)	FY2026 (targets)	FY2030 (targets)
Employee engagement score	Comprehensive indicator for employees' ease of work and job satisfaction	64.9 (AA)	Maintain at 62.0 (AA) or above	
Ratio of female managers*	Key indicator for ease of work	9.8%	10.0%	13.0%
Number of project partnerships with municipalities	Indicator for VISION 2030 promotion	32 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)	29.6%	41%	55%
Ratio of female directors	Diversity indicator for members of the Board of Directors	21.4%	20.0%	30.0%

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

1. Promote Human Capital Management

Purpose Ambassadors Roundtable

Reflections on Two Years of the Medium-Term Management Plan Changes Seen from the Front Lines, Onward to the Next Challenge

Now that year two of the medium-term management plan is over, how have improvements in the ease of work and the deepening of Group collaboration brought about changes on the front lines?

We sat down with Purpose Ambassadors from the three core businesses of the Daito Group and talked about the changes felt in their daily work, their ease of work, and their vision of the Purpose as well as future challenges.



Hideo Sasaki
Daito Trust Construction Co., Ltd., Toyohashi Branch
Sales Division

Momoka Uchida
Daito Kentaku Leasing Co., Ltd., Gifu-Higashi Branch
Brokerage Division

Ryota Nakauchi
Daito Kentaku Partners Co., Ltd., Sapporo Office
Property Management Division

As of August 2026

What are Purpose Ambassadors?

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

This initiative involves sharing examples within the Daito Group of when the Purpose was put into practice and offers an opportunity for every single employee to adopt the mindset of the Purpose in their daily work. To date, 152 people have received recognition.

* Daito Trust Construction Co., Ltd.; Daito Kentaku Partners Co., Ltd.; Daito Kentaku Leasing Co., Ltd.



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Purpose Ambassadors Roundtable

Q. Please describe your current job.

Sasaki I serve as a consultant who works with landowners for current issues and future objectives. I also propose land uses such as apartments and condos. Starting with a site analysis and including building plans, financing plans, and tax and inheritance measures, I propose the most appropriate business plan for our clients and their families after considering all options. After construction is complete, I also support management of rental housing business and serve as a long-term partner, contributing to the formation of assets and their succession to beneficiaries.

Uchida I propose places to rent that fit the desired lifestyle of customers who visit our branch. Our support for apartment-hunting extends from application to handing over the key, and we also take photos and videos of the property as well as manage and update property information posted online. In this way, we approach apartment-hunting with the same zeal, case after case.

Nakauchi I am responsible for a wide range of matters to support rental property owners, including maintenance management, vacancy measures, repair and renovation, and inheritance. While overseeing roughly 400 property owners, I am committed to taking action as soon as a work request is received so that I can support maintaining and enhancing asset values, as well as support the management of rental housing business.



Q. Now that the second year of the medium-term management plan has ended, what are some thoughts on the types of changes that were made regarding ease of work and job satisfaction?

Sasaki These changes are amazing. When I joined the Company 15 years ago, it was a working environment where most people did not take vacation, and this felt like the natural state of affairs. But now, people are taking their days off, and the amount of overtime is becoming more reasonable. People are also being more efficient within the limited time of the workday.

Nakauchi At Daito Kentaku Partners (or “Partners”), there are restrictions on coming home with a company mobile phone and on PC use in the evening. I was asking myself, “Will I make progress in my work?” but after giving it a try I felt I could get things done, contrary to my expectations. Overtime work has been reduced to a large extent, and days off can surely be taken, which gives us the feeling that our ease of work has improved and is real.

Sasaki There is nothing that pleases me more than knowing we are spending more time with our families. Thanks to our ability to refresh, our motivation for working has risen a level.

Nakauchi Collecting rent, which had been performed by those directly in charge of a property, has been centralized, and this has brought greater efficiency to our work. Because of this we can devote more time to property owners and tenants, make higher quality proposals, and better provide support.

Uchida Daito Kentaku Leasing (or “Leasing”), established a “Contract and Major Points Explanation Center” specializing in contract work, allowing me to choose a career outside of sales positions. For sales positions, the shortened working hours have some difficult aspects, but the ability to take on a new position while choosing a work style that fits one’s life stage makes it feel like the Company has established an environment where it is easy to continue one’s career. Even amid the changing work styles, I feel we can respond by revising how we go about our work.



Q. How is the stronger collaboration among the Group’s three companies progressing?

Sasaki The mindset of being “One Team” has penetrated the three companies, and I feel we are making more progress than before in sharing information. On the other hand, there is room for matters like the handover from the property management division to the construction department to proceed more smoothly. If we are able to strengthen collaboration, I believe the burden on the front lines will lessen, and we can make progress on our work more efficiently.

Nakauchi I feel the same way. We are indeed making more progress than before on sharing information, and even though the persons in charge may have changed, it has become easy to pass on the relationship with the customer. On the other hand, there are scenarios in our collaboration with the construction department where time is taken up by confirming matters and assessing the situation. If there was greater clarity regarding the sharing

1. Promote Human Capital Management

Purpose Ambassadors Roundtable

of responsibilities and the assessment standards under such scenarios, then the common understanding expressed as “cooperating beyond the division” would become more widespread. Would this not lead to even more progress in three-company collaboration?

Uchida I am in complete agreement with my colleagues. At Leasing, we must make sure that work to restore the unit’s original condition is complete by the customer’s move-in date, which makes collaboration with Partners essential. It is often the case that the next move-in has been determined when the move-out is in the planning stage, and the time to the rent due date is also short. This means it is crucial to make the normal arrangements and share information so that the work is complete by the move-in date. On the other hand, there are still a limited number of contact points with Daito Trust Construction outside of those for newly constructed properties. If there is an in-place relationship where the persons in charge on the front lines can easily consult each other, and the information-sharing mechanism is also in place, then I believe the three-company collaboration will become something more robust.

Sasaki Looking ahead, I would like to deepen the collaboration with other Group companies and increase the breadth of proposals to property owners even further.

Q. Please describe your vision of the Daito Group Purpose, “Link the Trust to Make a Better Future.”

Nakauchi Among all that is in the Purpose, the particular impression that remains with me is the word “Entrust.” With proposals to property owners, with training of junior employees—what has become part of my mindset even more than before is “How can I entrust this on in a way that connects to the other party’s future?” More than the particular mindset of the full Purpose document, it is the term “entrust” that is tossed around naturally in our daily work.

Uchida Purpose is something that is rooted naturally in our daily work. To a customer, apartment-hunting could be the start of a new lifestyle. The significance here, I believe, is that our work is linked to the “to make a better future” part of the Purpose.

Sasaki My personal belief is that what we want for the Purpose is to be entrusted by our customers with important land and a little bit of their future. My greatest fulfillment is the joy I get from customers who say to us “I’m glad we can leave it up to you” and “thank you.” There are aspects of sales that are tough, but it is precisely because of these words of thankfulness that I can go at it once again.

Uchida For the Company overall, the Action Guidelines prepared toward realizing the Purpose has especially high penetration. Because many employees paste a sticker with the Action Guidelines onto their computers or set the guidelines as their mobile phone wallpaper, we have an environment where the code is always catching our eyes.

Sasaki I have also pasted a sticker on my computer with the Action Guidelines inscribed. By catching my eye every day, it has become linked to a habit of being mindful of the Purpose and Action Guidelines.

Q. What vision would you convey to today’s junior employees who will lead the next generation? What is your expectation for the future of the Daito Group?

Uchida What gives me more pleasure than anything else is the instant I hear from a customer, “I am glad we moved here.” For this very reason, I find it important to serve customers by being there for them in their lives, and I would like to build the trust that allows me to think, “I sure would like to advise them again.” While conveying such



experiences and joy to junior employees, what I wish for the Daito Group is that it continues to supply value that exceeds customer expectations. It continues to be a company where employees can take pride in their work.

Nakauchi I very much agree. I have been truly blessed by the managers I have had the chance to work with and my senior colleagues. In particular, what I learned from my section manager at the time I joined the company has become the foundation for my work even to this day. Having been handed down this learning, I would like to see that my own expertise and experience are entrusted to junior employees. My hope is that the Daito Group, by changing in accordance with the times while imparting importance to a culture that nourishes its people, will continue to be a company where employees can believe, “it’s great to work here!”

Sasaki Like Mr. Nakauchi, I am blessed by the managers I have had. I was once taught by such a manager, “Rather than focusing on short-term profits, bringing joy to our customers is what leads to results.” This is characteristic of the Company and the appeal of this job, I think. While this vision is expressed in our own conduct, I would like to see it handed down to junior employees. And more than that, we can look forward to further expansion at the Daito Group while flexibly responding to the changes of the times and taking on a variety of challenges.



Yukari Yunome | Executive Officer, General Manager of Human Resource Headquarters

1. Promote Human Capital Management

Message from the General Manager of Human Resource Headquarters

“Ease of work” × “Job satisfaction” + “10 People, 10 Personalities” = “The Power of the Daito Group” Developing Talent that Thinks and Acts Autonomously

Since our founding, we have always advocated that “people are capital.” The human capital management cited as the cornerstone of the medium-term management plan—a product of the strong balance between ease of work and job satisfaction—is what draws out the power of every single employee today and serves as the driving force behind talented employees that think for themselves and take action on their own. Underlying this is the consistent thinking for transforming the ideas behind “10 people, 10 personalities” into a force for society built upon the foundational perspective cultivated by having women playing an active role.

People Are Capital, Not Costs

Ever since its founding, Daito Trust has been rooted in the idea that “people are not a cost; they are capital.” To continue its sustainable growth in an era of relentless change, the Company sees its key management priorities as 1) putting effort into hiring and developing first-class talent and having such talent take root, 2) building a pleasant work environment where diverse talent works with vitality, and 3) enabling every employee to apply their abilities to the maximum. For this very reason, the medium-term management plan, which follows the first 50 years since our founding as the first step toward the next 50 years, refers to human capital management as its cornerstone. Before I was appointed as General Manager of Human Resource Headquarters, I worked for nine straight years in diversity promotion, which was difficult to understand during that time and faced more than a little reaction. Although I received the support of top management, at lower levels a feeling of “I know what you want to say, but ...” hung in the air. The fact that I did not succumb to this situation but steadily continued to push these efforts forward—which led to my being entrusted with the role of General Manager of the Human Resource Headquarters as an Executive Officer—has made me truly feel that the way I thought and acted was right. Today, the messages from top management and what our managers communicate have changed as well, and employees, too, have begun to take this earnestness to heart.

Pursuit of Ease of Work and Job Satisfaction

What is important to me is that for a company to continue its journey toward sustainable growth, “ease of work” and “job satisfaction” must both be essential drivers of the organization. High performance means the ability to bring mind and body to bear with peace of mind. If there is no foundation for ease of work, job satisfaction will not come to be. For this reason, discussion of the two cannot be split apart. Take for example the custom of coming to work at a construction site on a Saturday as if it were the norm. If this is changed to regularly taking a day off, then items related to the work environment in the engagement survey will have transformed from a weak point to a strong point. Effective measures vary by type of job, but the fact that delivering these to employees one by one feels important to a company will encourage employees to start feeling that “the company is truly putting its efforts into this,” which leads to changes in awareness and conduct. The result would be improved engagement and lower turnover, and I feel as well that the built-up effect surely appears in the employment structure mentioned above.

1. Promote Human Capital Management

Message from the General Manager of Human Resource Headquarters

Women Playing an Active Role: A Model for Things to Come

Even among the initiatives to change “10 people, 10 personalities” into a company’s capability, promoting women to play an active role feels to have been a future-oriented challenge to have a diverse set of employees exercise their abilities. Approaches to life events, work style, and career vary by individual. There are people who wish to take advantage of life events such as the birth of a child to change their work style, and people who wish to strike a balance between work and their private life, as well as people who wish to fully immerse themselves in their work. For this reason, we cannot just set up one system and one environment. Instead, managers must understand the conditions and thoughts of the subordinate in question and deliver the necessary support. When it comes to training for management positions, we convey in concrete terms the way to face these issues and speak up to employees with varying perspectives, and have changed our awareness of women playing an active role from “something to fear” to “something worth working toward.” A major turning point is the incorporation of a diversity score in the performance appraisal of branch managers. Even if the relative numerical weight is small, the fact that it has been put into the appraisal is a message that shows the Company is serious about this. The front lines are supervised on their own right now, but we have been made aware that we should further expand the weighting. In the past, there were periods when we received severe appraisals outside the Company, but we have not heard such voices so much these days, as we have been receiving more positive evaluations from the outside. Our aspiration to have women play an active role was a way to provide support tailored to the individual. And how can employees with diverse situations and value perspectives exercise their abilities? From an equity perspective of delivering the necessary support to people who need it—regardless of gender—I would like to expand upon what we do to maintain human capital management that supports the career formation and upskilling of every single employee.

Turning “10 people, 10 personalities” into a Company Power

Our next focus will be on the ability of each individual to sketch out their own career. Up to now, the Company has set a basic standard employment based on type of position, and opportunities for the employees themselves to feel that “they choose their career on their own” have been inadequate. In response to this, we will broaden the way we think about career ownership by first trying to sketch out one’s career. Starting from here, we will then ensure that supporting a subordinate’s long-term career formation becomes firmly established as a work duty of their superior. This thinking about one’s career is linked to self-motivated study and action. While expanding the business portfolio by proceeding to take on the challenge of new business domains including real estate development, it is essential to have the flexibility to play an active role beyond the framework of job classification and the Group. For this reason, we shall visualize skills that could not be seen before because of blinders based on region and job type and then design training and hiring practices while keeping an eye on where and what type of talent can be found—all to advance the transformation to strategic human resources.

The support for these changes comes from two-way dialogue between the front line and management. By transforming from the culture we had in the past, where it was hard to express opinions, and by proactively picking out voices on the front lines, we have made it easier for employees to speak up. Now that we have started to achieve a balance between top-down and bottom-up, the question of concern is how to expand an organization that can grow organically by investing in people and—as we look toward the next medium-term management plan—solidify a foundation which has been laid over time up to today. I would like to see this building-up be tied in with individual employee growth and the certain enhancement of corporate value.



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Investment in Human Capital Drives Business

Since its founding, the Daito Group has viewed "maximizing the power of employees" as the driver for enhancing corporate value, and we have grown by maximizing the application of our employees' potential. As shown in the medium-term management plan, human capital management is our base and our goal is to create an environment where diverse talent can thrive. Through "ease of work" and "job satisfaction," we aim to enhance corporate value and realize sustainable growth by utilizing the power of each 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, and officer remuneration, and are being used toward visualization of human capital and continuous improvement.

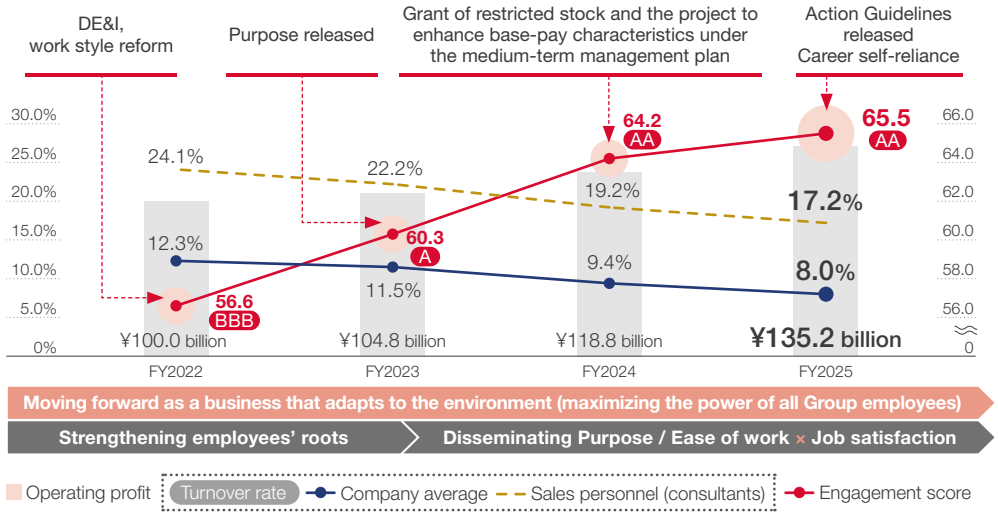
Results of the "Employee engagement survey"*1 (2030 target: keep 62.0 [AA] or higher.)

Engagement score	Nov. 2021 (Round 1)	Nov. 2025 (Round 9)	May 2026 (Round 10)
Group*2	54.8 (BB)	64.9 (AA)	68.1 (AAA)
Daito Trust Construction Co., Ltd.	53.8 (BB)	65.5 (AA)	69.4 (AAA)
Daito Kentaku Partners Co., Ltd.	57.8 (BBB)	62.6 (AA)	64.3 (AA)
Daito Kentaku Leasing Co., Ltd.	54.2 (BB)	67.0 (AAA)	68.8 (AAA)

In FY2021, the overall engagement score for the Group's three main companies was 54.8 (BB). While focused on the balance between "ease of work" and "job satisfaction," we have been engaged in supporting the career self-reliance of all employees and disseminating the Purpose to those on the front lines. Behind our approximately 13-point improvement lie three factors to note: communication of management's message at the Management Plan Briefing, promoting a culture of self-reliance based on penetration of corporate characteristics enhancement, and raising employee awareness of participation in management through ESOP distributions.

*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.
*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.)

Relationship between engagement, turnover rate, and operating profit at Daito Trust



The Company is using data to identify the relationship between human capital investment and business results. Along with the improvement in our engagement score, operating profit also increased, achieving a record high in FY2025. The turnover rate also improved over the same period, falling from 12.3% to 8.0%. The result is that the actual feeling of "not giving up" but "achieving results" instead accumulated.

Recognized as a "Best Motivation Company" at BMC 2026

Because of our human capital management initiatives, in February 2026, we were recognized as a "Best Motivation Company" in the Large Enterprise category (5,000 or more employees) at the Best Motivation Company Award 2026, hosted by Link and Motivation Inc. Continuing forward, we will align our management strategy with employee engagement and, by creating a workplace in which each employee can take pride in their work, obtain sustainable growth.



