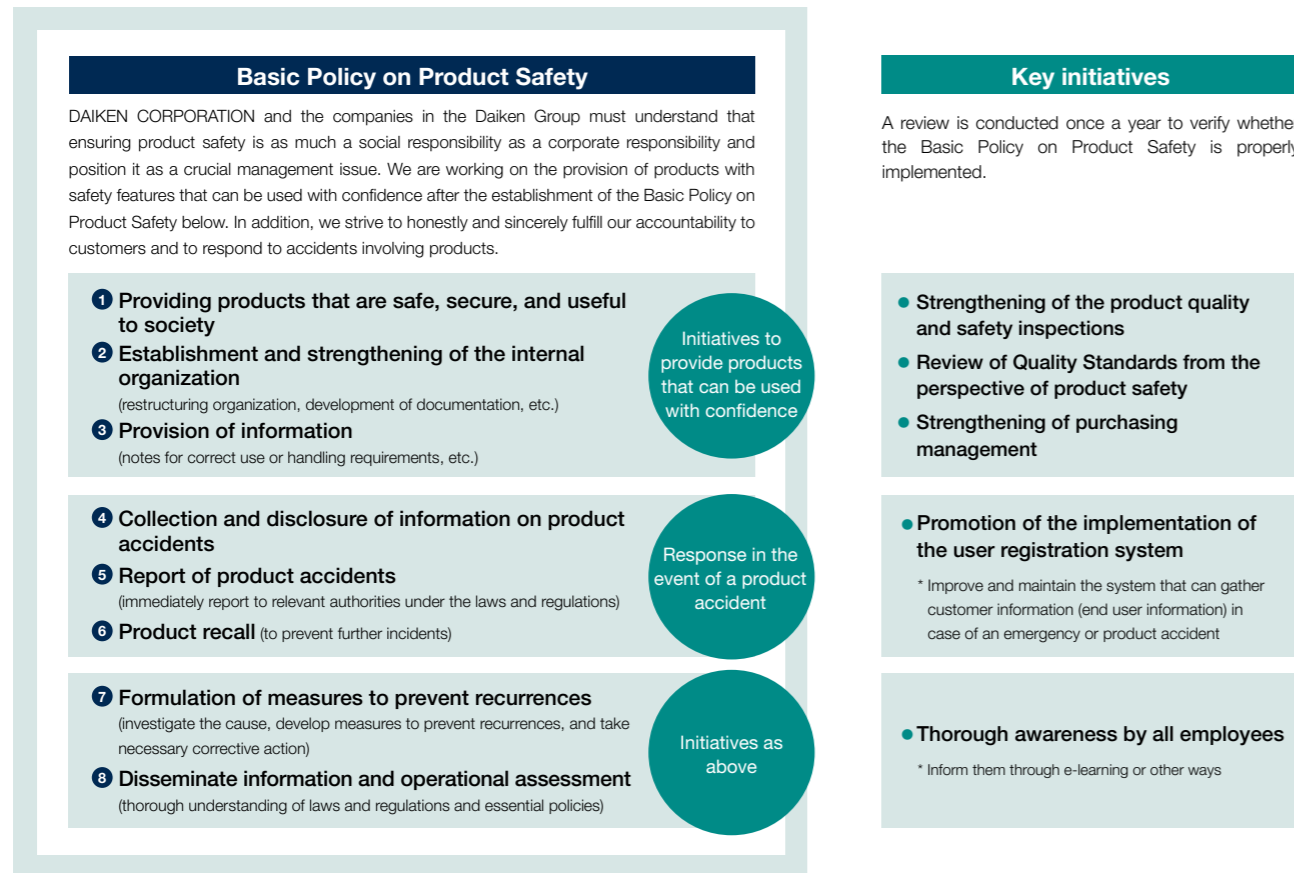


S Social

Product Quality and Safety

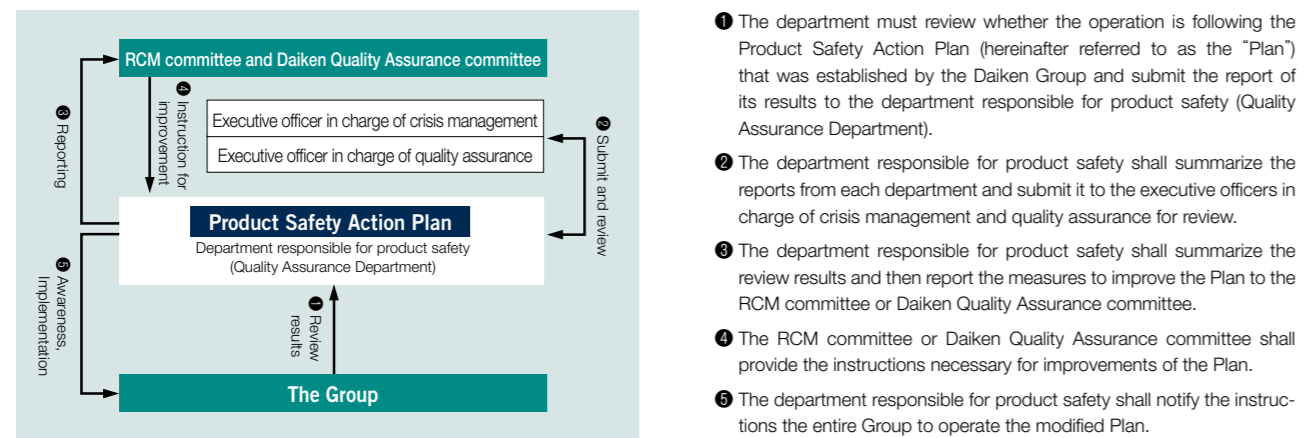
Initiatives for Product Safety

The Daiken Group has established the Basic Policy on Product Safety to ensure that all employees are thoroughly committed to product safety and are actively engaged in providing products to customers for safe use.



Structure to Promote Product Safety

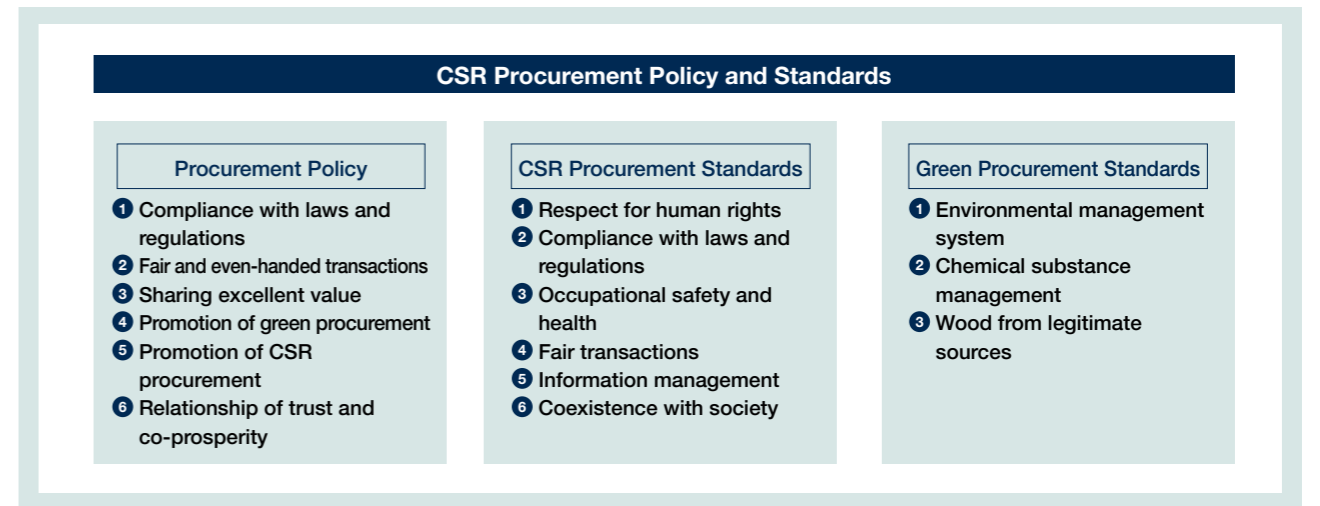
The Daiken Group established the system to conduct annual reviews performed by the department responsible for product safety and monitor the status of each departments' activities by following their Product Safety Action Plans in order to continue to provide safe and highly reliable products and services. Then, the Risk and Compliance Management (RCM) committee and the Daiken Quality Assurance committee instruct the departments to review and modify their Product Safety Action Plans.



