

# With the Society

## Customers

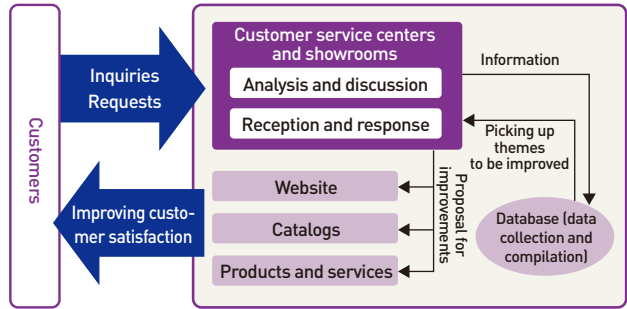
### Improving customer satisfaction

Information utilization system in response to customer voices.

We have customer service centers that listen directly to the opinions of our customers to gather feedback on what they think of our products. We would like to improve the trust customers place in us by responding quickly and sincerely to their honest opinions.

Information obtained through our customer service centers and showrooms is automatically collected and compiled into a database. We extract the essential information from the database and feed it back to the departments concerned. This system has proved effective in improving our website and catalogs and developing new products, thus resulting in even better manufacturing and services that answer the needs of our customers.

Flow showing how our customers' suggestions are reflected back into our products and services



### Quality Control

Enhancing quality through quality auditing and education.

We are working to strengthen our quality assurance system and ensure product quality and safety through quality auditing and education. We carry out internal audits for each department in the Daiken Group, product audits, and second-party audits for our OEM clients. These audits provide instructions on how to improve our quality management system (QMS). To disseminate the QMS, mutual internal audits are conducted by audit teams whose members include internal auditors from other departments.

In January 2017, external experts were invited to hold a lecture on the theme of adhesives, which are essential for building materials. Nearly 100 employees including those in charge of development joined to deepen their understanding about characteristics and assessment procedure.



The fourth lecture for the Quality Assurance Department

### Communication with customers

Active participation in exhibitions with an aim of increasing the awareness of our products for public spaces and commercial facilities.

In fiscal 2017, Daiken Corporation actively took part in exhibitions with the aim of increasing the awareness of our products for public spaces and commercial facilities. In addition to joining the Second Retail Premises and Facilities Exhibition held in Tokyo Big Site for the first time in October, our products were exhibited at the 45<sup>th</sup> International Hotel and Restaurant Show (Tokyo Big Sight) in February 2017, as well as the Japan Shop 2017 (Tokyo International Exhibition Center) in March. Daiken's products for hotels, inns, retail premises and offices, including noise-proof flooring with excellent design, wall materials with superior workability and easy-to-maintain tatami mats, were showcased at the exhibitions.

Moving forward, we will continue to actively propose products designed for public spaces and commercial facilities through exhibitions.



The Second Retail Premises and Facilities Exhibition

# Suppliers

## CSR Procurement Policy and Standards

Procurement Policy	Purchase Control Rules	Green Procurement Standards	CSR Procurement Standards
<ol style="list-style-type: none"> <li>1. Compliance with laws and regulations</li> <li>2. Fair and even-handed dealings</li> <li>3. Sharing excellent value</li> <li>4. Promotion of green procurement</li> <li>5. Promotion of CSR procurement</li> <li>6. Relationship of trust and co-prosperity</li> </ol>	<ol style="list-style-type: none"> <li>1. Quality</li> <li>2. Prices</li> <li>3. Delivery time</li> <li>4. Capabilities for technological development</li> <li>5. Services</li> <li>6. Management conditions</li> </ol>	<ol style="list-style-type: none"> <li>1. Environmental management system</li> <li>2. Chemical substance management</li> <li>3. Wood from legitimate sources</li> </ol>	<ol style="list-style-type: none"> <li>1. Respect for human rights</li> <li>2. Compliance with laws and regulation</li> <li>3. Occupational safety and health</li> <li>4. Fair transactions</li> <li>5. Information management</li> <li>6. Coexistence with society</li> </ol>

## Communication with suppliers

### Management policy briefing session for our business partners and suppliers.

Daiken Corporation holds management policy briefing session for business partners, suppliers, and logistics companies every year. For fiscal 2017, the briefing session was held on July 7 at Hilton Tokyo Odaiba by inviting 114 participants from 80 companies. President Okuda explained the corporation's directionality of the Medium-Term Management Plan, management policy for the fiscal year and prioritized measures. Other departments also shared their information to deepen cooperation.

In addition, on July 13, 33 companies were invited to the management policy briefing session at Hotel Granvia Okayama. The policy briefing sessions were also held by other departments all around the country.