Left: Tanaka, Director and Managing Executive Officer
Right: Mr. Sakashita, Representative Director and President, Link and Motivation Inc.

1. Promote Human Capital Management

Investment in Human Capital Drives Business

Investment in People Creates Value

As a move toward promoting human capital management, the Daito Group is expanding its investment in human resources development and strengthening its organizational capabilities. By returning more of the value created through business activities to investment in people, we expect to form a virtuous cycle of growth with humans as the starting point. Moreover, our investment in human capital (including training expenses and organizational development expenses) grew 36.1% year on year to ¥332 million in FY2025.

Through efforts such as these, we intend to maintain a high level of employee engagement, which will lead to realization of Daito Group VISION 2030 and sustainable corporate growth.

Corporate Characteristics Enhancement Project: For an organization in which each and every employee plays a leading role

Operated jointly by the three core businesses*, the Corporate Characteristics Enhancement Project has nearly 200 participants in total, ranging from managers to frontline employees. The goal is to transform from an organization that depends on strong leadership to a reversed pyramid-type organization, where decisions and actions can be taken based on each employee's sense of ownership. First, we established the Action Guidelines, which incorporated the Group Purpose of "Link the Trust to Make a Better Future" into everyday behavior and released them to all employees in 2025. Then, from April 2026, we revised our excessive results-oriented principles and introduced a performance appraisal system that emphasizes employee growth. Tied in with this, we are examining our KPIs that measure how well the Action Guidelines have penetrated as a way to visualize change. By activating these efforts in conjunction with the engagement score, we will keep constant tabs on the relationship between reforming our corporate culture and business performance. Our intent through these initiatives is to transform to an organization where each employee can come up with ideas, exercise their own judgment, and take action—all on the front lines. We shall see to it that this state of affairs takes root in the corporate culture.



	Details	Period
Step 1 Developing the Action Guidelines	Incorporating Purpose into Action Guidelines, introduction to all employees	FY2025
Step 2 Reworking systems and policies	Redesigning performance appraisal and compensation system, transformation into growth emphasis	FY2025–
Step 3 Ensuring that self-reliance takes root, penetrating the front lines	Promoting initiatives for monitoring and for frontline penetration	FY2026–

* 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.)

TOPICS

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 into the Management Plan Briefing, attended by all employees. This venue for management to directly communicate the corporate direction to all employees is an initiative embodying the "direct, face-to-face" culture that the Daito Group has set as important.

At the FY2026 event, which was held as the kick-off to the final year of the current medium-term management plan, management sketched out a corporate direction in which the hard work of employees leads to higher sales and profits, a rising stock price, and better valuations for individual assets, while also calling on the Group to work as one in its quest to achieve targets. An environment in which each and every employee grasps the Company's future as their own presents the opportunity to share the importance of thinking and acting independently.



A Growth Model Based on Stock and Flow: Build, Connect, Train. An Environment That Makes the Business Stronger

Yoshihiro Mori

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

2. Establish a Strong Core Business

Message from the General Manager of Real Estate Business Headquarters

With a foundation of over 1.35 million managed properties, we carry out integrated operations of construction, management, and tenant recruitment. Because stock and flow are linked, we are able to realize stable revenues and growth opportunities.

Supporting Strong and Stable Core Businesses with a Virtuous Cycle of Stock and Flow

The core businesses of the Daito Group have become viable as a result of the link between construction, management, and tenant recruitment. By connecting rental housing supplied by the construction business to management and tenant recruitment from the real estate leasing business and managing the process within the Group, we have established a business structure featuring the circulation of stock and flow.

During the more than 50 years since our founding, the stock of properties we manage surpassed 1.35million homes as of March 31, 2026. We build relationships of trust while preserving property owners' asset valuations through management and tenant recruitment. So, when the time to replace a building draws near, the Company can once again tap into the flow of construction, management, and tenant recruitment. This virtuous cycle has become the foundation of the Company's strong core business. Also, by handling not only Company-managed properties but also the replacement of properties built by other companies, we win over new demand with a structure of underpinning Group growth by constantly creating flow opportunities.

Upgrading the Revenue Structure Based on the Medium-term Management Plan

For this fiscal year, the final one of Medium-term Management Plan 2024–2026, the Real Estate Business Headquarters serves as the standard-bearer for "strengthening the core business." It is accordingly engaged in strengthening core business profitability on top of three pillars: 1) tracking the utilization rate of each living quarters, 2) revitalizing the local area, and 3) optimizing the recruitment system in conjunction with DX.

The current environment is one where construction costs and interest rates are readily climbing while rent is finding the ascent arduous. In response, the Real Estate Rental Business keeps tabs on the utilization rate for each property amid limited improvements to the occupancy rate. Meanwhile, a transformation toward profitability improvements is occurring in employee behavior: "the least we can do is to fetch decent rents and recruit tenants as quickly as one day, while curtailing promotional costs."

Also, as a measure taken in response to population decline and other prospective changes in the social environment, we have been engaged since January 2025 in activities that narrow the geographic scope of consultants' sales efforts to city centers where rent increases are

2. Establish a Strong Core Business

Message from the General Manager of Real Estate Business Headquarters

expected. Focusing on the essential qualities of the business, we have reduced the activity area to 70% of its former size while also maintaining orders at a given level. Looking ahead, we aim to expand our share even more in central areas. Making progress in conjunction is the area reclassification. The Group's real estate leasing business is not limited to management and tenant recruitment but also features controlling the balance between supply and demand. Using approximately 4,600 area classifications over the entire country, we accumulate market data and then make decisions on boosting or controlling supply every six months. This allows us to prepare supply plans in response to demand. In addition, given the number of units under management, we collaborate with the construction business division to adjust supply volumes and curtail excess supply in the market as we strive for a strong balance between occupancy and profitability.

Actual results of over 340,000 cases of tenant recruitment per year are supported by a network of local real estate companies and businesses. Through our bases nationwide, we collect local information and get an early handle on changes in supply-demand conditions as well as signs of new demand. This type of information capability arising from the front lines informs our judgment of supply adequacy and leads to the capture of business opportunities. DX, which is indispensable to sustainable business growth, goes beyond digitizing all operations to encompass a policy of making progress on our goals using flexible means. Another strength of the Group is the franchising of E-Heya Net, where the collaboration with our franchisees allows us to take the initiative on DX in the real estate industry. We currently leverage digital technology to help with rent appraisals and to advance operational efficiency, while at the same time we are able to operate a high-precision business by making final judgments based on front-line information and synthesizing data with front-line expertise. On the other hand, there is value in the real estate industry than can only be nurtured in person-to-person relationships such as through face-to-face communications. I would like for the Daito Group to achieve differentiation from other companies by building a DX-style characteristic of the Group.

Looking ahead, through the appropriate integration of real contact points with digital technologies, we will raise our tenant recruitment capability and increase the accuracy of business operations, leading to a sharper competitive edge in the real estate leasing business.



A Tenacious Frontline Approach Fit Precisely for an Era of Relentless Change

In an era of relentless change, it is thus essential to grasp changes on the front line at an early stage. Conditions seen today may change a lot by tomorrow. For this very reason, as someone with their eyes always on the front line, I would like to thoroughly practice a frontline approach that accurately grasps conditions and changes in each region from the standpoint of one who oversees the Real Estate Business Headquarters.

What stands out as important in the real estate leasing business overall is to achieve a strong balance between expanding the Group's market share and increasing the value provided to property owners and tenants. Through organic collaboration between management, tenant recruitment, and construction at each business, we can achieve a virtuous cycle and realize sustainable growth.

FY2024 → FY2026 Changes

Sales price	Sales area	Sales strategy
Toward proper pricing for responding to rising costs	**Focusing on areas** where rent increases are expected	**Strengthening proposals for rebuilding** aged properties owned by us or by other companies
Sales price	Order ratio of the three major metropolitan areas* in Japan	Replacement contract ratio
+11%	+9.2pt	+6.9pt

* Three major metropolitan areas = Tokyo metropolitan area + Kinki region + Chubu region Note: FY2025 results

2. Establish a Strong Core Business

Conversation with Partner Companies and Frontline Managers

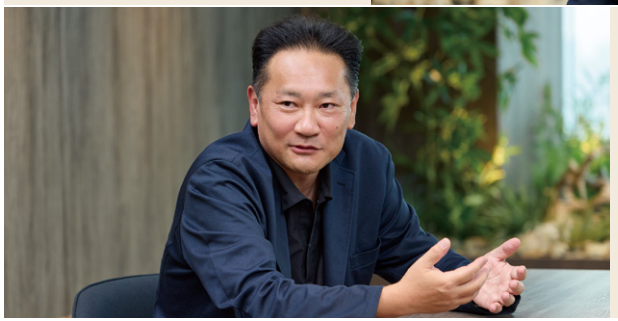
With Direct Connections Good Things are Possible —Increasing Skills Together toward the Next Generation



Hisao Yamawaki
Yamawaki Co., Ltd.
Chairman
(Earthwork)

Masamune Shimoda
Shimoda Interior Co., Ltd.
Representative Director
(Interior Work)





Yasutaka Arakawa
Daito Trust Construction Co., Ltd.
Safety and Quality Management
Division Manager

The construction sites that underpin the Group's strong core business are supported in relationships of trust between partner companies rooted in the community and Company employees who take care of the front lines.
We met with Mr. Hisao Yamawaki, who is involved in foundation work and serves as Chairman of the Cooperative Companies Headquarters of Cooperative Daito Trust Construction; Mr. Masamune Shimoda, who is in charge of interior work and exterior carpentry and serves as Vice Chairman of the same headquarters; and Mr. Yasutaka Arakawa of Daito Trust Construction, who works in safety control as a frontline manager. What took place was an open discussion about the relationships built until now and the ideal image they aim for together.

A "Direct-Order Relationship": Generating a Sense of Responsibility and Pride

Yamawaki My company has always been on-site as a second-tier subcontractor of Daito Trust Construction. On-site, foundation work was our specialty, but the volume from Daito Trust Construction gradually grew and construction contractors became in short supply. Soon, Daito Trust Construction started to ask, "How about you try connecting directly?" Today, the number of teams doing foundation work has increased to around five, and even the business type of the company—which had centered on reinforced concrete (RC) formwork construction—has changed.

Shimoda Around 30 years ago, we were involved as a second-tier subcontractor. In addition to the further strengthening of direct ordering, and taking advantage of a situation where the primary subcontractor had stopped doing business with us, we have kept with direct transactions. Since our corporate relationships go as far back as my father's time, there are supervisors who shared the hardships of the worksite with us who have now risen to higher positions of authority. When concerns arose, we consulted each other and went anywhere in the country to offer support.

Arakawa For a while, Daito Trust Construction has been insistent on direct ordering. When second and third tiers are layered on, costs increase, but more than that, going direct has meant these tiers take responsibility for the construction work. If subcontractors' company names are made public within the Company, both those who place orders and those who receive those orders will feel better about safety and quality. This has made it important to build close relationships not only with second- and third-tier subcontractors, but with the primary one as well.

Yamawaki That is also how I see it. When I was a second-tier subcontractor, even if I made an obvious error, it would not be pointed out directly. Once I was able to receive direct orders, they would be straight with me in pointing things out, even with things such as personnel

2. Establish a Strong Core Business

Conversation with Partner Companies and Frontline Managers

selection. The pressure is there, and if I am told that a certain part should be done better, I feel motivated to do better and utilize the knowledge of people who excel at the technical skills.

Letting Safety Take Root, Receiving and Passing on Skills

Arakawa In running a business, safety comes first. If safety is not secured, nothing else will fall into place. We can create the systems, but my primary focus right now is creating a “thinking” environment and an on-site culture to “make people think.” We have employees plan out the site and convey it to partner companies, and then have these companies draft the plan documents. For our measures against heat stress, we use the wet bulb globe temperature (WGBT) heat indicator that applies the effect of air temperature and sunshine to get environmental heat. If WGBT exceeds 28, an alert is issued and a safety warning is made at the morning assembly held at the start of work. Veterans who have built up some toughness may find it harder to notice heat stress, so we visualize the numerical values and let people off work before things get critical.

Shimoda We create a group of charts at each site and discuss them back and forth every day. We do not have the opportunity to look at our workers’ faces before sending them off to a site, so we have workmates at the site take a look at each other’s physical condition and facial complexion. For workers who are reaching senior age, we mix them together with younger workers. Older workers provide guidance on technical skills, and as younger workers mature, they learn to function independently as individual craftsmen or independent contractors.

Yamawaki With quality and safety, I say that experience is what matters. For younger people in pursuit of technical skills, the major point that needs to be stressed is that there is still a gap in experience between them and veterans on what can lead to a dangerous situation. The job cannot be handled first and then pick up safety habits; rather there must be safety first and then the job. For this reason, it is essential that an experienced foreman keep this in mind.

Arakawa This experience means that we, as an organization, need a mechanism for succession to what comes next. Daito Trust’s technical college* trains attendees in external and structural framework carpentry. After about two months’ residency, those gaining qualifications will read blueprints, cut components, conduct training on structural frameworks, and install and fit slinging and full harnesses. There are also those who will pick up skills in carpentry from working on sash construction and construction of water supply and discharge facilities, as well as bestow on us the benefit of their playing a broad range of active roles as multi-skilled workers. Industrialization and panelization reduces labor at the site, leaving skilled labor devoted to assembly. Our role is to make up for the shortage of human resources.

* A company-run training school operated by Cooperative Daito Trust Construction



What We Hope for from Daito Trust Construction and What We Aim for Together

Shimoda At the end of the day, we just ask our on-site supervisors to have communication skills. In a large gathering on safety the other day, talk turned to a certain on-site supervisor. This person adopted the information and processes of individual subcontractors as their own and then considered what would happen two or three steps ahead before issuing instructions. Supervisors like these make the work on the front lines easier to perform.

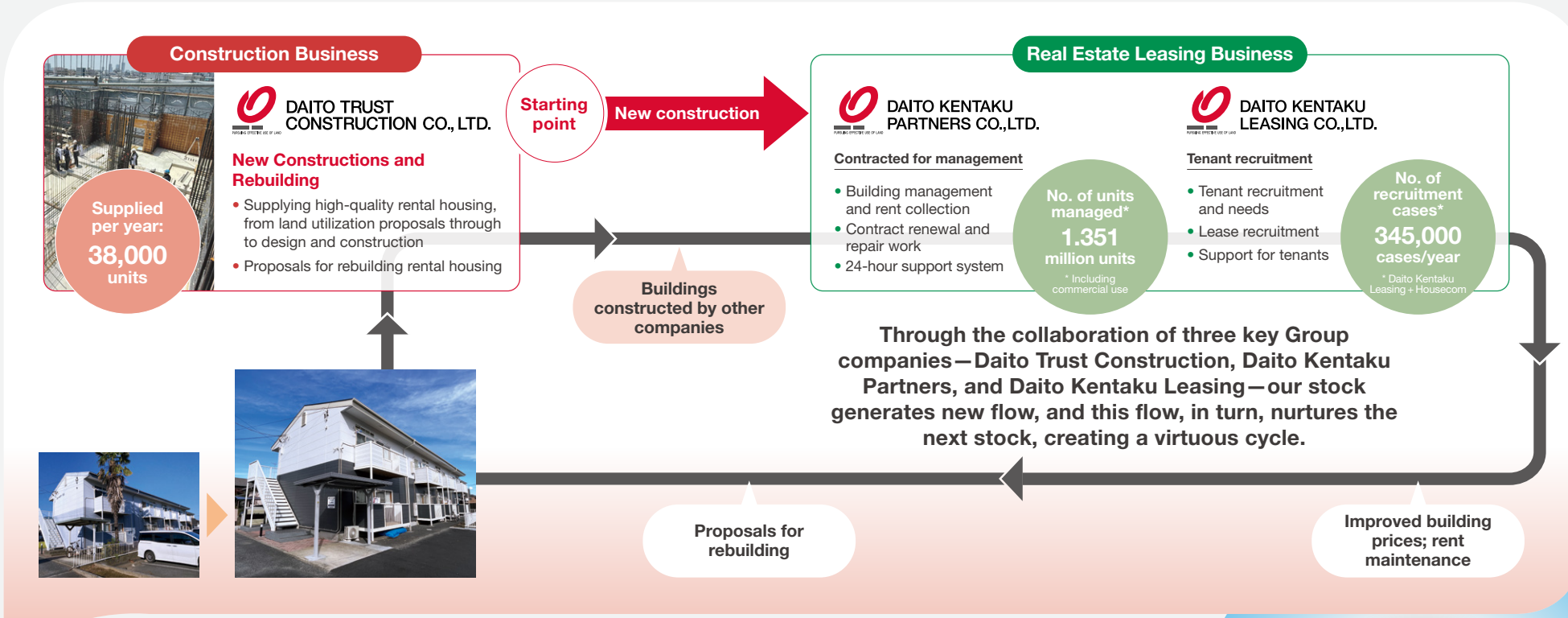
Yamawaki Working underneath a supervisor who is proficient at making arrangements really makes work easier. If the day’s progress is brought together and fed through, then work at the construction site will proceed smoothly, allowing good things to be accomplished. The question is whether these supervisors think through the arrangements themselves while talking with subcontractors. I would really like for their proficiency to extend to younger supervisors as well.

Arakawa The supervisor’s job includes safety, quality, process, and costs, and now the environment, too. If that person becomes the head supervisor in their third year, they will have full responsibility. This is a tough job, and I hope they are aware. Nowadays, we are involved not only in apartments, but also in hotels, distribution facilities, and commercial facilities. The emergence of new quality control techniques and building methods in keeping with the times allow us to increase the volume of skills together with Cooperative. I would like to see us create a system in which the building gets built no matter what type the sales department has contracted for. Regardless, we must not be left behind. I hope we can go beyond our particular points of view and speak frankly about what is good and what is bad so that we can grow together.