Supply Chains

Promotion of CSR Procurement

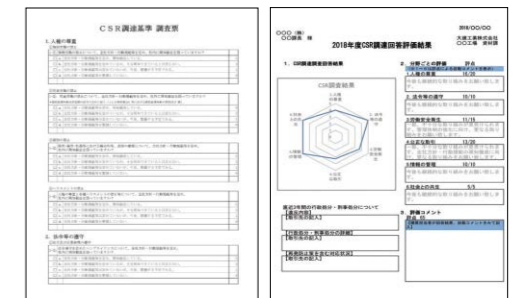
The Daiken Group states that the Promotion of CSR procurement is one of the important commitments under the procurement policy which was established in 2015. We aim to provide products and services meeting the expectations of our customers and for a sustainable society in which people and the environment can coexist. Under these circumstances, we are implementing procurement activities with the cooperation of our business partners based on the following fundamental concepts.



Suppliers

Carry out the CSR questionnaire for the plants and manufacturing subsidiaries in Japan

The Daiken Group has been carrying out the CSR questionnaire for suppliers following the Procurement Policy and CSR Procurement Standards since fiscal 2016. We expanded the scope of the questionnaire in fiscal 2019 from four plants in Japan to manufacturing subsidiaries in Japan in which 363 companies subjected to Green procurement standards (235 companies in the previous year) were targeted and carried out the questionnaire. Questionnaire results are fed back to suppliers and for the companies where the evaluation points have been continuously low, we encourage them for correction and improvement. With their cooperation, we will work together and promote procurement activities that consider CSR in the future.



Sample of CSR questionnaire Example of feedback to the CSR questionnaire results

Customers

Management policy briefing session to strengthen the partnership with our business partners

The Daiken Group holds an annual management policy briefing session to strengthen relations with business partners, suppliers, and logistics companies. In fiscal 2019, the session was held in 11 venues across Japan and 245 people from 161 major business partners participated in the briefing session held in Tokyo in June. From the Daiken Group, 39 people, including President Okuda, executive officers, and department managers, attended. President Okuda explained about the management policy in fiscal 2019 and the initiative for workstyle reform, etc. and then Marketing Department promoted new products in fiscal 2019. After that, a meeting was held to exchange information between our business partners to deepen communication.



Management policy briefing session

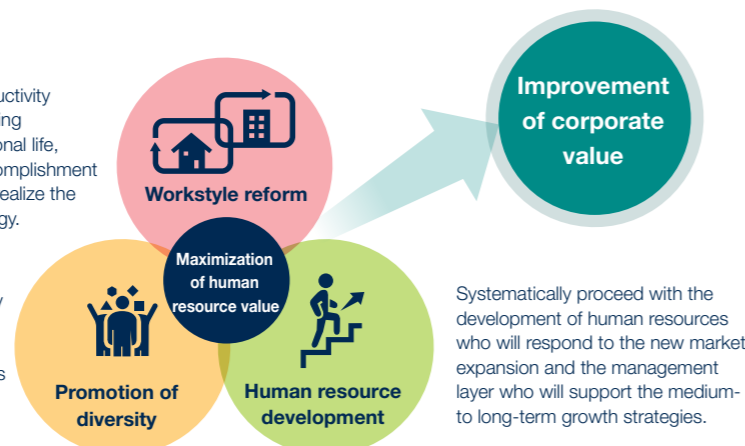
Human Resources

Basic Approach

In order for our employees to be able to feel Happy to be the members of our group, the Daiken Group aims to be a company where every one can fully exercise their diverse values and abilities and has been promoting initiatives from the perspectives of Workstyle reform, Promotion of diversity, and Human resource development. By continuously promoting initiatives from these three perspectives, we will create a virtuous cycle and lead to maximization of human resource value through the improvement of individual performance and improvement of the entire group's corporate value.

By proceeding with productivity improvement and improving employees' affluent personal life, enhance each one's accomplishment and job satisfaction and realize the company's growth strategy.

Diverse human resources organically fuse their skills, ideas, and values and use them as the company's driving force to develop new markets and new businesses.



Systematically proceed with the development of human resources who will respond to the new market expansion and the management layer who will support the medium- to long-term growth strategies.