Management policy briefing session for fiscal 2017

## CSR Procurement

### Survey for domestic plants and suppliers.

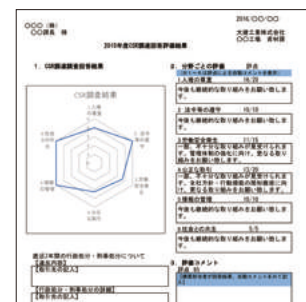
Starting March 2016, an online survey was launched on the status of CSR implementation by our business partners and suppliers. For fiscal 2017, the questionnaire was distributed to four domestic plants and 237 suppliers.

The survey results will be provided to the respondents. We will ask our suppliers to correct problems, or make necessary improvements if they continue to score low. Where necessary, we will ask them to submit a corrective action report where necessary.

We will continue to implement the survey to understand the actual condition to make improvements as part of our efforts to further promote CSR procurement.



Sample of CSR questionnaire



Example of feedback to the CSR questionnaire results

# With the Society

## Employees

### Reduced long working hours

Self-improvement incentives are offered to promote the workstyle change.

At Daiken Corporation, the president declared a ban on working before 7 a.m. and overtime working after 8 p.m.\* Starting March 2017, the workstyle change project was launched and in May, the workstyle change promotion preparatory office was set by the General Affairs and Personnel Department with the goals of reinforcing the organizational structure and accelerating the effort toward realization.

For the summer bonus, full-time employees, contract employees, temporary employees, and full-time non-employees received ¥30,000 across the board as self-improvement incentives. This helps to give a boost to improved skills among personnel, consequently leading to the reduction of long working hours.

\*Personnel working directly for the plant department and shift workers are excluded.



A review meeting for promoting women's active participation  
(Office: Workstyle change promotion preparatory office)

### Work-life balance

Daiken Group acquired the “Kurumin” certification.

In May 2017, Daiken Group obtained the “Kurumin” certification, which the Ministry of Health, Labour and Welfare recognizes corporations supporting employees who are raising children. The Group has been making efforts to create a fulfilling work environment where each employee can work actively in good health, as well as to enhance the systems.

It is Daiken's commitment to continuously promote work-life balance and actively make efforts to create a work environment where employees can balance work with child raising.



### Occupational safety and health

Mutual safety diagnosis is implemented to improve the worksite capabilities.

On the premise of prioritizing safety above all, Daiken Group is working to maintain and improve a workplace environment that ensures safety without work-related injuries. With an aim of raising the level especially in production sites, the Daiken Group mutual safety diagnosis is implemented in four plants in Japan, seven group manufacturers and three overseas companies every year.

For fiscal 2017, Daiken sets key agendas of ensuring compliance with rules and improved worksite capabilities. The safety diagnosis was joined by worksite leaders, including unit head, shift leader and group leader, to focus on creating the structure of compliance with rules. For the future, Daiken is pledged to continue safety diagnosis according to challenges in worksites to create a safe workplace.



Worksite diagnosis for mutual safety checks

### Human resource development

Managers received training for promoting active participation of female employees.

To further promote active participation, Daiken Corporation believes it is important to change the awareness of managers who are supervisors for female employees besides themselves. To that end, for fiscal 2017, in addition to providing skill improvement training for female employees, managers who supervise female employees received diversity management training.

For future, Daiken Corporation is pledged to deepen the awareness and understanding of the necessity for all managers to promote diversity by continuing follow-ups for managers through training. We will aim to form a work culture that supports active participation of female employees.



# Shareholders and investors

## IR communication

Building a trustworthy relationship through IR activities, results briefing, and individual meetings.

In addition to holding annual meetings of shareholders (the end of June), Daiken Group holds presentations for financial results for investment analysts and institutional investors on a regular basis to explain about the outline of financial results and business plans. In addition, individual meetings are held quarterly by inviting institutional investors in consideration of mutual communication. Through direct dialog, we aim to reflect their expectations in our management.



Presentations for financial results

## Proper information disclosure

A renewed corporate website for better communication.

A new corporate website of Daiken Corporation was launched in June 2017. The updated page design helps various stakeholders to have a better understanding of the Daiken Group for better usability.

In addition, as an informative tool for IR, the business performance information is highlighted to offer enhanced stock information. We will continue to actively utilize the website to disclose unbiased information to shareholders, investors and other stakeholders.



IR website page

# Local community

## Sports promotion

By supporting the Soccer J1 Gamba Osaka, Daiken will contribute to promotion and activation of sports.

Daiken Corporation is an official partner of Gamba Osaka in the Soccer J1 League. We take part in sponsorship program for Gamba Osaka Academy aimed at nurturing soccer players for the next generation to support their activities.

In November 2016, we held a rally to encourage Gamba Osaka Youth (U-18) and Junior Youth (U-15) in cooperation with corporations and schools supporting the academy to boost exchanges with players and staff.

We will continue to support youth's dreams for the future through our sponsorship of the academy.