2. Establish a Strong Core Business

The Transition from Stock to Flow Created by Our Core Businesses

The Daito Group has over 1.35 million rental housing units under management nationwide, and the number of residences that are more than 30 years old will increase going forward.
It is important to maintain an optimal balance between sound lease management for property owners and revenue for the Group, even after the building is completed.
Leveraging our extensive management stock, we propose repairs and reconstructions based on the condition of the buildings, and are advancing the establishment of an ecosystem that circulates value within the Group.



The Daito Group's leasing business covers everything from proposal, design, and construction to tenant recruitment and building management, with aging buildings rebuilt by the Group over time. We are able to stay by our customers' side every step of the way.

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

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

3. Tackle Focus Areas of the Medium-Term Management Plan

Message from the General Manager of the Business Development Headquarters

Building on Our Core Strengths, Connecting and Operating a Second Pillar: Driving Growth by Covering All Aspects

By leveraging the strengths of our core businesses, we cover everything, from development and construction to property and asset management. Engaging in the properties we have developed and providing value over the long term, we aim to establish this as our second pillar.



Yutaka Amano
Director, Managing Executive Officer
General Manager of Business Development Headquarters

A Year of Growth at a Pace that Exceeded Expectations

Originally, we launched our real estate development business with the idea of creating a new growth pillar. Looking back on the past year, however, I feel we have achieved growth in the domestic real estate development sector at a pace that exceeded our expectations. Not only have we grown, but our M&A activities have also been going well, and I would like this trend to continue. With The Global Ltd. joining the Group in July 2026, we are anticipating even further acceleration. Meanwhile, overseas operations are at the stage where we have finally sown our seeds and begun to attract people. Our goal is to expand these operations so they can follow suit while our domestic business continues to perform well.

The Group's Comprehensive Capabilities that Underpinned Growth

I believe the primary reason why we achieved results exceeding expectations is that we successfully leveraged the Group's collective strengths. Operating a nationwide network comprising approximately 200 branches focused on receiving construction orders and around 20 distribution development branches, it is through these locations that we are able to gather information on land sites. It is my belief that this strong track record stems from the fact that our consultants leverage this information to reach out to property owners nationwide, combined with the fact that the products we develop—centered on condominium and apartment rentals—align with our established expertise and long-standing experience. Furthermore, property owners highly value Daito Trust's lease management trust system; those who understand our products often go on

3. Tackle Focus Areas of the Medium-Term Management Plan

Message from the General Manager of the Business Development Headquarters

to become sources of new sales. This trend is taking hold, and I feel we are becoming a developer with a unique, distinctive identity unlike any other.

INVALANCE Ltd. and Ascot Corp., companies that have also joined the Group, are helping to address our past weaknesses with regard to reinforced-concrete (RC) properties and development projects in city centers. Real estate professionals outside the Group and top-tier talent from the architectural world are overlapping and assisting us. To be honest, rather than simply proceeding according to plan, my feeling is that the Group demonstrated its strength even beyond our initial expectations. The capabilities of the people that we have newly brought in have been immense. The companies that have joined the Group also sense a shift in the external environment—such as regarding creditworthiness and the stance of financial institutions—and my feeling is that synergies are being steadily realized.

The "Living Sector": Boosting Lifetime Value

We emphasize the concept of by how much we can increase lifetime value (LTV). Our Group's LTV model has proven successful in our core rental housing business, and we aim to effectively apply that model elsewhere. The Group's key strength with regard to the LTV of its core rental housing business lies in its ability to handle in-house the entire process—from proposal and construction to management and operations—and we intend to further expand this scope within our real estate development operations. In the nursing care area, the operating company Care Partner Co., Ltd. has become capable of providing end-to-end services for residential private nursing homes for seniors, a housing option that most closely resembles rental housing. Similarly, for the long-term stay apartment hotels we are currently focusing on developing, we will put in place a system to operate them within our own corporate Group.

The scope of management will also expand beyond traditional building and lease management to encompass asset management. By raising funds from investors and supplying them with properties that we develop and sell, we plan to develop a "second stock business" to follow our rental management operations. Starting this year, we have defined the overarching concept connecting all these activities as the Living Sector. This is an area in which we can best leverage our strengths, approaching the entire process—from the initial upstream phase of development through to asset management, the final stage—with a unified approach. Although there are companies within the Group that excel in logistics and data centers, the residential sector is where the Group's strengths can be most effectively leveraged. I would like to convey a clear and easily understood message not only to our existing owners but also to those who will become new investors.

Asset Management that Turns "The End" into "To Be Continued"

Sales and profit are generated at the time of sale to the asset management company, Previously, the process would have ended there. However, by selling the property to the Company's own fund or REIT, we not only generate sales and profits but also secure ongoing fee revenue through that property's management and operation. Rather than a major change occurring, the idea is that something which had previously come to an end will continue for even longer. With regard to the company responsible for asset management, we reorganized an asset management company—formerly part of the Ascot Group—and placed it directly under the Daito Trust Group, thereby establishing a structure capable of accepting properties from other real estate companies as well.

This is a fiercely competitive field in which a limited number of players are vying for supremacy. Assets under management (AUM) become more stable as the scale increases. While the Group's current AUM stands at approximately ¥40–50 billion, we are accelerating our efforts to quickly surpass that threshold and scale up to the several hundred billion yen range, aiming for a level that generates stable earnings. With Daito Trust Asset Solution, Ltd., INVALANCE Ltd., Ascot Corp., and The Global Ltd. now assembled as upstream developers, I believe that establishing a system to ultimately entrust their developments to an asset management company will facilitate the acquisition of properties at a faster pace.

Taking the Domestic Model to the World—Aiming to Be the "World's Best Management Company"

Centering on maximizing the utilization of the Group's resources, our approach overseas is the same as we deploy in the domestic market. A host of companies simply develop and sell properties, but we want to remain involved with the properties even after their sale and expand our revenue streams. That is where we are focusing our efforts, in securing management rights, an area into which few other companies have ventured.

We are starting with the U.S. market, where barriers to entry are low. If real estate acquired in the U.S. is sold to domestic investors or owners, there is a high probability that the contract to manage the property can be retained.

3. Tackle Focus Areas of the Medium-Term Management Plan

Message from the General Manager of the Business Development Headquarters

This scheme leverages Group synergies. Rather than immediately embarking on large-scale development, we acquire existing properties, renovate them to increase rental profit, and generate profit by delivering that added value to the property owners. Rent starts to come in from the time of acquisition, and by carrying out renovations sequentially as tenants move out, you can increase the property's value while generating revenue.

The U.S. has a well-developed legal framework, and because of that, Japanese investors show strong interest in U.S. real estate, and there is a supply-demand imbalance characterized by a housing shortage. While the increase in vacant houses remains a problem in Japan, the issue in the U.S. is one of a housing shortage. To solve this challenge, we will leverage the know-how we have cultivated to date in the U.S. market as well, steadily building a track record. When we break into the top 20 in the U.S., I want us to have reached the point where we can proudly declare ourselves to be the world's No. 1 management company. While sales and profits are naturally important, hardly any other Japanese company set targets based on the number of rental housing units under management. We take pride in this goal as something unique to Daito Trust.

Recruiting a Wide Range of People Who Will Continue to Take on Challenges

Expanding the workforce is essential for business expansion. While actively recruiting external talent with experience in overseas operations, we also have many employees within the Company who are eager to take on the challenges of working overseas. When we issued an open call for the launch of our overseas operations, more than 100 people applied for the six available positions. We will combine this internal potential with external talent.

There was also a symbolic trial. One member of the overseas operations team, who initially had the weakest English skills, underwent an intensive two-month language program in the Philippines, studying eight hours a day, including homework. Immediately afterward, he was sent to Dallas to take charge of a newly established office. If you put work into studying a language, it is a skill you will acquire. There is a wealth of motivated and adaptable talent within the Company, and removing language barriers would further broaden the pool of personnel available for advancement. I view this initiative not so much as a means of acceleration, but more as a way to expand possibilities.

2030 and Beyond—From a "Second Pillar" to a "Major Trunk"

Since our real estate development business is built upon a foundation of already strong core operations, we firmly intend to establish it as a "second pillar" of our core business by 2030. Beyond that point, we will cultivate it to grow not so much as a pillar, but as a single, large trunk. It is not fundamentally different from the rental business. While it may appear to be a separate pillar right now, because we are tackling something new, in the future it should become another major trunk of the business.

We speak in terms of "flow" and "stock." Until now, our business has been driven by the twin pillars of "flow" architecture and "stock" rental management, but we will now diversify our operations by adding "flow" real estate development and "stock" asset management to the mix. Our real estate leasing portfolio already exceeds ¥1 trillion in scale. While typical developers reinvest profits from their own projects to fund future developments, we are able to leverage the earnings generated by our construction and rental management businesses as well. I believe we possess a far greater capacity for turning over capital than other developers.

Daito Trust was once regarded as a company that generated profits without utilizing capital and returned those earnings to its shareholders. From now on, instead of returning all those funds, we will use them as capital for our next venture. We keep risk as low as possible, yet the returns are substantial. That is precisely why it is essential that our stakeholders—including shareholders and financial institutions—need to fully recognize that our business model is gradually changing. While continuing these efforts, we will aim to remain a unique and innovative real estate company that leverages the strengths of its core businesses.



3. Tackle Focus Areas of the Medium-Term Management Plan

Strengthening and Expanding the Real Estate Development Business

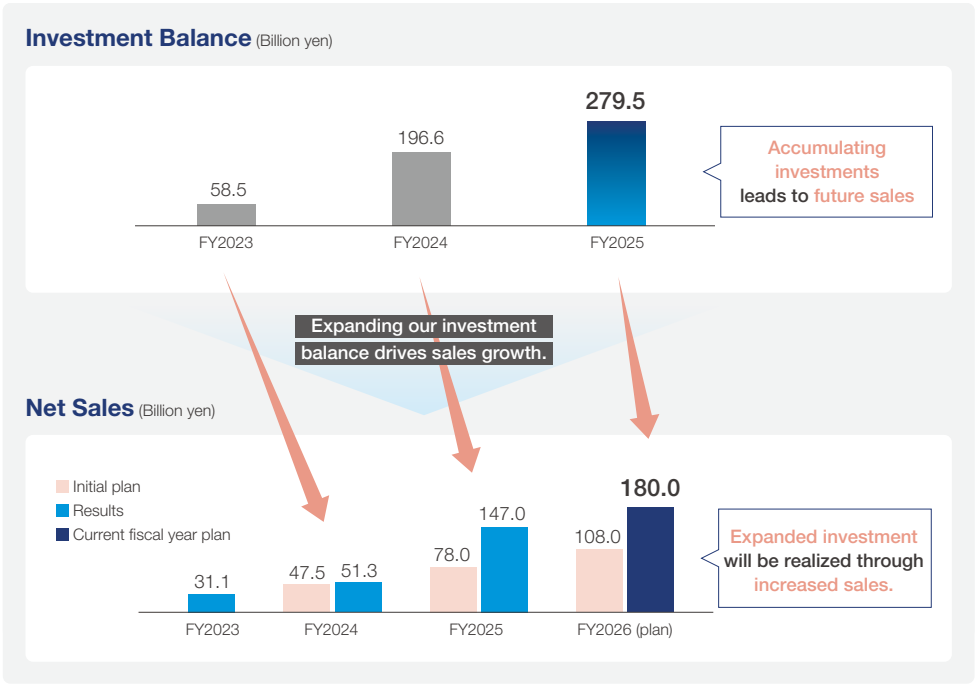
To expand and transform the Real Estate Development Business into the Daito Group's second pillar, the Group has reinvested the stable cash generated from its core businesses (construction business/real estate leasing business) into growth domains. In FY2025, we achieved net sales of ¥147 billion, realizing our medium-term management plan one year ahead of schedule.

Specifically, we aim to expand revenue for the real estate development business by ensuring real estate sales and stock and through synergies among the Group companies and detailed strategies for each business. In addition to large-scale condominium development and the resale of renovated properties, we are promoting business diversification in areas including healthcare facilities and logistics facilities. Additionally, by combining post-development ownership and operation, we are working to balance stock and flow earnings to increase the stability of our earnings foundation. We are also accelerating our expansion into overseas markets. The Group has launched an overseas renovation and resale business to expand our growth opportunities from Japan to other countries.

Through FY2026 in our medium-term management plan, our focus is building a business foundation in North America, with the goal of reducing risk through regional diversification and creating new earnings opportunities. Centered on our highly repeatable development model that capitalizes on the management resources that we have developed in our core businesses, the Group will continue to expand its earnings scale and fine tune its portfolio, working to achieve both sustainable growth and enhanced corporate value.

Centered on residence and lifestyle rental, the Daito Group will pursue "the maximization of Life-Time Value (LTV) = the maximization of earnings in its real estate development business," including development, construction, management, operation, and asset management.

Real Estate Development Business Strategy (Purchase, Develop, and Sell Real Estate)



Living Sector (Real Estate Domain Supporting People's Lifestyles and Residences)

The Company positions the residence and lifestyle domain, which is highly compatible with its rental housing business, as the "living sector." This domain, which covers a diverse range of assets, starting with rental housing and including senior housing, healthcare facilities, dormitories, and hotels, supports people's permanent residence and temporary stays. In the living sector, the Daito Group is focused on domestic growth and aims to build a new growth pillar by capitalizing on the knowledge and customer base that we have developed in the rental housing business.


Real estate development example: Minowa Project

Terms for Various Properties in which People Live and Reside: Market Combining Stable Earnings and Growth Potential

Living sector

Residences	Healthcare-type housing
Co-living dormitories	Apartment hotels

3. Tackle Focus Areas of the Medium-Term Management Plan

Strengthening and Expanding the Real Estate Development Business

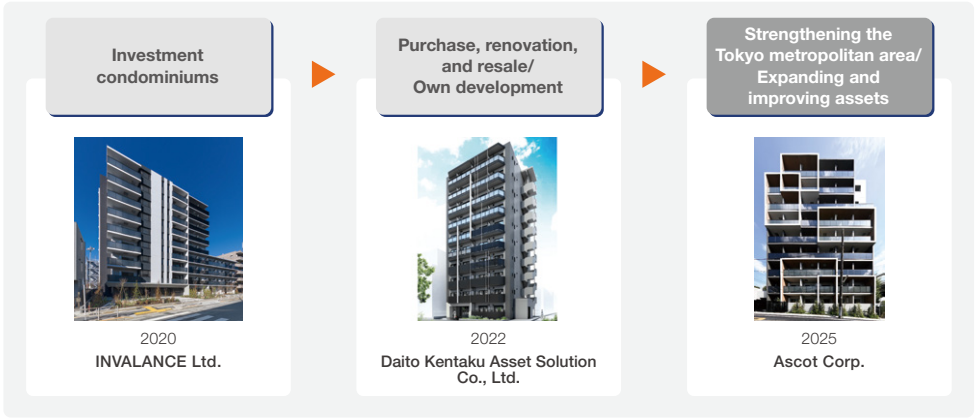
Strengthening Residence Renovation and Resale

The Daito Group is working to strengthen its renovation and resale business centered on rental housing. In addition to properties built by the Group, we are also purchasing rental housing built by other companies and reselling it after increasing its value through renovation. In recent years, we have expanded from initiatives centered on the Kanto area to other major regional urban areas. We have also further strengthened our development and sales capabilities through the participation of our Group companies Daito Kentaku Asset Solution Co., Ltd. and Ascot Corp.

Through these initiatives, the Daito Group is steadily securing profits through the stable sales of for-sale real estate at appropriate prices. Furthermore, through our continued after-sale involvement in areas such as rental management, we are creating continuous revenue opportunities without limiting ourselves to one-off sales.



Incorporation of Group Companies in the Real Estate Development Business



Expanding into the Apartment Hotel Business

Against the backdrop of expanding in-bound demand, the Daito Group is pursuing the apartment hotel business to create new revenue opportunities. Based on the increase in foreign tourists visiting Japan and changing lodging needs, we are pursuing development that boosts profitability. Capitalizing on our know-how developed in real estate development, we are becoming involved in every aspect from land acquisition and development to hotel operations.

While maintaining our core model of post-development sales, we are developing a business model that captures not only gains on sales but also revenue through operations by working to bring certain operations in-house, including the temporary operation of properties and full operator functions in the future. Multiple projects are currently underway, and by accumulating operational expertise, we aim both to stabilize profits and to accelerate growth.

INVALANCE and Unito Conclude Partnership Agreement on Hotel Operations

In July 2026, INVALANCE Ltd. and Unito Co., Ltd., with which Daito Trust Construction Co., Ltd. entered a capital and business alliance in 2024, concluded a partnership agreement on hotel operations. As the first specific initiative under this agreement, a fixed-term lease agreement was concluded for three properties (two in Fukuoka and one in Asakusa) under the new HOTEL LUXUDEAR RESIDENCE brand led by INVALANCE.

The three hotels are scheduled to open starting in spring 2027, and the goal is to open 10 hotels with approximately 600 rooms across Japan by FY2028. The Daito Group positions this project as a priority investment that embodies its long-term vision to strengthen its real estate development business and will vigorously pursue the establishment of a next-generation real estate utilization model.


Rendering of the exterior of HOTEL LUXUDEAR RESIDENCE ASAKUSA

3. Tackle Focus Areas of the Medium-Term Management Plan

Strengthening and Expanding the Real Estate Development Business

Hotel Development Business, Yufuin Hotel Development Project

Work Begins Ahead of Spring 2027 Opening

As one of our initiatives to strengthen our real estate development business, the Daito Group is moving forward on a hotel development project in Yufuin, Oita Prefecture. In this project, we are partnering with the real estate consulting-type developer Kasumigaseki Capital Co., Ltd. and bringing in its “seven x seven” hotel brand. The planned project area is located in a beautiful natural environment overlooking Mount Yufu in proximity to tourist attractions such as Kinrin Lake and Yunotsubo Main Street. Capitalizing on the unique characteristics of this location, the project aims to develop a high-value-added hotel that maximizes the attraction of the local area. Additionally, through initiatives aimed at sales or operations during the development stage, the project seeks to improve capital efficiency and to diversify revenue opportunities. With construction scheduled for completion in November 2026 and the hotel opening planned for spring 2027, the Daito Group aims to expand our hotel development business while accumulating development expertise in tourism locations.