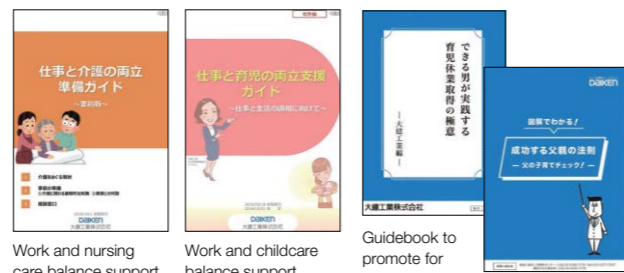
Promotion of diversity

To be able to respond to the stakeholders' expectations and further contribute to society, the Daiken Group aims to become a company where human resources having a wide variety of characteristics and values can fully exercise their abilities and keep creating new value and focuses on the promotion of diversity. Particularly in recent years, we have held an exchange meeting as the place to foster career awareness in order for women who are the most familiar persons to be able to further exercise their abilities and implemented skill improvement training intended for our employees who had fewer opportunities for training as well as leader candidate development training. Because the work-life balance is important in women's active participation, we also focus on providing support for maintaining the balance. Regarding childcare, we distribute a guidebook that focuses on the ways of working after returning to work and implement interviews with those who took childcare leave with their superior's present. Regarding nursing care, we published a guidebook that encourages advance preparations. Furthermore, we continue to hold briefing sessions to promote co-workers'

understanding of the support system for work and family-life balance and keep Ikuboss declarations by the President, executive officers, and all managerial positions to cultivate a corporate culture where it is easy for everyone to play active roles. In the future, we will promote initiatives for young employees to grow with a medium- to long-term perspective and keep playing active roles by providing opportunities for them to think about their careers.



Leader candidate development training Project to promote women's active participation



Work and nursing care balance support guidebook Work and childcare balance support guidebook Guidebook to promote for men to take a childcare leave



Female employees meeting



Workstyle reform

The Daiken Group promotes workstyle reform in order for everyone to be able to keep working with a feeling of rewards and job satisfaction and to feel happy to work in our group. We established the workstyle reform promotion project under the declaration by the top management in 2015, restricted long working hours by automatic PC shut-down before 7:00 a.m. and after 7:30 p.m., and launched a working team for each office organization to solve issues. By lending mobile PCs and smartphones, flexible responses in the visiting destination became possible. Other than project activities, we started the review meeting for a new sales style as the workstyle reform specific to the sales position where sales staff can continue their sales position even

if they have a time constraint due to childcare, nursing care, etc. With a view to breaking away from conventionalized behaviors and improving the free and flexible power of ideas and self-management skills, we started an initiative for a casual day where employees come to work in casual clothes every Friday in fiscal 2019 and have been putting effort into the promotion of a work-life balance from the perspective of awareness. In the future, we will implement the improvement of not only the ways of working but also the ways of taking a leave of absence and work on these matters for everyone to have time to refresh themselves and exhibit their higher performance in work.

The past key initiatives

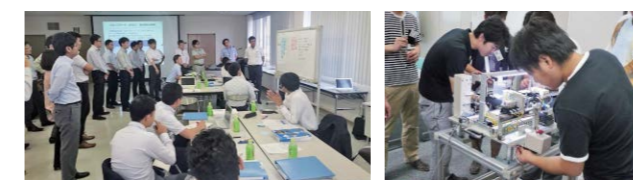


2015-



Human resource development

Under the principle that the development of autonomous human resources is essential in accelerating growth strategies and realizing sustainable corporate value improvement, we set training aimed at acquiring a wide variety of knowledge and skills in a systematic manner according to service years, ranks, and job types. In fiscal 2019, we newly implemented training specific to the strengthening of sales skills and strengthened the capabilities to propose plans. Amid the situation where changes in society will further accelerate, we will aggressively invest in human resources by expanding training by job type to acquire the expertise necessary for the expansion of focused markets and the training by theme to enhance development of the management layer who will support medium- to long-term growth.



Training for the persons who are exclusively in charge of focused markets

Training to solve manufacturing problems

Key training structure

	Training by rank	Training by job type		Training by theme (Promotion of women's active participation)
		Manufacturing technology	Sales	
Department head class	Senior management candidate development training Training for department heads by theme Training for new department heads	Enhancement of the development of the management layer		
Managerial position class	Follow-up training for the managerial position New manager/coaching training	Training toward the expansion of the focused markets		Female manager training
Middle level Team Leader class	Leadership theories and practical training Basic training for management Training for those promoted to G2/A3 ranks	Manufacturing manager training	Sales skill enhancement training (Application)	Female leader candidate development training
Responsible person class	Logical thinking training	Training to solve manufacturing problems		Sales skill enhancement training (Basics)
Young employees	Step-up/follow-up training for those who are in the third year of their employment New employee orientation (Basics and practical operations)	Follow-up training for young manufacturing employees Manufacturing technology-related new employee orientation	Training for the persons who are exclusively in charge of focused markets	Basic training for product knowledge