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News Release (Translation)

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Notice Concerning Outline of the Results of the Evaluation of the Effectiveness of Board of Directors

Daiwa House Industry Co., Ltd. (hereinafter “the Company”) announces that it has carried out an evaluation of the effectiveness of the Board of Directors for 2025. The following is an outline of the results of this evaluation.

1. Evaluation of the Effectiveness of Board of Directors

The Company has been carrying out an evaluation of the effectiveness of the Board of Directors every year since 2015, based on its “Corporate Governance Guidelines” formulated to obtain sustainable growth and better corporate value over the medium to long term.

For the evaluation of the effectiveness of the Board of Directors in 2025, same as last year, the Company obtained the cooperation of an outside organization for the evaluation process, after which the Board carried out a self-review.

2. Outline of the Evaluation

(1) Evaluation target

Analysis and evaluation of the Board of Directors as a whole by means of self-evaluations by each director as well as evaluations by the Audit & Supervisory Board and the Board of Directors itself

(2) Evaluation method

Anonymous questionnaire-based surveys

*Anonymity was ensured by having respondents submit their answers directly to an external organization.

(3) Evaluation period

The period from December 2024 to November 2025

(4) Evaluation process

(i) Questionnaire completed by all directors and audit & supervisory board members

(ii) Discussion by the Corporate Governance Committee based on the questionnaire results

(iii) Evaluation by the Audit & Supervisory Board

(iv) Self-review by the Board of Directors based on the questionnaire results and the evaluation of the Audit & Supervisory Board

(v) Review of initiatives for the next fiscal year based on results of evaluation

(5) Evaluation items

- Composition of Board of Directors
- The ideal state of Board of Directors
- Operation of Board of Directors
- Operation of Nomination and Remuneration Advisory Committees
- Monitoring function of Board of Directors
- Support structures for directors and audit & supervisory board members
- Performance of Board of Directors
- Training
- Dialogue with shareholders (investors)
- Directors' own efforts

3. Status of Initiatives Addressing Issues Identified in the Previous (2024) Effectiveness Evaluation

Based on the key issues identified in the 2024 effectiveness evaluation results, the Company has implemented the following initiatives.

(Key Issues and Status of Initiatives)

(1) Composition of Board of Directors	
<p>• <u>Issue</u></p> <p>In order to further enhance monitoring functions, the ideal state of the Board of Directors functions needs to be reviewed in accordance with changes in the environment on a continuous basis.</p>	<p>• <u>Initiatives Implemented</u></p> <p>To further strengthen the monitoring functions by ensuring greater diversity, one additional outside director was appointed, thereby increasing the proportion of outside directors on the Board.</p>
(2) Enhancement of discussion on management strategies and non-financial information, etc.	
<p>• <u>Issue</u></p> <p>Continued efforts need to be made to address setting of agenda items and securing of discussion time.</p>	<p>• <u>Initiatives Implemented</u></p> <p>To enhance discussions on management strategies at the Board of Directors, a Management Committee was established on the executive side, the criteria for matters to be submitted to the Board of Directors were reviewed, and some of the Board's authority was delegated to the Management Committee.</p>

(3) Internal control	
<p>• Issue</p> <p>From the perspective of defensive governance, there is a need to enhance discussions about risk management and compliance.</p>	<p>• Initiatives Implemented</p> <p>By transitioning to the Two Business Headquarters System, the Company strengthened internal controls and continued to conduct discussions on risk management and compliance at the Board of Directors.</p>

4. Evaluation of Effectiveness for 2025

As a result of the analysis and evaluation of the Board of Directors' effectiveness based on the findings of the outside organization and the evaluation of the Audit & Supervisory Board, it was evaluated that the effectiveness of the Board of Directors of the Company is secured.

Meanwhile, the Company will strive to improve the effectiveness of the Board of Directors through the following initiatives in relation to the items presented as key issues to be addressed.

(Key Issues and Initiatives Going Forward)

(1) Composition of Board of Directors	
<p>• Issue</p> <p>From the perspective of ensuring the Company's sustainable growth and further strengthening monitoring functions, it is necessary to continue examining the composition of the Board of Directors and the optimal organizational structure.</p>	<p>• Initiatives Going Forward</p> <p>With a medium- to long-term perspective, the Company will consider the appointment of personnel with diverse backgrounds in anticipation of future changes in the business environment. In addition, the Company will continuously examine the optimal management structure, including the most suitable organizational design for the Company.</p>
(2) Further Deepening of Discussions on Management Strategy	
<p>• Issue</p> <p>It is necessary to further deepen strategic discussions, such as those concerning the business portfolio strategy.</p>	<p>• Initiatives Going Forward</p> <p>The Company will identify important matters to be discussed by the Board of Directors and promote deeper discussions that contribute to medium- to long-term strategy and enhancement of corporate value.</p>

(3) Strengthening of the Risk Management Framework	
<p>• <u>Issue</u></p> <p>It is necessary to further strengthen the monitoring functions related to internal controls and risk management, including those of Group companies.</p>	<p>• <u>Initiatives Going Forward</u></p> <p>To further enhance monitoring functions, the Company will strengthen its risk management framework by increasing the frequency of reporting on the status of internal controls and risk management.</p>

5. Self-review of Corporate Governance Guidelines by Board of Directors

In parallel to the Board of Directors' evaluation, the Company carries out a self-review each year on the operation status of the items defined in the Corporate Governance Guidelines which was formulated and disclosed on May 27, 2015. This functions as an overhaul of the management system.

Through this year's self-review, the Company resolved, at a meeting of the Board of Directors, to partially revise the provisions of the Corporate Governance Guidelines, including the establishment of the Management Committee as a forum for reporting and deliberating on important management matters and decisions delegated by the Board of Directors.

Note:

The Company's latest Corporate Governance Guidelines reflecting this revision are available on its website at <https://www.daiwahouse.com/English/ir/governance/pdf/guidelines.pdf>

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Disclaimer:

This English translation has been prepared for general reference purposes only. The Company shall not be responsible for any consequence resulting from the use of the English translation in place of the original Japanese text. In any legal matter, readers should refer to and rely upon the original Japanese text of the press release dated February 13, 2026.