Planned development of a resort hotel in Yufuin, Oita Prefecture

Providing Infrastructure That Offers Comfort to an Aging Society

Expanding Residential Nursing Homes

As part of our community development initiatives, we are focusing on the development of senior care facilities to help resolve the social issue of an aging society faced by Japan. As of the end of FY2025, we have opened seven “Soeru Garden” residential nursing homes operated by Care Partner. We aim to have opened a total of 41 facilities in our FY2026 plan as we steadily pursue expansion.



Demonstrating “Added Value” in Design and Aesthetics

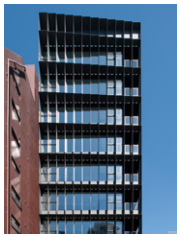
Three Properties Win GOOD DESIGN AWARD

GOOD DESIGN AWARD 2025

Three properties developed by the Group won the “GOOD DESIGN AWARD 2025.” The three winning properties were: the CLT rental housing in Chofu, utilizing Daito’s unique cross-laminated timber (CLT) method using domestic wood; ASTILE Hiroo, an urban-type residence pursuing harmony with the surrounding streetscape; and AUSPICE Fukuoka Tenjin, a building with high energy-saving performance that received a 4-star rating in the DBJ Green Building Certification. Winning the GOOD DESIGN AWARD is a demonstration of the steady results being produced by the Daito Group’s strategy of strengthening its real estate development business as its second pillar.



CLT rental housing in Chofu (Daito Trust Construction Co., Ltd.)



AUSPICE Fukuoka Tenjin (Ascot Corp.)



ASTILE Hiroo (Ascot Corp.)

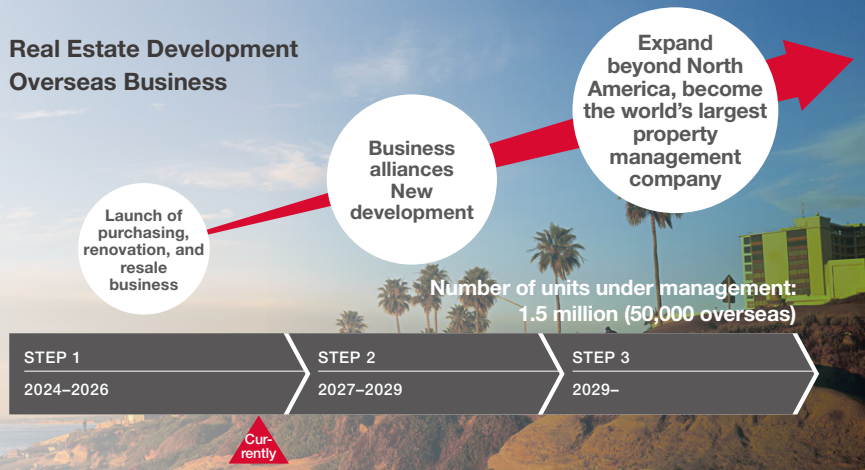
Note: CLT is a wood-based material made by arranging sawn boards (lumber) and laminating and gluing (laminated) them at right angles, so the directions of the grain are perpendicular (cross)

3. Tackle Focus Areas of the Medium-Term Management Plan

Taking on the Challenges of Overseas Business —Bringing Strengths Honed in Japan to Other Countries

The Daito Group is expanding its overseas business toward becoming the world's largest property management company. Having launched a purchasing, renovation, and resale business for revenue-generating real estate in North America in 2024, in FY2025 we promoted property acquisitions and added-value enhancements.

Looking ahead, while building a track record centered on working with local partners, we will make progress in expanding our geographical and business scope and consider expansion into other regions. Through initiatives such as these, we will deploy the developmental and operational expertise of our Group on a global basis, thereby realizing sustainable growth and the creation of new value.




Acquired in January 2026: A 65-unit condominium building in Los Angeles County, California

Progress of overseas business

FY2025
Property acquisitions totaling approx.
¥10.2 billion

FY2026
Planning sales of
¥9 billion

Note: The figures above represent target values for the North American business. We aim to achieve them by progressively strengthening partnerships with local entities and expanding our service areas.

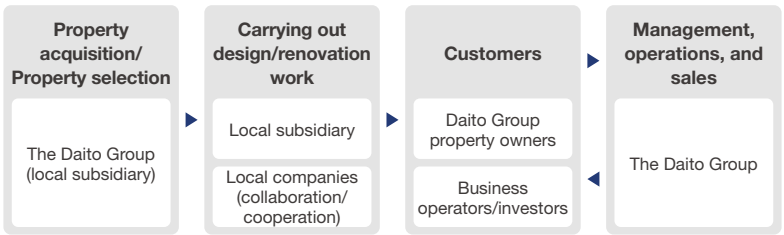
Key strategies for overseas expansion

(1) Area selection — Selecting markets driven by demand
Markets selected based on housing demand, growth potential, and investment environment
Using North America as a starting point, expanding target area to include other countries where demand can be expected

(2) Business models — Revenue generation through flow and stock cycle
In addition to acquisition and resale (flow-type business model), combining management and operation (stock-type business model), generating long-term revenue

(3) Working with local partners — Building foundations through local cooperation
Expanding business while mitigating risk by cooperation with local companies and M&A

Purchasing, Renovation, and Resale Business in North America



- Our local subsidiary, Daito Kentaku USA, handles the acquisition, renovation, and sale of properties, while promoting efforts to enhance their value as revenue-generating real estate.
- We have put in place a comprehensive support system, covering everything from post-purchase management and operations to brokerage services at the time of sale.
- Meeting investors' needs and responding to property proposals and raising value.



3. Tackle Focus Areas of the Medium-Term Management Plan

Message from the General Manager of the Community Development Department

Turning Rental Housing into Spaces for Living

Daito Trust's full-scale community development does not simply end with erecting buildings. Starting with local character and human aspirations, we nurture spaces where people will want to build their lives. We bring together diverse businesses and services spanning housing, welfare, the environment, and daily life to drive the sustainable enhancement of the true value of every community.



Emiko Chino

General Manager of Community Development Department

Fostering Spaces Where People Want to Live

Our commitment to full-scale community development is driven by the reality of population decline. We want the dwellings that we have built in the past and will build in the future to be more than temporary boxes. We want to create spaces that inspire people to build lives with a sense of belonging.

To realize this vision, we established the concept of "Town Sizing." By staying attuned to the unique context of each region and the aspirations of those who live there, we foster connections and a comfortable sense of distance for every individual. By integrating the Daito Trust Group's diverse businesses—including rental housing, nursing care, welfare, and lifestyle services—we stack and combine the specific values needed in each community, creating enduring reasons for people to stay. Through this approach, we are building sustainable communities where residents and common spaces are gently connected, allowing the unique charm of every location to flourish.

Community Development in Progress in Chiba City, Takaoka City, and Noto Town

We currently have projects underway in three areas. In Chiba City, we are creating an eco-conscious community called the ZEH Town Project. Located within a designated Decarbonization Leading Area, this development is evolving into an attractive community. In Takaoka City, we have envisioned a community that fosters mutual learning and vibrancy by building rental housing, day-care nursing facilities, and a bakery café, while offering growth and learning opportunities like mentor programs run by local residents. In Noto Town, which was hit by a major earthquake in 2024, we are using low-environmental-impact, cross-laminated timber (CLT) construction to rebuild public housing with central courtyards and meeting halls to restore both homes and community bonds.

Because every region has its own history and people, we prioritize visiting each site directly to build deep connections with the local culture and residents.

Beyond Construction—Our Commitment to Community Management

The nature of communities has fundamentally shifted in the wake of events such as natural disasters and the COVID-19 pandemic. While disaster preparedness sits at the core of our approach to community development, true preparedness goes beyond emergency readiness. It means fostering an environment where people feel safe and secure in their daily lives. Through our initiatives in these areas, we have seen firsthand that connecting people with people is what truly underpins community resilience.

To advance this vision, we established a general incorporated association to build collaborative frameworks linking community residents, businesses, universities, and government bodies. For us, community development does not end with erecting buildings. It means cultivating human interaction and activity, strengthening community resilience and quality of life (QOL), and realizing a society where no one is left behind. Ultimately, we believe that this enhances community value while supporting stable lease management and lasting asset value for property owners.

3. Tackle Focus Areas of the Medium-Term Management Plan

From Enhancing Individual Buildings to Raising the Value of Entire Areas: Community Development Projects in Tune with Local Areas

Based on our understanding of the lifestyles of each individual as cultivated through our rental housing business, and as part of our efforts to promote community development unique to the Daito Group, we engage with the local area's history and the sentiments of its people. At the same time, we are pursuing visions of communities that will be better suited to the times ahead.

Our aim is not merely to expand the scale of a town, but to realize a sustainable community that thrives in a form best suited to the local area. To that end, we are promoting community development that enhances both the quality of life and raises asset value by carefully ascertaining the unique characteristics of each local area and adopting an integrated approach that spans everything from development to operations.

For more details, please refer to our special Community Development website:
https://townplanning.kentaku.co.jp/
(in Japanese only)

① **Municipality-wide development model aimed at revitalizing an entire area**
This model considers area-wide measures—including real estate revitalization—tailored to addressing local issues and demand.

② **In-house residential area development model to resolve local resident population challenges**
This model considers necessary functions—such as housing as well as welfare and commercial facilities—for each city/town block.

③ **Branch-creation model capable of serving as the focal point for the local area**
In addition to rental housing and welfare/care facilities, this model considers creating community spaces.

④ **Disaster-recovery support housing designed to meet needs of areas undergoing economic revival, etc.**
This model considers measures centered on rental housing to address local issues.

Projects in Progress

Planned Opening 2029 Decarbonization Leading Town Chiba City ZEH Town

In collaboration with Chiba City and the Ministry of the Environment, we are advancing a Net Zero Energy House (ZEH) Town Project in a designated Decarbonization Leading Area. We aim to create a local area zero-carbon community, a first in Japan led by the private sector. By introducing ZEH-standard rental housing and large-scale battery storage systems as well as developing dedicated private power transmission lines, we will realize energy sharing that enables renewable energy to be distributed and utilized within the local area. We will also advance decarbonization efforts at surrounding facilities, including the Chiba Zoological Park, and establish an environmental model for the whole area. Through this initiative, we will realize sustainable community development that balances decarbonization with lifestyle convenience, leading to an increase in the resident population through future expansion into other areas.



Planned Opening 2027 Community Development Project in Takaoka City, Toyama Prefecture

For the Takaoka City project, we are promoting community development in collaboration with local areas, government bodies, universities, and other stakeholders. We will develop a mixed-use branch—centered on rental housing but also incorporating commercial, welfare, and communal interaction facilities—that leverages local history, culture, and resources, thereby creating new value for the community that is closely attuned to people's daily lives. Through initiatives such as communal dining halls open to everyone in the local area and learning programs where residents and businesses share their knowledge and skills, we are working to foster intergenerational interaction, maintain and revitalize the community, and create new connections. Through these initiatives, we aim to resolve local issues and realize a sustainable local community while enhancing the surrounding area's appeal together with residents.



Planned Handover 2027 Disaster-Recovery Public Housing Development Project in Noto Town, Ishikawa Prefecture

In Noto Town, a total of 57 housing units and community spaces are being developed on the Ushitsu and Matsunami housing complexes as the first post-earthquake, disaster-recovery public housing development project.

Positioned within the reconstruction plan under the category of "rebuilding lives and local area communities," this project aims to create a safe and secure living environment that considers local characteristics and the diverse needs of residents. In addition to a well-considered site layout and the design of outdoor communal gathering spaces, we are working to reduce environmental impact through the adoption of the CLT construction method. Hand in hand with supporting those still affected by the disaster in rebuilding their lives, the project will revitalize a community that is deeply rooted in the local area and lead to sustainable community development.



Community Development Topics

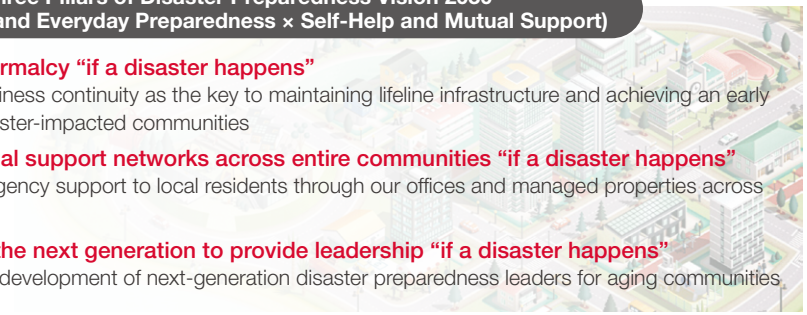
Disaster Preparedness Efforts “if a Disaster Happens”

Inadequate capacity in public shelters during large-scale disasters has emerged as a major social issue in recent years. The Daito Group has been establishing community disaster preparedness infrastructure through the use of its managed properties and branches throughout Japan as hubs for physical and operational frameworks to support residents in its properties and communities in general. As a company dedicated to supporting for residences and lifestyles, our mission is to ensure the continuity of both community life and business activities, even during disasters. By seamlessly integrating everyday preparedness with emergency response strategies, we are working to strengthen the foundation that sustains essential civic functions.

Disaster preparedness philosophy and Disaster Preparedness Vision 2030

Based on our community-focused disaster preparedness philosophy of “being there for the community if a disaster happens,” we formulated Disaster Preparedness Vision 2030 and will strive to help maintain normal life even in emergency situations.

Three Pillars of Disaster Preparedness Vision 2030 (Emergency and Everyday Preparedness × Self-Help and Mutual Support)



- **Preserving normalcy “if a disaster happens”**
  Supporting business continuity as the key to maintaining lifeline infrastructure and achieving an early recovery in disaster-impacted communities
- **Building mutual support networks across entire communities “if a disaster happens”**
  Providing emergency support to local residents through our offices and managed properties across Japan
- **Empowering the next generation to provide leadership “if a disaster happens”**
  Supporting the development of next-generation disaster preparedness leaders for aging communities

Business continuity planning (BCP)—protecting our employees and communities

The Daito Group maintains a BCP designed to maintain business operations and ensure a rapid recovery in the event of an unforeseen crisis. Building on lessons learned from the Great East Japan Earthquake, we have established frameworks to maintain critical business operations while continuously enhancing our resilience through BCP drills and safety confirmation systems.

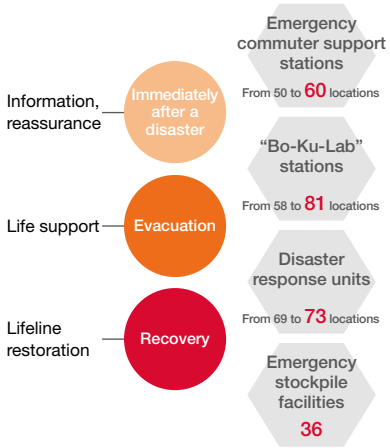
Initiatives	Targets achieved	FY2025	2030 targets
Employee safety verification	Response rate within six hours	97.6%	100%
Deployment of disaster preparedness specialists	Number of branches with disaster preparedness specialists	66	100
Disaster resilient rental housing	Units supplied	495	1,000

Building Group-wide foundations for community mutual aid systems and expanding high-density disaster resilience areas (“Bousai Towns”) for area-wide support

We respond “if a disaster happens” through Group-level collaboration to provide seamless support at all stages from the immediate aftermath of a disaster through to recovery. Our initial emergency response infrastructure is designed to provide wide-ranging support not only for our tenants and property owners, but for entire communities.

Furthermore, we are upgrading and interconnecting our disaster preparedness base network to create high-density disaster-resilient zones (“Bousai Towns”) that support communities across entire districts rather than isolated locations. We effectively positioned the Group’s four types of disaster preparedness bases in partnership with government agencies, thereby building a framework to protect local residents and accelerate community recovery. We aim to expand this framework to 10 cities nationwide by FY2030.

Group Disaster Preparedness Bases



- **Care Partner and Japan’s first commuter support stations located in care facilities**
- **The Daito Group: Charging facilities for Company cars and supplies for a maximum of 150 people for three days**
- **Gaspal: Use of LPG for emergency kitchens and power supply facilities**
- **Daito Kentaku Partners: Stockpiling of recovery supplies to support early restoration to community life**

Group disaster preparedness bases
From 213 to 250 locations (2030)

Environmental Initiatives

Group Commitment to Environmental Management

In FY2025, we formulated a new environmental policy with the aim of accelerating our initiatives to build a sustainable society. Social needs and environmental issues are reflected in our key themes under this policy: realizing a decarbonized society, transition to a resource-recycling society, and preservation of biodiversity. We have also renewed our eco-first commitments. All Group companies will work together to strengthen environmental management structures through initiatives led by employees and business sites. We will steadily turn this policy into action by setting specific milestones along a medium- to long-term roadmap leading to 2050.



Environmental Policy			2030	2040	2050
Decarbonization CO_2 Our efforts to achieve carbon neutrality by 2050 will center on the reduction of greenhouse gas emissions over building lifecycles, energy-saving initiatives targeting our business activities, and the use of renewable energy.		Main KPIs	• Scope 1, 2: 55% reduction • Scope 3: 55% reduction	• Scope 1: 50–60% reduction • Scope 2: Zero (100% renewable energy) • Scope 3: 60–70% reduction	• Scope 1: Net zero • Scope 2: Zero (100% renewable energy) • Scope 3: Net zero
	Scope 1, 2	(1) Decarbonization at construction	• Minimizing construction and shortened construction lead times through the use of off-the-shelf products	• Electrification of construction and maintenance vehicles (including the use of hybrids) • Transition to biofuels	• Electrification of all construction and maintenance vehicles • Electrification of all heavy machinery
		(2) Office decarbonization	• Electrification of business vehicles (including the use of hybrids)	• Electrification of business vehicles (transition to EVs)	• Electrification of all business vehicles
		(3) Toward 100% renewable energy	• Achievement and maintenance of 100% renewable energy use		
	Scope 3	(4) Decarbonization of buildings	• ZEH & LCCM 100% • Lifecycle assessment of all products, introduction of low-carbon materials	• Increased construction of carbon-neutral housing and buildings • Increased use of low-carbon materials to reduce $LCCO_2$	• Transition to the supply of carbon-neutral buildings 100% • Net zero CO_2 emissions by suppliers
	Adaptation	(5) Adaptation (typhoons, floods, fires)	• Development and sales of disaster- and flood-resilient housing		
Resource Recycling We will work toward a resource recycling society by recycling houses and buildings and recovering materials. We also aim to achieve zero final waste disposal.		Main KPIs	• Emissions per unit of floor area: 70 kg/m² or lower • Final recycling of waste plastic: 63% or higher		• Emissions per unit of floor area: 55 kg/m² or lower • Final recycling of waste plastic: 100%
	Onsite activities	(1) Reduction of industrial waste	• Increased use of factory pre-cut lumber	• Establishing our proprietary resource-circulation system	• Achievement of zero final disposal of waste from new building projects
	Onsite activities and offices	(2) Actions to address the plastic problem	• Overall designs based on circular design concepts	• Material recycling	• Transition to material/chemical recycling
	Offices	(3) 3Rs + renewables	• Transition to the use of renewable products (increased use of green purchasing eligible items)	• Transition to renewable alternatives for essential office supplies and equipment	• Full digitalization of business activities
Biodiversity We will strive to build a society in harmony with nature by maximizing the use of wood in our operations in order to enhance forest functionality while actively conserving and creating natural environments as well and promoting biodiversity.		Main KPIs	• Sustainable lumber procurement rate at 100%, including structural framing • Nationwide rollout of GREEN Pack and rainwater infiltration materials • Obtaining environmental certifications for urban development projects	• Visualization of business impacts on nature	• Reducing negative natural impacts to zero (net zero)
	Lumber procurement	(1) Sustainable lumber procurement	• Sustainable lumber procurement at 100% for structural materials, finishing and fixtures, and biomass fuel	• Use rate of 100% for FSC/PEFC-certified structural materials	• Use rate of 100% for FSC/PEFC-certified lumber, including finishing and fixtures
	Rental property	(2) Eco-friendly rental property	• Nationwide rollout of GREEN Pack planting packages containing at least 50% indigenous species • Nationwide rollout of designs that facilitate rainwater infiltration and retention	• Introduction of 100% for GREEN Packs and rainwater infiltration/retention systems (except where geographical limitations apply)	
	Community development	(3) Eco-friendly community development	• Formation of ecological network • Acquisition of environmental certification	• Ecological network assessment • Acquisition of environmental certification	

Environmental Initiatives

TCFD / TNFD

The Daito Group views climate change and natural capital issues as important management concerns tied directly to sustainable business growth and the enhancement of corporate value. In alignment with the TCFD and TNFD recommendations, the Group conducts integrated analyses of climate change- and nature-related risks and opportunities, while providing highly transparent information disclosures.

TCFD: Task Force on Climate-related Financial Disclosures; TNFD: Taskforce on Nature-related Financial Disclosures

Climate Change, Natural Capital Risks, and Opportunities Across All Businesses

The Group introduced scenario analyses based on the TCFD recommendations in 2019 and has since disclosed information covering all business segments. In adopting the TNFD framework, we unified analyses for both climate change and natural capital in order to reflect interactions between both areas in our business strategy. Specifically, we reanalyzed our existing climate change scenario to reflect the latest trends as of 2025, while standardizing our evaluation timelines (short, medium, and long term) and financial/business impact rating scales for both climate change and results from our new nature-related analyses.

Risks/ Opportunities (selected excerpts)	Category	Risk/opportunity factors	■ Dependency ● Impact	Area		Degree of impact		
				Climate	Nature	Short term	Medium term	Long term
Transition risks	Policy/legal risks	Increase in construction costs driven by stricter regulations under the Building Energy Conservation Act	● GHG emissions	✓		High	High	High
	Market	Rising market expectations toward urban greening and revitalization	● Land-use change		✓	Low	Medium	High
Physical risks	Acute risks	Impact and damages from severe disasters (floods and typhoons)	● GHG emissions	✓		Low	Medium	Medium
	Chronic risks	Chronic water shortages and declining water supply	■ Freshwater supply		✓	Low	Medium	Medium
Opportunities	Resource efficiency	Construction: Reducing environmental impacts through highly efficient use of materials Biomass power generation: Improved water-source conservation function of forests through use of forest residues	● Resource use/replenishment		✓	Medium	Medium	High
	Products and services	Active expansion of ZEH and LCCM housing supply	● GHG emissions	✓		High	High	High
	Market	Growing demand for green-rich properties (green infrastructure)	■ Visual amenity services ● Resource use/replenishment		✓	Medium	High	High
	Resilience	Expansion of demand for housing with high life continuity performance (LCP) and the development of new products that support disaster preparedness and mitigation (green infrastructure replacement), contribution to community disaster preparedness primarily through managed properties	■ Mitigation of flooding and storm damage, soil, and ground conservation ● GHG emissions	✓	✓	Medium	Medium	High

* Detailed information will be included in Sustainability Report 2026.

- The time horizons for risks and opportunities are set as short term (2029), medium term (2035), and long term (2050).
- We have set the following impact thresholds for evaluations of risks and opportunities. Note that impact levels are assessed for both positive and negative outcomes.
  High: Major impact on Company-wide net sales/expenses (¥10 billion or more)
  Medium: Moderate impact on Company-wide net sales/expenses (¥2 billion or more to less than ¥10 billion)
  Low: Limited impact on Company-wide net sales/expenses (less than ¥2 billion)
- The range of reported impact levels for climate change risks and opportunities reflects differences in the scenarios analyzed.
- Impact evaluations for certain risk and opportunity items take into account qualitative factors, such as brand and corporate reputation, rather than direct financial impact.

Environmental Initiatives

Realizing a Sustainable Society Through Business

Daito Trust Construction Selected for Highest "Triple A" Rating for First Time in CDP2025

Daito Trust Construction has earned comprehensive recognition for its initiatives in each area and the transparency of its information disclosure. In the FY2025 environmental evaluation carried out by CDP, an international environmental nonprofit organization, we were recognized on the highest "A List" in all three categories—climate change, forests, and water security—and were selected as a "Triple A List company*" for the first time.
As an environmental top runner, the Daito Group will continue to contribute to the realization of a sustainable society through its business activities.



At the CDP Awards Japan 2026

* Triple-A List companies are the 27 companies—the top 0.1% of some 22,100 companies assessed worldwide—that earned an A score across all of CDP's categories; in Japan, six companies, including the Company, are on the list.

01 ZEH Rental Housing

Building Long-Term Value and Competitive Advantage Through ZEH Standardization



ZEH and LCCM housing serve as a key pillar of our decarbonization initiatives. At the end of FY2025, total contracted units of ZEH rental housing exceeded 150,000. Cumulative completed units reached 100,000, and we are aiming to reach 130,000 during FY2026.

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 actively contribute to the solution of environmental issues simply by choosing to live in our properties. 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.

	FY2025 results		2030 target	
	Units supplied	Percentage supplied	Units supplied	Percentage supplied
LCCM rental housing	270	0.7%	2,364	5%
ZEH rental housing (solar panels installed)	16,118	39.7%	26,004	55%
ZEH rental housing (solar panels not installed)	18,499	45.5%	18,912	40%
Percentage of all units supplied	—	85.9%	—	100%

02 Biodiversity

Our Frontline Proposal Capabilities Honed by Our Mission to Protect Community Prosperity

One of our biodiversity conservation initiatives is GREEN Pack. Composed primarily of native species, it balances aesthetic design with native plant conservation. By expanding nationwide toward a 100% adoption rate, we aim to deliver rental properties with even stronger connections to local ecosystems.
A second pillar is design that considers rainwater infiltration and runoff. While maintaining design and performance, we minimize paved surfaces, introduce rain gardens that temporarily hold rainwater, and use permeable paving. By returning rainwater to the ground, we help mitigate the heat island effect, suppress flooding, and promote ecosystem conservation.



Environmental Initiatives

Realizing a Sustainable Society Through Business

03 Renewable Energy

Roadmap for Achieving RE100 Using Our Own Renewable Energy Resources

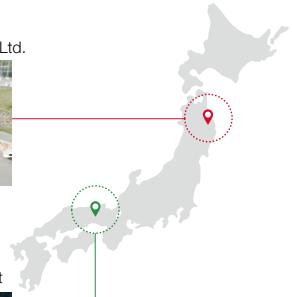


2025: Start of operations at Biomass Electric Power Generation Station run by Ichinohe Forest Power Co., Ltd.



2024: Start of operations at Asago Biomass Power Plant





In line with our commitment to addressing climate change and realizing a sustainable society, we are increasing the use of renewable energy in our business activities through our participation in the international RE100 initiative. As part of efforts to achieve RE100, we are especially focused on securing our own power sources and power generation with environmental value as the basis for a systematic transition to the reliable and efficient use of renewable energy.

One of our core initiatives calls for the phased expansion of our power supply systems to other Daito Group companies through the use of our two biomass power plants in Japan, which generate electricity using domestically produced biomass. These power plants contribute to forest conservation and the revitalization of the Japanese forestry industry by using fuel made from locally sourced thinning lumber, stumps, foliage, and other materials that are unsuitable for structural use. By supplying electric power from energy sources within the Daito Group, we are raising our renewable energy ratio without relying on external procurement, while also optimizing our energy costs.

We aim to achieve RE100 as soon as possible through initiatives based on biomass power generation activities. At the same time, we will contribute to the realization of a sustainable society by promoting Group-wide energy strategies and striving to achieve a balance between our growth as a business and the reduction of our environmental impact.

04 Sustainable Wood Procurement

Contributing to Healthy Forest Lifecycles and Biodiversity Conservation through Responsible Procurement

We have established the Sustainable Procurement Guidelines to ensure that we fulfill our responsibilities to society, both through our own business activities and also across our entire supply chain. Under these guidelines, we are working together with our business partners to ensure fair and sustainable business dealings, including compliance with provisions covering reductions in environmental impacts and respect for human rights.

We place particular importance on wood resources, which are fundamental to our business and have significant environmental impact. In 2023, we revised our Wood Procurement Guidelines to clarify our commitment to ensuring zero forest destruction, and to the procurement of wood in accordance with the three principles of legality, social sustainability, and environmental sustainability.

Specific targets include a 100% sustainable procurement ratio for all wood used as structural, finishing, and fixture materials, as well as domestically produced wood biomass fuel. We also rigorously verify the legality and sustainability of operations through our due diligence of wood products.

In our actual business operations, we conduct detailed surveys in partnership with our suppliers to verify the origin, forest certification status, and legality of wood. If necessary, we also carry out interviews with individual suppliers. Through this combination of processes, we have established systems to ensure traceability and environmentally responsible procurement.

Sustainable wood procurement ratio
(m^3 basis)
96.7%

Note: The sustainable wood procurement ratio is calculated based on the results of due diligence activities carried out in accordance with the Wood Procurement Guidelines.



Saitama Prefecture Ms. Yasuko Odate and the married couple Naoki and Mitsuki Odate with Nagaoka at Daito Trust Construction

Environmental Initiatives

Property Owner Interview

SPECIAL INTERVIEW 1

Building High-Asset Value Rental Housing Using the Environment-Friendly Wooden CLT* Construction Method

The site for this CLT-method construction project was a plot of land that had long been used as a parking lot. Behind that decision lay relationships of trust built over many years as well as a strong determination to protect this cherished land and pass it on to the generations to come.



Exterior of the CLT property

The two buildings at the rear right are those Yasuko Odate inherited from her husband.



Interior of a CLT property characterized by its exposed wood finish

* Cross-laminated timber: CLT is a wooden construction material made by arranging and then gluing together wooden panels (laminate) so that the grain directions cross at right angles to one another.

The "Mental Pillar" that Supported a Major Decision

This is the seventh building that the owners have worked on with Daito Trust. "To be honest, it was because there was trust," said Yasuko and Naoki Odate. "They didn't just propose a building, they also worked with us to consider other ways to utilize the land and strategies for inheritance planning. We were able to have natural, open discussions even about topics that are difficult to talk about, like inheritance." Trust in Nagaoka, a sales representative who offers down-to-earth advice that takes their entire portfolio into account, served as the mental pillar supporting the major decision to make this substantial investment.

Time to Make Use of the Land—Environment-Conscious Properties with High Asset Value

The parking lot had seen declining occupancy rates in recent years. Revenue was dropping, yet the burden of fixed asset taxes remained unchanged. Under these circumstances, the family had received a proposal from another company, but had ultimately turned it down because they were not satisfied with the way the land was being utilized, exemplified by the creation of an unusable "dead space" at the rear of the property. It was around that time they received a proposal from Daito Trust for a three-story apartment building, for which the CLT construction method would be used. "At first, I was planning to turn that proposal down, too," recalls Naoki Odate. This was because the rent that would need to be set was high, and he judged that the familiar 2×4 construction method would be sufficient. However, Nagaoka's enthusiasm, his words describing the site as a "chosen location that has met the rigorous criteria for building a CLT structure," and the sense of exclusivity surrounding this "state-of-the-art, environment-friendly construction method" gradually won them over. In addition to an explanation showcasing the high level of seismic resistance, fire resistance, and sound insulation, the confident assurance that they would undoubtedly be able to find tenants finally persuaded them.

After its completion, for the first time, even neighbors reportedly approached them, saying, "You've built something amazing." The scent of wood permeates each room, and the warmth of the wood visible on the walls and ceilings creates a sense of assurance. Seeing the robust foundation during construction gave them confidence that the structure would indeed hold up even in the event of a disaster.

The property has remained fully occupied since its completion, and, reportedly, the owner is satisfied, thinking, "I'm really glad I did this," whenever she passes by the property.

The Hope This Building Will Protect Precious Land and Serve as a Model for Others

What lay at the heart of this decision was not merely an investment. "Since marrying into this family, I have gone through the inheritance process three times. Despite the hardships involved each time, I have been managing to protect this land," said Yasuko. For her, land is the very "workplace" where agriculture is carried out. Not wanting to burden her son and grandsons with extra hardships, her primary objective was to reduce the burden of future inheritance by turning the land into "an asset that generates income" through the apartment business. The phrase "a decision made to protect" encapsulates that sentiment.

In conclusion, Yasuko Odate expressed her hopes for the CLT construction method, stating, "As an example of a high-quality building that makes extensive use of wood, I hope this project has a positive influence on the local community and on other property owners. I also hope that CLT will encourage the use of domestic lumber and contribute to revitalizing Japan's declining forestry industry."

Environmental Initiatives

Interview with CLT Property Tenants

SPECIAL INTERVIEW 2

Like Living in a Hotel, Lifestyle Brought About by a CLT Home

The moment she opened the door for the first time after signing the contract, the word "lovely" naturally passed her lips. The tenant living in an apartment building constructed using the CLT method shared her thoughts on living her life surrounded by wood.


Tokyo
Tenant

The Extraordinary Comfort of a Hotel, Created by Wood

The tenant said that she had long admired homes that had a natural, log cabin feel to them. Since she signed the contract before the building was completed, she made her decision without having seen the finished interior. However, the moment she opened the door for the first time, she naturally uttered the word "lovely." Her eyes light up as she describes the space—where the wood grain of the CLT is visible on the ceilings and in the hallways—saying, "It feels more like a relaxing hotel than a house," and "I especially love the bedroom. I keep the window open and spend all my time reading in bed." Coupled with the spacious bathroom and balcony, she says, "It is so stylish and lovely, like you are in a hotel overseas," and she says she feels a new sense of joy in her daily life. Smiling with a touch of pride, she mentions that even friends tell her, "We've never seen a house as beautiful as this."

Cool in Summer and Warm in Winter. "It Is a Relaxing Place—Somewhere I Want to Live for a Long Time."

It seems she appreciates the power of wood not only for its design, but also for the comfort it brings to daily life. "In winter, if I just keep the heating on in one room, the whole place stays warm," she explained. She also appreciates the high level of sound insulation, noting that she has never been bothered by noise. Furthermore, amid a working life that often disrupts her daily rhythm, she says that the sense of openness—with natural air flowing in whenever the windows are opened—gently supports her everyday life. "I like being able to feel the outdoors while staying at home. I feel quite comfortable in this environment." Valuing tranquility over flashiness, having found a place that perfectly suits her lifestyle, she spoke calmly about how she "feels at ease and would like to live here for a long time."

DK COMMENT

The True Value of CLT Buildings Will Be Realized in 20 to 30 Years

Yoshiaki Nagaoka
Section Manager, Consulting Section, Tokorozawa Branch

CLT properties are characterized by their low environmental impact throughout their lifecycle, from construction to demolition. Because this construction method is costly and depends on specific site conditions, I recommend CLT only to those for whom it would be truly effective. Consequently, I propose CLT to property owners whom we have determined—based on the scale of the land and their financial background—to be ideal candidates.

I habitually strive for genuine understanding and acceptance rather than mere persuasion. In Ms. Odate's case, I made this proposal because, if things had gone on as they were, there was a risk that she might otherwise have had to part with her land or become unable to continue farming.



We held a structural viewing event, and even I was surprised by how strongly the scent of wood filled the air, given the generous use of wood in the construction. I am convinced that the true value of CLT properties will only become apparent in 20 to 30 years. After all, I cannot recommend something to customers that I would not recommend to my own parents.

Message from the General Manager of the DX Promotion Department



“AI in Everyday Life”

Daito Group DX Strategy: Building an Innovation Culture

Koichi Nakamura

General Manager of
the DX Promotion Department

Overall Image of DX Promotion: Identifying Substantive Issues

After joining the Company in 2010, I worked on system development at the Information System Department. In 2021, I transferred as a member of the team to the DX Promotion Department (then named the Promotion Preparedness Office). This assignment is not a matter of making things but of changing an organization and recognizing this serves as the starting point of my current job.

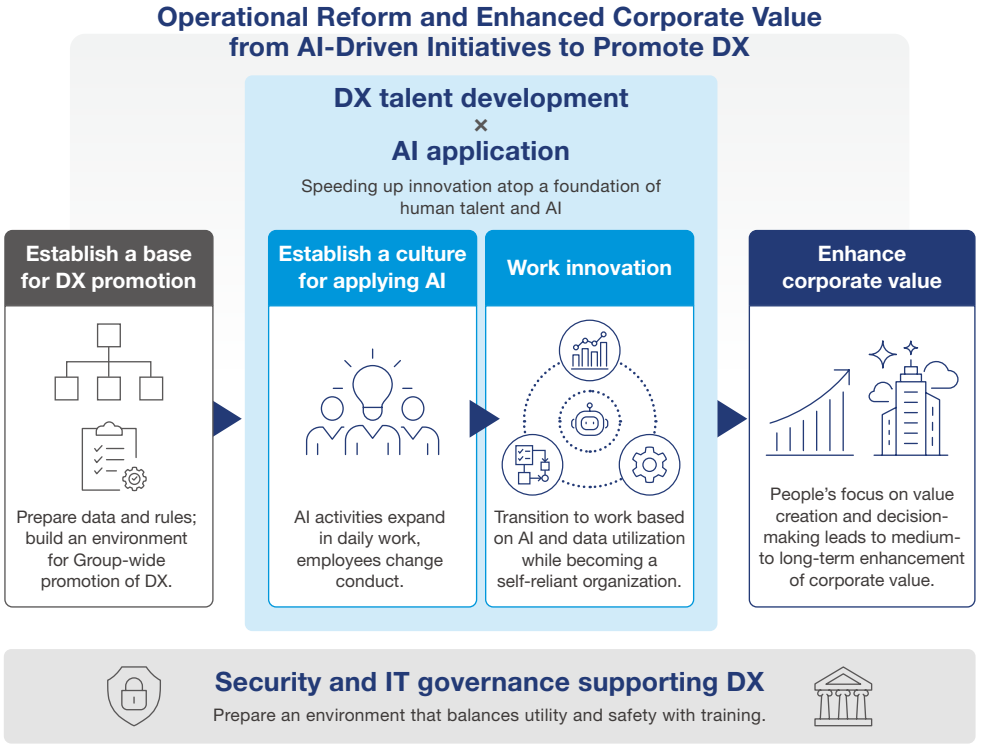
DX Promotion at the Daito Group is composed of four pillars: 1) create new services through digitalization, 2) transform existing businesses, 3) improve innovative productivity, and 4) establish a base for DX promotion. While the mechanisms are steadily taking shape, one more step is needed: having those on the front lines start to take action as their own.

In the backdrop are psychological factors such as the risk of failure from innovation, concerns about additional workload, and resistance to policies having transparent results. In having DX take root as a “normal aspect of daily work,” it is essential to lower the psychological hurdle to new initiatives while at the same time creating an environment where everyone involved can feel firsthand how innovation contributes to work efficiency and improved productivity.

Three Key Strategies for Making AI the Natural Way to Do Things

I believe we have a great opportunity to spread the adoption of AI and revise our approach to work. Accordingly, what I wish to emphasize right now is to have a culture take root in which “AI is used on an everyday basis.” Our first step is to use AI within the everyday tasks of preparing reports and organizing e-mails. In other words, we are starting from a place of “we can use this,” and it is something we actually feel. Accumulating small experiences like this will lead to the next innovation.

For this reason, I am pushing three key strategies. First, turn over high-frequency



Message from the General Manager of the DX Promotion Department

tasks, such as preparing meeting minutes, to AI agents that we create, and in so doing, standardize these tasks. By creating conditions in which a certain amount of quality is maintained, regardless of who is put in charge, we can lift the floor overall. Second, share examples of success created by our efforts up to now and reflect them in evaluations. Adoption will proceed naturally by spreading the actual feeling that "there are people who are familiar with using AI." Third, revise plans and designs so that AI is not just a supplement to this but something on which we base our work. People will focus on recognition and decision-making based on an appropriate set of rules and make the output from AI their starting point. We strive for a state in which we can devote time to higher-value-added tasks by shifting to this way of doing things.

People Change, Organizations Change —The True Image of DX

In addition to advancing DX, people are of primary importance in the final analysis. For this reason, we are steadily training DX talent, providing opportunities for all Group employees. Making use of our internal certification system, we have put in place study mechanisms, from the basics through to implementation. At advanced levels, our goal is to increase the number of employees who can drive innovation by themselves.

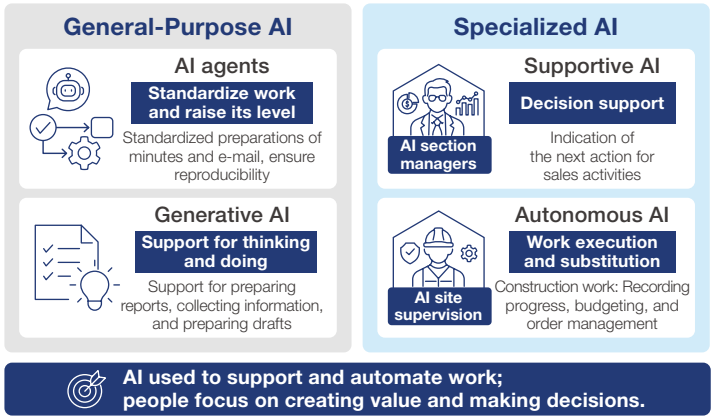
Based on these changes in our people, our approach to work is already beginning to shift. In our everyday work, while we make broad use of general-purpose AI, including generative AI and AI agents, we are also leveraging specialized-model AI designed to fit our positions and our work. This may include, for example, decision support provided by AI section managers and automating work through use of "AI Site Supervision," so that we can raise the overall quality of our work by incorporating AI in models tailored to individual workplaces.

We are also building an integrated database. Our aim here is to build a self-reliant organization where those on the front line can think on their own and take action based on their understanding of that data.

Naturally, our security and governance infrastructure are still essential. While continuing to offer security education and training to all employees, we are focusing on creating an environment that achieves a high balance between productivity and safety.

Lastly, changing people leads to changing work, and changing work creates changing organizations. Yet, we will continue to move forward under the conviction that transforming to "an organization where using AI feels natural" will lead to enhanced corporate value over the medium to long term.

AI Applications (General-Purpose and Specialized AI)



DX Company Certification Rank

DX Rank	DX Beginner	DX Bronze	DX Silver	DX Gold
Stage	Grasps "what DX is" and responds appropriately to changes	Derives measures to resolve issues from a DX viewpoint	Can innovate and apply digital techniques on one's own toward issues under one's charge	Can advance DX in one's business or the Company as a whole
FY2030 Targets (FY2025 Results)	Total Group employees (7,037)	2,500 (2,545)	800 (274)	200 (71)

CFO Message

Using Financial Strategies Equipped with Offensive and Defensive Aspects to Ascend into the Next Curve of Our Growth



Tsukasa Okamoto

Director and Managing Executive Officer, CFO
General Manager of Corporate Management Headquarters

Driving financial strategies emphasizing growth investment, financial discipline, and shareholder returns while responding to changes in the external environment based on the Daito Group's Medium-Term Management Plan 2024–2026.
The Group is enhancing its initiatives on growth investment, human capital, and DX with a focus on real estate development and is proceeding to establish a solid foundation for lifting sustainable corporate value.

Upward Revision of Medium-Term Management Plan Performance Targets

In FY2025, the second year of ongoing Medium-Term Management Plan 2024–2026, the Company achieved progress in the form of setting record-high profits for the first time in six years and exceeding the plan. Because the plan's final year targets of ¥2 trillion in net sales, ¥140 billion in operating profit, and ROE of 20% are all within view, we made upward revisions to these targets.

These achievements come from the steady accumulation of results from efforts at each business, even though the external environment was not a favorable one by any means. Also, the driving force providing the greatest support to expanded earnings is the hard work and challenging spirit of each and every employee. I also feel that the accumulation of initiatives that start to bring out the power of the front lines, such as those aimed at improving engagement, are a major source of support. In FY2026, I believe we can maintain this momentum and achieve the goals of the medium-term management plan, which will lead down the road to future growth.

Raising the Levels of Our Financial Strategies

After bringing the real estate development business up to full speed while managing the income statement with an emphasis on profitability, we at the Daito Group will now look toward future growth by managing our balance sheets with an emphasis on cash flows and financial characteristics.

The pillars we are placing consist of "growth investment" aimed at expanding future revenue, "financial discipline" aimed at the stability of our finances, and "shareholder returns" in response to shareholder expectations. In the past, we have apportioned much of our free cash flow to shareholder returns, but now we are expanding our profit distributions to growth investment as well. The question of which funds to set aside and how much now necessitates a more careful look at this balance.

In growth investment, we are positioning the real estate development business, including its expansion overseas, as a medium- to long-term growth driver. In the area of investment decisions, we place importance on keeping a watchful eye on asset efficiency and profitability as well as the risks associated with our decisions, and seek to grasp growth opportunities accurately and

CFO Message

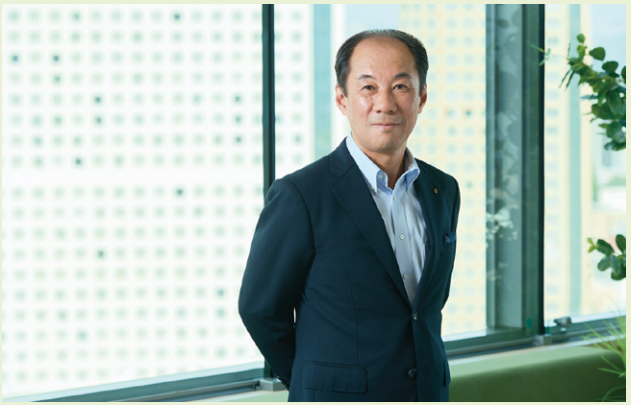
promptly. While making use of IRR* and other indicators, we will select our investments with an awareness of capital costs.

* Internal rate of return: A profit indicator that expresses the increase in future yields from a given investment amount

The Company also positions investment in human capital and DX as one of its crucial growth investments. We are enhancing our investment in human capital through measures such as the introduction of restricted stock units (RSUs), the payment of bonuses linked to business performance, and raising our pay scales. We are also investing in DX as it is essential to strengthen our competitiveness. For the Group's business management, there is still a lot of room for improving productivity by streamlining and automating business processes. The Group seeks to incorporate AI and other leading-edge technologies into business processes, which holds much promise for speeding up improvements in business efficiency and productivity. This has generated extensive discussions about how to set priorities among our limited management resources, thereby informing decisions that carefully balance growth investment with financial soundness. By promoting efficiency in business processes using DX and AI applications, we expect to make further improvements in the profit-making power of existing businesses.

In shareholder returns, we maintain our basic policy of a 50% dividend payout ratio. We consider it important to increase earnings per share (EPS) driven by business growth and to return capital to shareholders, both as dividends and share price appreciation. We also conducted a 5:1 split of common stock in October 2025. The intent of the stock split is to encourage participation by a broader group of investors including individual investors, to improve our recognition as a high-dividend stock, and to expand the shareholder base.

To ensure the stability of our financial foundation, we are diversifying our means of financing and making use of off-balance sheet finance. As financial indicators going forward, in addition to the traditional ROE metric, we intend to widely communicate ROIC and IRR. We shall also add the use of weighted average cost of capital suited to the risk profile and investment horizon of each business, which should enhance management's awareness of capital efficiency. Moreover, we envision a D/E ratio of 0.6 as our target for financial leverage, and in other indicators have set a target of maintaining our issuer rating of A from outside credit rating agencies.



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

- (1) Business Revenue
- (2) Stable Financial Foundations

Cash Allocation

- (3) Shareholder Returns
- (4) Growth Investment

Towards Daito Group VISION 2030

Toward realizing VISION 2030, many challenging proposals have come forth from each business department.

While respecting that enthusiasm, my mission as CFO is to ensure that risk and return are in accord everywhere, to keep a watchful eye on whether capital costs are proper, and to maintain corporate financial soundness. On top of this, after investments and policies are implemented, I consider it a critical responsibility to constantly monitor whether we are proceeding according to plan and changing course where needed.

By achieving a healthy balance between taking on challenges and maintaining financial discipline, I will support the sustainable growth of the Daito Group and the enhancement of its corporate value.

Management



Directors

1. Kei Takeuchi
Representative Director, CEO
General Manager of Construction Business Sales Headquarters
General Manager of Tokyo Development Headquarters
Member of Governance Committee
Member of Nominating and Remuneration Committees

2. Yoshihiro Mori
Director, Managing Executive Officer
General Manager of Real Estate Business Headquarters
Member of Governance Committee

3. Tsukasa Okamoto
Director, Managing Executive Officer, CFO
General Manager of Corporate Management Headquarters
Member of Governance Committee

4. Yutaka Amano
Director, Managing Executive Officer
General Manager of Business Development Headquarters

5. Yoshimasa Tanaka
Director, Managing Executive Officer
General Manager of East Japan Construction Business Headquarters

6. Yutaka Takahashi
Director, Senior Executive Officer
General Manager of Construction Business Technical Headquarters

Outside

7. Atsushi Iritani
Outside Director
Chairman of Governance Committee
Chairman of Nominating and Remuneration Committee

Outside

8. Junko Owada
Outside Director
Member of Governance Committee
Member of Nominating and Remuneration Committee

Outside

9. Koichi Abe
Outside Director
Member of Governance Committee
Member of Nominating and Remuneration Committee

Outside

10. Kyoko Asakawa
Outside Director
Member of Governance Committee
Member of Nominating and Remuneration Committee

Directors (Audit & Supervisory Committee Members)

Outside

11. Masa Matsushita
Outside Director, Standing Audit & Supervisory Committee Member
Chairman of Audit & Supervisory Committee
Member of Governance Committee

12. Shuji Kawai
Director, Audit & Supervisory Committee Member
Member of Governance Committee

Outside

13. Kenji Kobayashi
Outside Director, Audit & Supervisory Committee Member
Member of Governance Committee

Outside

14. Chieko Ouchi
Outside Director, Audit & Supervisory Committee Member
Member of Governance Committee

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	**Kei Takeuchi**	–	●	●	●			●		●	
	Yoshihiro Mori	–	●	●			●			●	●
	Tsukasa Okamoto	Certified public accountant	●			●		●			
	Yutaka Amano	–	●	●	●				●		
	Yoshimasa Tanaka	–	●				●			●	●
	Yutaka Takahashi	–	●	●	●						
	Atsushi Iritani Outside	Lawyer/Certified public accountant/ Former prosecutor				●	●	●	●		
	Junko Owada Outside Female	Former officer of listed company						●	●	●	●
	Koichi Abe Outside	Former corporate manager of listed company	●	●	●		●	●			
	Kyoko Asakawa Outside Female	Former government official		●	●		●	●			
Directors (Audit & Supervisory Committee members)	**Masa Matsushita** Outside	Lawyer/Former corporate manager of listed company	●	●		●		●	●		
	Shuji Kawai	–	●			●		●	●		
	Kenji Kobayashi Outside	Certified public accountant Company manager	●	●		●		●	●		
	Chieko Ouchi 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

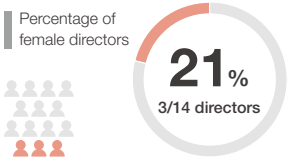
Skills expected	Reason for selection
Corporate management	To appropriately and promptly identify opportunities and risks, and carry out appropriate decision-making and oversight aimed at sustainably increasing corporate value in a rapidly changing environment
Business strategy/ Marketing	To understand 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

Percentage of outside directors



Percentage of female directors



OUTSIDE DIRECTORS' ROUNDTABLE

Starting With People, Polishing the Core, and Connecting to the Future

—Outside Directors Discussing the Pathway to Sustainable Growth

Developing human capital, strengthening core businesses, taking on the challenge of growth sectors, and making recommendations on the next medium-term management plan—four outside directors discussed the current positioning and outlook for the Daito Group.



MEMBERS

From left to right

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

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

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

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

OUTSIDE DIRECTORS' ROUNDTABLE

The Human Capital Management that Drives the Daito Group

Iritani In Medium-Term Management Plan 2024–2026, promoting human capital management is the primary pillar of each key policy, and the Group is enacting a wide range of policies aimed at improving both job satisfaction and ease of work. Starting with improving the employee stock ownership system, by continuously striving to improve employee engagement and to cultivate an organizational culture that fosters open communication, solid results have already appeared. These include maintaining a high-level engagement score in the Group's company-wide employee engagement survey and achieving the targets set forth in the medium-term management plan ahead of schedule. These initiatives have been extremely well received in how well they have worked to encourage employees to demonstrate their individual abilities and to build a platform to enhance corporate value.

Owada Before my participation as an outside director, I had the impression that the Group had strong sales abilities and was a company with relatively high workforce mobility. However, when I actually became involved in management, I was surprised at the high level of employee engagement. Through Representative Director Takeuchi's leadership, the Group's continuous efforts to improve ease of work and job satisfaction have resulted both in achieving a balance in its engagement score and in better retention rates. Not only have these results appeared in improved numbers, but also in the creation of a work environment in which employees feel comfortable and can exercise their individual abilities. This is where I truly feel that the results of the Group's human capital management have appeared.

Asakawa In FY2025, five Daito Group companies were certified as a Health & Productivity Management Outstanding Organization ("White 500"*) by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. Acquiring external evaluations not only helps create appeal for the Group's enhanced corporate value among stakeholders, but it is also extremely significant for the Group's employees. Having the Group's initiatives objectively evaluated by a third party leads to a greater sense of pride and trust in the Company among its employees. I believe that developing that kind of awareness fosters a positive cycle that leads to even greater levels of engagement.

* Daito Group "White 500" certification status: Daito Trust Construction Co., Ltd., Daito Kentaku Leasing Co., Ltd., Daito Kentaku Partners Co., Ltd., Gaspal Co., Ltd., Daito Corporate Service Co., Ltd.

Owada In addition to improving health and productivity management, the Daito Group is making solid progress in promoting active roles for women. Last year, the Group held an exchange of views with female employees who are considered future management candidates, and we noticed an increasingly positive mindset among these women of believing that they can become successful future leaders. In the past at the Daito Group, especially on the front lines of sales, men have mostly been the ones who have driven the organization. However, with an increasing number of female managers and female leaders in society as a whole, the pool of female leaders at the Daito Group is also steadily expanding. This change is the result of Group management that values its individual employees, and one that leads to both increased engagement and retention rates, as well as improved financial results.

Abe I was appointed as an outside director in June 2025, and in the year since, I have taken part in many discussions both at the Board of Directors and at many other venues. In these discussions, I was impressed with how not only the officers and managers, but also many of the employees have a strong sense of ownership and take action proactively and quickly. Everyone sees the Group's business as their own business, and the strongly rooted culture of working autonomously is both a great strength of the Daito Group and a form of corporate culture that should be cherished and preserved into the future. The Daito Group is currently working to maintain its traditional rental housing business while challenging itself to expand its businesses and create new value. Precisely in periods of transformation like this, such a valuable corporate culture should be shared throughout the Group and used as the basis for decisions and actions. Even in periods when the business environment changes and the Group is forced to make difficult decisions, it must continue to be an organization in which individual officers and employees make decisions based on shared values and act autonomously. I believe that this is the ideal form of the Daito Group's human capital management and its source of sustainable corporate value enhancement.

Iritani If I were to list future challenges, they would be further developing initiatives that value employees and creating work environments in which the individual personnel responsible for enhancing corporate value can grow. The essence of human capital management is not limited to job satisfaction and ease of work. Rather, it is found in identifying, securing, developing, and assigning the personnel necessary to realize future growth strategies that lead to sustainable growth. Toward the realization of VISION 2030, the Daito Group needs to continue to improve its human resource development systems and create an environment in which employees

OUTSIDE DIRECTORS' ROUNDTABLE



can proactively learn and challenge themselves.

Asakawa I would like to see the Daito Group clarify both its ideal business development and the ideal human resource profile that will allow it to realize that business development. Additionally, I believe that the Group should create systems for the corresponding career paths, assignments, and promotions that will allow employees to clearly envision their own futures.

Assessment of "Establish a Strong Core Businesses"

Abe The management environment surrounding the Group's core businesses is becoming increasingly challenging amid Japan's declining population and rising costs. Even against these headwinds, I credit the Group for capitalizing on the strengths that it has developed to concentrate management resources in areas and fields with expected demand to steadily strengthen the earnings foundation of its core businesses.

Iritani Points worth noting include continuously advancing initiatives aimed at boosting productivity, including equalizing construction volumes and utilizing digital technologies, and addressing structural issues faced by the entire construction industry. While it is not easy to achieve large-scale growth in the Group's core businesses, maintaining and improving revenue-generating capacity and competitiveness even in a challenging businesses environment is representative of the Group's strengths.

Abe For the Daito Group to realize sustainable growth, it is essential that it further strengthens the competitiveness and revenue-generating capacity of its core businesses. Although it is easy to focus on new businesses, those new businesses can only be challenged once the core businesses function as a platform to continuously generate cash and enhance corporate value. I believe that it is important to constantly be aware of the definition of a core business while further boosting revenue-generating capacity and making the appropriate investments aimed at future growth.

Owada Given Japan's declining population, many are skeptical of whether the rental housing market can continue to grow. I also used to believe that the country's declining population would limit the growth of the rental housing market. However, when analyzing the market, the outlook is not necessarily pessimistic. Housing demand is still expected due to the increase in both foreign workers and single-person households. Overall, there are still great possibilities to be had in the rental housing market by accurately capturing the changes in demand that are not apparent in the surface-level impression of the market. In that sense, the Group's core business of the rental housing business is one that will still be needed by society and that has room for growth in the medium to long term. However, as that potential differs by region, it is essential that the Group identifies areas with growth opportunities. On its path thus far, the Daito Group has flexibly revised both its business portfolio and focus areas in response to changes in the market environment. The Group continues to quickly shift to areas with expected growth, and this capacity for transformation is the source of both its medium- to long-term competitiveness and sustainable growth.

Asakawa The Group's rental housing business, which builds long-term relationships with the property owners that entrust their assets to the Group, is a business model with long-term viability that realizes both stable operations and revenue. I believe that the foundational importance of this business will not change in the future. I also believe that the fundamental strength of this business is its "hands-on support ability." The Group's competitive advantage lies in its position of providing continuous, long-term support for both the asset building and rental operations of property owners. Amid the significant changes in the business environment surrounding real estate caused by Japan's declining and aging population and an increasing number of inheritances, the role of passing on assets to the next generation and connecting to new operating entities for those assets is becoming increasingly important. I look forward to the Daito Group leveraging its "hands-on

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support ability" to resolve issues both for property owners and local communities and to connect to sustainable growth.

Abe The technologies and sales know-how that the Daito Group has developed are invaluable assets in supporting future business development. However, to prevail over the competition, it is essential that the Group is prepared to further deepen those strengths. In addition to boosting its technological capabilities, it must continuously work to boost productivity and enhance cost competitiveness to create a business foundation that combines superior technologies and strong cost competitiveness. I believe that this kind of diligent pursuit of thorough cost reduction will act as the driving force that supports both future growth and enhanced corporate value.

Outlook for the Real Estate Development Business

Asakawa For companies to grow sustainably, it is essential that they not only steadfastly defend their existing businesses but also maintain a perspective of "offense" to take on the challenge of new business fields. The real estate development business is a field in which the Group can capitalize on the relationships of trust and real estate knowledge it has developed, and it is fair to say there are extremely strong expectations for growth in this field. Going forward, there are possibilities to expand connections beyond the existing class of property owners both in Japan and overseas, which could develop into an initiative that drives the growth of core businesses in the future while also acting as a new growth opportunity. While this is accompanied by some level of risk, if it could lead to future growth, I believe that it is a field that the Group should actively pursue. However, overseas projects in particular require more cautious evaluation than domestic projects due to factors such as country risk and capital recovery risk. I believe that when the Board of Directors deliberates on individual projects, it must make decisions while focusing on the compatibility of the project with the business strategy, the Group's preparedness against envisioned risks, and whether a proper recovery system is in place in the event that problems arise.

Abe The real estate development business has expanded steadily thus far, but there is a limit to how far the business can grow through the Company's efforts alone. The key to moving forward to the next stage is having promising partners. It is essential that the Group be able to cooperate with partners that share its values and management policy and who bring their respective strengths to the table to complement those of the Group. Expanding business opportunities with trustworthy partners is an essential element in sustainable growth. From a strategy perspective, the point will be to gradually expand into sectors with a high level of compatibility with existing businesses while capitalizing on the expertise, know-how, and a customer base developed in the Group's core businesses. Particularly in business development in urban areas, I believe that by being aware of the overlap between the rental housing business and the real estate development business, the Group will be able to build an even more solid growth platform.

Iritani Like Ms. Asakawa and Mr. Abe, I believe that the keen judgment that the Company has cultivated with respect to real estate and land demand is a strength that can be leveraged in growth fields and one that is meaningful to further develop. This development is being



pursued based on thorough discussion at the Board of Directors, and at present, I see steady progress being made. However, differently from the Group's existing rental housing construction and management business, real estate development is a business in which revenue growth utilizes interest-bearing debt. As such, maintaining the high-level ROE that has traditionally been a strength of the Company will not necessarily be easy, and the nature of its business management will change along with the changes in its business portfolio. I believe that it will be important to grow the business based on appropriate risk management that balances growth with financial soundness.

Owada As Mr. Iritani mentioned, expanding the real estate business will lead to changes in both financial

OUTSIDE DIRECTORS' ROUNDTABLE

indicators and capital efficiency. From the standpoint of investors, who have valued the Group's traditional stable revenue and shareholder returns, it could appear as if the Group has changed its business stance. For this reason, I believe that it will be necessary to clearly explain either the reasons for prioritizing growth investment or what kind of earning opportunities the Group is aiming for through those investments. As such, important future issues for the Group will be deepening dialogue with investors and expanding understanding and support for medium- to long-term corporate value enhancement.

Abe The focal points are how the Daito Group raises the funds necessary for its businesses and how it analyzes and manages the risks associated with those businesses. Because new businesses come with risks, rather than avoiding them, it is important that the Group accurately gauge the nature and size of those risks and take measures to appropriately control them. Naturally, many issues will only become clear once the process is actually underway. Therefore, from a risk management perspective, it will be essential to have systems in place to continuously evaluate business progress and to make the decision to quickly change direction or withdraw where reality differs from the initial assumptions.

Iritani The Group should establish clear standards defining to what extent risk is tolerated. While the Board of Directors carefully monitors business opportunities and risk balance in its discussions, outside directors will also need to continuously monitor whether risk is being appropriately evaluated and managed.



Priority Issues to Be Addressed in the Next Medium-term Management Plan

Abe Promoting human capital management will continue to be an important theme. People control the rise and fall of companies, and they are also the one who shape their future. Given the Group's changing business portfolio, a strategy will be needed that incorporates the perspective of a "human resources portfolio" covering what kind of personnel are hired and developed. Additionally, from a business perspective, I believe that the Group is approaching the period in which it must provide the big picture about how it plans to further strengthen earning power in its core businesses and how it plans to allocate the cash generated to growth fields such as the real estate development business and overseas businesses. Having a shared approach to capital allocation will also provide clear criteria for appropriate risk taking in each business segment and facilitate easier strategic decision-making. Another point worth noting is that the medium-term plan acts as a message describing the future direction of the Group to the employees working on the frontlines. For employees striving to take on challenges in growth sectors, and for employees supporting stable revenue-generating capacity in the Group's core businesses, it is important that the medium-term management plan includes a message that gives them both a sense of pride and fulfillment in their work.

Asakawa Given the increasingly challenging nature of the business environment and conditions in recent years, I believe that there will be three particularly important issues in the next medium-term management plan. The first is DX. To realize sustainable growth with limited personnel and management resources, it will be essential to balance improved productivity with the creation of added value. Using digital technology is essential in supporting the realization of that goal.

The second issue is the real estate development business that we previously discussed. To reiterate, the Group should focus on real estate development as a growth field in which it can capitalize on its strengths. At the same time, regarding the significance and strategic positioning of the field, the Group must clearly communicate why it intends to pursue the field and how it plans to enhance corporate value. It must establish the logic and vision necessary to gain understanding from both shareholders focused on growth and shareholders who may be skeptical.

The third issue is ESG. The Group has made progress in the past few years in building systems for governance and sustainability initiatives, and while these initiatives are

OUTSIDE DIRECTORS' ROUNDTABLE

starting to produce results, there is still work to be done. Going forward, the Group must demonstrate how ESG leads to improving both corporate value and economic value. I believe that it is important to continue to build the frameworks that realize sustainable growth while creating value for the Group's diverse stakeholders, including not only shareholders, but also property owners, tenants, transaction partners, and members of local communities.

Iritani The Group has taken a proactive approach to sustainability initiatives, including its participation in the RE100 and EP100 international environmental initiatives. Going forward, how these initiatives connect to enhancing corporate value and to sustainable growth will become even more important. As the requirement to disclose non-financial information in the Securities Report and similar documents gains momentum, the Group must view sustainability not only as a social responsibility, but also as a duty linked to its business strategy and growth strategy, and to enhancing corporate value. The formulation of the next medium-term management plan will require sufficient discussion of this new direction, including the specific nature of policies and execution.



Owada This is the concept of creating shared value, or CSV, that balances resolving social issues and enhancing corporate value. I believe that the Group still has room to consider what kind of value it provides to society through its business and how that value leads to growth.

Asakawa The Group has many sustainability initiatives that it should be proud of, including energy reduction, greenhouse gas sequestration, and CLT housing development that contributes to the effective use of forest resources. I believe that the Group should connect these initiatives to business growth and to expanding new business sectors and enhancing its competitiveness. If that kind of direction can be clearly demonstrated in the next medium-term management plan, I think that the Group can more clearly appeal to its uniqueness.

Owada I think that two important themes in the Group's future growth are improving productivity in its core businesses and deepening the level of its services to customers with resource use needs. Even with sales styles changing, to maintain and enhance the competitiveness of the Group's core businesses, it will need to continuously pursue improved productivity using digital technologies. At the same time, the Group possesses many strengths, including abundant financial and human resources and a customer base that has been developed over many years. Leveraging these management resources, I believe that the Group has ample room to develop businesses originating in its relationships with customers with asset use needs. By accurately capturing diverse needs, including asset succession and management, and clarifying which fields the Group will provide value to, I believe that it can further increase the value of its customer base. In the next medium-term management plan, in addition to strengthening the revenue-generating capacity of its core businesses, I would like to see the steady expansion of its businesses based on long-term relationships of trust with customers act as a core growth driver supporting the sustainable growth of the Group.

Abe Companies are supported by a wide range of stakeholders, including shareholders, customers, and employees, but their foundation lies in the important idea that "companies exist for society." Continuously creating value based on the demands of both society and the times results in the creation of profit, leading to sustainable growth. The Daito Group has contributed to resolving social issues both by supplying rental housing and through locally rooted community development. I believe that the Group's dedication to developing businesses that contribute to society is what has led to the stable profit and growth that it enjoys today. Management that only seeks profit will not last long. It is important that companies not lose sight of their fundamental role of existing for society and that they work to balance social value and economic value. The Daito Group has a corporate culture that values both contributing to society and taking on challenges without fearing change. I would like to see the Group continue to leverage these strengths to provide new value to society and realize sustainable growth.

Corporate Governance

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.

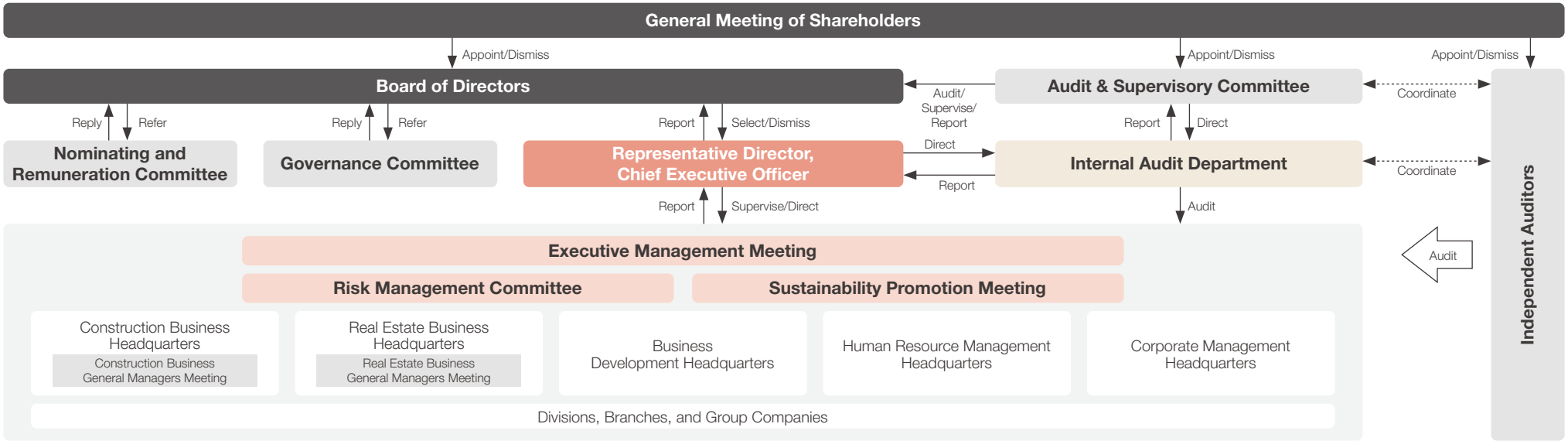
Corporate Governance System

The Company has adopted a structure of 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, 2026)



Corporate Governance

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 FY2025, the Board of Directors met 13 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.

Nominating and Remuneration Committee
A freestanding committee, the Nominating and Remuneration Committee comprises the representative director and outside directors who are not Audit & Supervisory Committee 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. In FY2025, the Nominating and Remuneration Committee met 10 times and deliberated on matters such as succession planning, the skills matrix, and a review of the compensation system.

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 FY2025, the Governance Committee met five times to discuss the approach to group governance, issues and measures for enhancing the effectiveness of the Board of Directors, and other matters.

Executive Management Meeting
Chaired by the chief executive officer and comprised of the general manager of each headquarters and executive officers appointed by the chairperson, 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.

Risk Management Committee
Chaired by the chief executive officer, the Risk Management Committee comprises 23 members, including six directors, 12 executive officers, two general managers, and three 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 six times a year, the committee runs a plan-do-check-act (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.

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. By sharing compliance status and risk management initiatives across the Group as a whole, maintaining important regulations and manuals as well as working on the standardization of rules, we are promoting reinforcement of our organizational structure on a Group-wide basis.

Sustainability Promotion Meeting
The Daito Group advances sustainability management centered on three key bodies: the Board of Directors, which determines and oversees sustainability management policy; the Sustainability Promotion Meeting, which advances responses to material issues through our business activities; and the Sustainability Promotion Section, which serves as a bridge between management and execution. Chaired by the chief executive officer, by reorganization to share the same composition as the Executive Management Meeting as of the date of submission, the Sustainability Promotion Meeting serves as a framework for the integrated execution of management strategy, risk management, and sustainability initiatives. Those present at a Sustainability Promotion Meeting hold discussions and pass resolutions with regard to responses to material issues through business activities by regularly reporting the details of those meetings to the Board of Directors, the Group is working to enhance the effectiveness of its sustainability management through this dual structure of management and execution.

Corporate Governance

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	Variable	
Compensation type	Basic compensation Determined by rank and responsibilities	Bonuses (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 within target period (three years)
Upper limit	Basic compensation and bonus: Up to ¥2.0 billion		¥3.3 billion/3 years
Payment conditions	—	Consolidated net profit 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

Bonuses (linked with short-term performance)

Financial	Consolidated net profit
	Consolidated operating profit
Non-financial	Core business sales indicators
	ZEH supply rate
	Employee engagement score*
	Permeation rate of compliance efforts
—	Individual evaluation

Stock compensation (linked with medium- to long-term performance)

Financial	ROE
	Payout ratio
	Consolidated operating profit growth rate
Non-financial	Achievement of CO_2 emission reduction goals
	Ratio of female managers
	Employee engagement score*
	Permeation rate of compliance efforts

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

Corporate Governance

Succession Plan

To realize our Purpose, the Company has instituted a CEO succession plan to ensure that 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 10 times and took up four agenda items in FY2025, engaging in both discussion and monitoring.

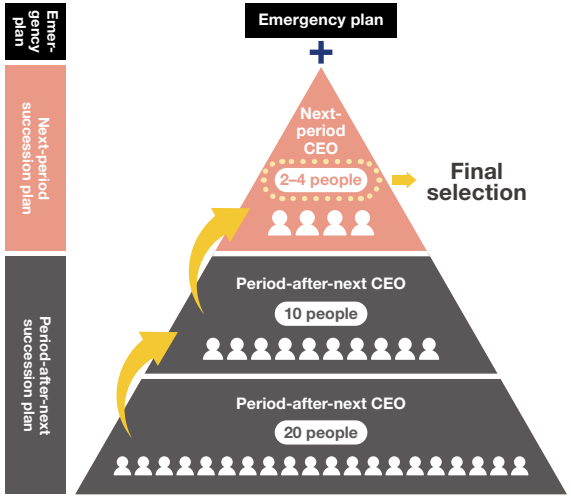
CEO Succession Plan

Overall Process

①Roadmap (overall policy)	☑ Confirming the schedule for the CEO to assume their post ☑ Confirming overall policy (process, etc.) ☑ Formulating a “roadmap”
②Definition of requirements (setting the ideal CEO image)	☑ Based on our medium- to long-term direction, formulating “definition of requirements” (capabilities, experience, skills, values, character standards, etc.) for the ideal CEO image (10-year span) ☑ Formulating our “emergency plan”
③Candidate selection	☑ Selecting candidates with superior results and potential from internal human resources ☑ Evaluating candidates through candidate interviews and references from superiors, colleagues, and subordinates ☑ Selecting candidates for our “emergency plan”
④Development plan	☑ After visualizing the gap between the current state of candidates and the “definition of requirements” (objectives), clarifying the development issues and formulating a “development plan” (assignment, rotation plan, training, etc.)
⑤Evaluation (implementing the development plan)	☑ Regularly reviewing the implementation and progress of the development plan (results and various assessments) ☑ References from relevant parties (superiors, colleagues, subordinates, etc.) ☑ Reviewing the “development plan” where necessary
⑥Final selection, assuming post, onboarding support	☑ Following development and reviews, selecting the final candidates ☑ Supporting the preparation period until becoming a new CEO and the start-up period through coaching

CEO Succession Plan

Image of the 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, while 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.

Corporate Governance

Board of Directors' Effectiveness Evaluations: From Observations to Improvements

With the aim of enhancing its Board of Director's functions and improving corporate value, Daito Trust conducts an annual evaluation of the Board's effectiveness. Issues identified during the evaluation are reflected in improvement measures for the following fiscal year, the progress of which is continuously monitored by the Board of Directors.

In addition to expanding and enriching discussions on medium- to long-term strategies and the business portfolio, in FY2025 we established guidelines covering, for example, the organizational structure of subsidiaries and criteria for the appointment of officers while working to strengthen Group governance. In FY2026, we will advance discussions toward formulating the next medium-term management plan while also working to further strengthen Group governance.

Key themes	FY2025 initiatives		Priority measures for FY2026
	Priority measures	Status of responses	
Medium- to Long-Term Strategies/ Business Portfolio	• Taking into account changes in the external environment, expanded and enriched discussions on growth strategies from a medium- to long-term perspective • Optimization of business portfolios with a focus on medium- to long-term strategies (adjustments to balance focus between core and new businesses)	• Utilizing off-site meetings (such as officer training sessions), topics discussed included direction of core businesses as well as the positioning and growth potential of each business	• Review of business portfolios with a focus on medium- to long-term strategies • Enhancement of discussion to take into account the risk and return of investment projects
Sustainability	• Strengthening connection between sustainability and management strategy	• Held study sessions on sustainability management (including climate and biodiversity)	• Review of material issues geared toward the next medium-term management plan • Strengthening of sustainability promotion structure
Succession Plan	• Advancement of succession planning and enhancement of information-sharing	• Utilizing information on status of successor candidates and external benchmarks, verification of succession plan conducted at meetings of Nomination and Remuneration Committee Note: Periodic (twice-yearly) reporting to the Board of Directors	• Enhancement of succession planning and improvement of information-sharing
Group Governance/ Internal Controls	• Strengthening of supervisory function with regard to Group internal controls • Strengthening of Group governance while considering the individual qualities of each subsidiary	• Monitoring the status of initiatives with regard to internal controls, risk management, internal audits, etc., through periodic (twice-yearly) reports to the Board of Directors • The Governance Committee established guidelines covering the organizational structure of subsidiaries and criteria for the appointment of officers.	• Adjustments to the ideal form of Group internal controls • Strengthening of Group governance in accordance with business expansion, such as M&A

Risk Management

Risk Management System

Daito Trust has created Risk Management Regulations with the aim of "instilling awareness of the various risks surrounding our Group's business and ensuring accurate management and implementation of risks, including their manifestation, early detection, and response." We have established a risk management system with the chief executive officer serving as the chief risk officer.

Of the various risks, strategic risks are discussed in meetings such as the Board of Directors. Operational risks are monitored by the Risk Management Committee (chaired by the chief executive officer), an advisory body to the Board of Directors that reports regularly to and receives advice, guidance and supervision from the Board of Directors.

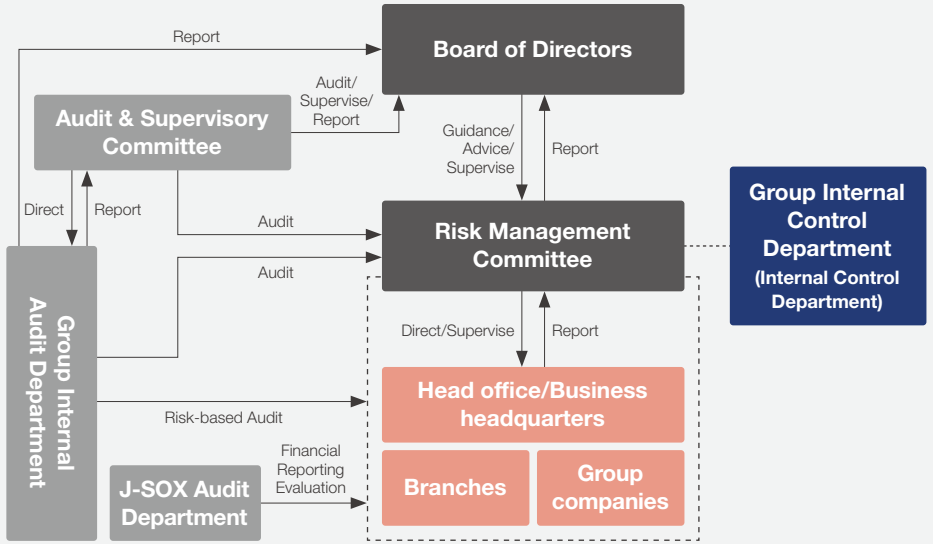
Selecting priority risks based on "frequency of occurrence × degree of impact," the Risk Management Committee designates individuals responsible for each risk (such as general managers), implements countermeasures, and monitors key risk indicators (KRIs) on a monthly basis. These results are discussed at the quarterly Risk Management Committee meetings, where instructions and oversight are provided with regard to the strengthening of countermeasures for each risk and the addressing of any issues at an early stage. Regarding the risks faced by each Group company, we have established a structure interdepartmentally in the Group to monitor risks identified in the risk catalogue and inherent risks as well as to report on a regular basis to the Risk Management Committee. In conjunction with reporting these activities to the Board of Directors, a system is in place for them to be audited by the Internal Audit Department and the Audit & Supervisory Committee.

Should a risk materialize that could have a significant impact on the Group's management or business activities, in accordance with our Basic Crisis Management Manual we will notify the relevant parties via the Company's intranet. We will then establish a framework to organize a response team and appropriately address the incident based on the nature of the event.

As a mechanism for the early detection of and corrective actions against the various risks surrounding the Group's business operations, we have also installed a common internal whistleblowing hotline that can be used by the entire Group. Top management is directly communicating to employees the importance of its active utilization.

Based on an audit plan formulated in light of key risks associated with Group management, the Internal Audit Department conducts audits of the Company and Group companies. Combined with reporting audit results to the Board of Directors and the Audit & Supervisory Committee, we continuously monitor the status of corrective and improvement measures with regard to any identified issues, thereby working to enhance the effectiveness of internal controls. In line with the basic plan and guidelines on internal controls relating to financial reporting, the J-SOX Audit Department evaluates the establishment and operation of Company-wide internal controls as well as the effectiveness of business, accounting and financial reporting processes.

Risk Management System



Key risks recognized by the Risk Management Committee as potentially having a significant impact on business operations (excerpt)

Strategic

- Procurement of raw materials/ materials
- Tax reform
- Rapid rise in interest rates
- Law enforcement/law revision
- Increase in vacancies

Operational risks

- Information security
- Natural disasters
- Quality management, etc.
- Decrease in number of skilled construction workers
- Compliance

Compliance

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
https://www.kentaku.co.jp/en/ir/management/nfiles/ics20260918.pdf

Daito Trust Construction Code of Conduct
https://www.kentaku.co.jp/en/ir/management/nfiles/code_of_conduct.pdf

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 chief executive officer 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, 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.

Financial Highlights

Indicator	Unit	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3	**2026/3**
Operating Results (Billions of yen)											
Net sales	Billions of yen	1,497.1	1,557.0	1,591.1	1,586.2	1,488.9	1,583.0	1,657.6	1,731.4	1,842.3	**1,984.7**
Construction Business	Billions of yen	623.9	627.6	609.7	551.1	401.7	432.8	459.5	492.4	540.9	**544.2**
Real Estate Leasing Business	Billions of yen	824.6	871.3	924.1	973.6	1,014.2	1,064.2	1,103.0	1,129.1	1,164.6	**1,203.0**
Real Estate Development Business	Billions of yen	—	—	—	—	—	—	—	31.1	51.3	**147.0**
Other Businesses	Billions of yen	48.5	57.9	57.2	61.4	72.9	85.9	95.0	78.7	85.3	**90.2**
Gross profit	Billions of yen	285.5	297.0	296.0	282.4	238.8	260.1	258.4	284.7	315.8	**347.0**
Operating profit	Billions of yen	120.1	126.3	127.0	127.9	86.7	99.5	100.0	104.8	118.8	**135.2**
Construction Business	Billions of yen	109.1	109.1	95.7	77.3	32.6	35.3	21.3	28.9	47.1	**45.1**
Real Estate Leasing Business	Billions of yen	29.6	33.4	44.0	56.5	63.2	78.0	81.5	82.0	80.3	**85.5**
Real Estate Development Business	Billions of yen	—	—	—	—	—	—	—	2.1	5.1	**18.5**
Other Businesses	Billions of yen	7.4	10.8	12.1	12.7	13.3	14.4	15.0	18.3	19.8	**19.5**
Ordinary profit	Billions of yen	124.5	131.5	132.2	133.0	90.6	103.6	103.8	108.7	129.4	**139.1**
Profit attributable to owners of the parent	Billions of yen	82.1	87.8	89.9	90.3	62.2	69.5	70.3	74.6	93.8	**99.0**
Financial Position											
Owner's equity	Billions of yen	276.0	299.8	303.8	286.5	310.2	366.8	405.8	405.7	468.7	**499.5**
Equity ratio	%	35.3	35.6	35.3	32.5	33.7	36.5	38.2	37.6	38.4	**36.5**
Return on equity (ROE)	%	31.2	30.5	29.8	30.6	20.9	20.1	18.2	18.4	21.5	**20.5**
Shareholder Returns											
Net profit per share (EPS)*1	Yen	214.52	233.05	242.44	261.34	181.86	204.28	206.21	222.11	285.65	**299.01**
Dividends per share*2	Yen	107.2	116.6	121.2	130.6	91.0	102.2	103.2	111.0	142.8	**150.4**
Payout ratio	%	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	**50.0**
Cash Flows (Billions of yen)											
Cash flows from operating activities	Billions of yen	124.0	62.5	71.9	102.1	98.4	112.4	82.1	90.8	85.6	**40.4**
Cash flows from investing activities	Billions of yen	-33.4	-22.9	0.082	-18.3	-24.7	-19.5	-57.0	-13.1	-46.5	**-41.7**
Cash flows from financing activities	Billions of yen	-72.2	-25.3	-97.6	-111.4	-34.3	-34.0	-40.0	-96.7	-45.8	**+37.2**

*1 Effective October 1, 2025, the Company conducted a stock split at a ratio of five (5) shares of common stock for each share of common stock.
*2 Net profit per share and annual dividend per share for the fiscal year ended March 2025 and prior periods are presented on a post-split basis, retroactively adjusted to reflect the five-for-one stock split effective October 1, 2025.

Corporate Information

Outline (As of March 31, 2026)

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: 19,326 (consolidated)

Main Group Companies (As of July 31, 2026)

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 lumber

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
- **Daito Kentaku Investment Management Co., Ltd.**
  Real estate fund business
- **KME PROP REAL ESTATE LLC.**
  Real estate development business
- **The Global Ltd.**
  Real estate development business, and real estate investment business

Other Businesses

Promotion of business diversification and internationalization

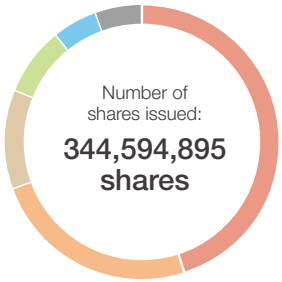
- **Gaspal Co., Ltd.**
  LP gas installation and supply business
- **Care Partner Co., Ltd.**
  Nursing care and nursery school businesses
- **Daito Corporate Service Co., Ltd.**
  Document printing, business support, and other services for Daito Group companies
- **Daito Finance Co., Ltd.**
  Financial 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
- **D.T.C REINSURANCE LIMITED**
  Fire insurance re-insurance business
- **DAITO KENTAKU USA, LLC**
  Overseas real estate investment
- **DAITO ASIA DEVELOPMENT PTE. LTD.**
  Investing and other services for management companies in overseas hotel business
- **DAITO ASIA DEVELOPMENT (MALAYSIA) SDN. BHD.**
  Overseas hotel business (Le Meridien)
- **DAITO ASIA DEVELOPMENT (MALAYSIA) II SDN. BHD.**
  Overseas hotel business (Hilton)

Corporate Information

Share Data (As of March 31, 2026)

- **Number of shares authorized:** 1,378,000,000 shares
- **Number of shares issued:** 344,594,895 shares
- **Number of shareholders:** 33,946
- **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/ir/stock/public-notice/). 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 in *The Nikkei* newspaper.

Breakdown of Shareholders (As of March 31, 2026)



Overseas corporations:	155,502,193 (45.13%)
Financial institutions:	84,537,880 (24.53%)
Individuals and others:	40,036,920 (11.62%)
Domestic corporations:	27,608,383 (8.01%)
Financial instruments firms:	18,448,315 (5.35%)
Treasury stock:	18,461,204 (5.36%)

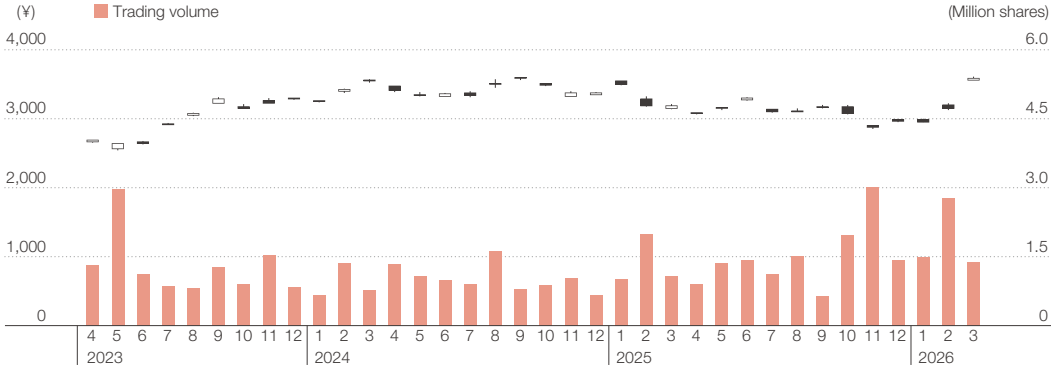
Large Shareholders (As of March 31, 2026)

Shareholders	Number of shares (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	47,025	14.42
STATE STREET BANK AND TRUST COMPANY 505001	19,941	6.11
HIKARI TSUSHIN, INC.	18,557	5.69
Custody Bank of Japan, Ltd. (Trust account)	18,427	5.65
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	13,191	4.04
Co-op Suppliers' Stock Holding	8,183	2.51
Daito Trust Construction Employees' Shareholding Association	8,013	2.46
NORTHERN TRUST CO. (AVFC) RE U. S. TAX EXEMPTED PENSION FUNDS	7,758	2.38
JPMorgan Securities Japan Co., Ltd.	6,906	2.12
NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	6,379	1.96

*1 Shareholding ratio is calculated after deducting treasury stock (18,461 thousand shares).
*2 The Company holds 18,461 thousand shares of treasury stock, excluding 1,258 thousand shares held by J-ESOP and 517 thousand shares held by the Board Incentive Plan (BIP).

Share Price and Trading Volume

* In October 2025, the Company conducted a stock split of its common stock at a ratio of five shares for every one share held. Data through September 2025 is calculated on the assumption that this stock split had already taken effect.



DAITO KENTAKU GROUP

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

Editing: Corporate Planning Department
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INTEGRATED REPORT 2026 (2026.09_01)

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

Reporting Period
The fiscal year ended March 31, 2026 (FY2025)
Note: Including some initiatives through to August 2026

Issued
September 2026

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