

S Social



People

To continue growing 100 years from now, we strive to create a Company where all employees can work long-term in a healthy and fulfilling environment, develop human resources and promote diversity.

Health Management and Diversity

We clarify management challenges to resolve by Health Management and work on promoting diversity.

Promoting Health Management

In FY2022, Daiseki formulated its health management strategy, and clarified challenges to resolve and has promoted necessary investments and concrete actions. This year, Daiseki and Daiseki MCR were again certified as a “2023 Health and Productivity Management Organization.” This was in recognition of our efforts to maintain and enhance employees’ physical and mental health and to create workplaces that are easy to work at. We will aim for obtaining White 500 Certification and Bright 500 Certification by creating work environments where employees can show high performances.

Health management initiatives and results

The measures and systems Daiseki is currently working on are as follows.

● Health consultations and employee training by public health nurses

Daiseki newly hired a public health nurse in FY2024. In FY2024, in addition to receiving health consultations from employees, the public health nurse is holding health-related seminars among other activities.

● Care by external expert institutions (mental and physical health consultations, specific health guidance)

In cooperation with a health insurance association, we have established a health consultation hotline which is available 24 hours a day. In addition to health consultations, this consultation hotline is available for employees to receive mental health counseling, second opinion service, etc. Furthermore, we are encouraging employees to receive specific health guidance when contacted by the health insurance association. Going forward, we will work in tandem with the public health nurse to promote opportunities for the guidance for employees.

● Stress Checks

The Daiseki Group has been conducting stress checks for all employees. Employees experiencing high levels of stress are reassigned appropriately based on their requests as well as interviews and consultations with physicians.

The Daiseki Group’s stress checks implementation (%)

| FY | 2021 | 2022 | 2023 |
|---|------|------|-------------|
| Stress check implementation rate | 91.2 | 90.0 | 89.6 |
| Proportion of highly stressed employees | 6.9 | 8.7 | 10.1 |

● Regular Medical Checkups and Comprehensive Health Examinations

The Daiseki Group continues to provide periodical medical exams for all employees to maintain and improve health. We also facilitate comprehensive health examinations for employees aged 35 and over to ensure the early detection and treatment of illness.

The Daiseki Group’s attendance rate of regular medical checkups and comprehensive health examinations (FY2023) (%)

| | Regular medical checkups | Comprehensive health examinations |
|-----------------|--------------------------|-----------------------------------|
| Attendance rate | 100 | 92.3 |

● Employee engagement surveys

From FY2023, Daiseki and Daiseki Eco. Solution have begun surveying employee concerns and dissatisfaction about the workplace as part of health management efforts to increase employee engagement, and are working to make improvements. These surveys are kept confidential and individual employees are not identified. Feedback is provided to the heads of workplaces where employees had a high level of concern or dissatisfaction, and improvements are being promoted.

Main accomplishment related to society in FY2023 (the Daiseki Group)

Training hours per person

7.3 hours/person
(7.0 hours/person)

Turnover Rate

3.2%
(1.9%)

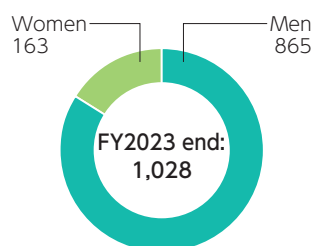
Paid Leave Acquisition Rate

67.3%
(70.2%)

Note: () shows the number with Daiseki only

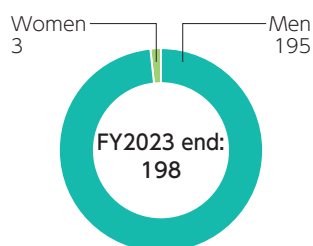
The Daiseki Group's Promotion of Diversity

Employees by Gender



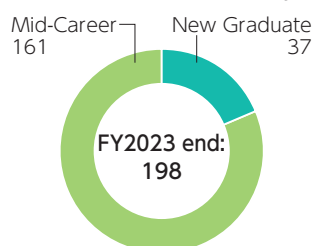
Note: Full-time employees only

Managers by Gender



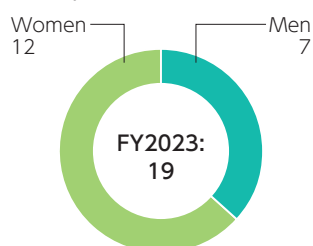
Note: Full-time employees only

New Graduate and Mid-Career Managers



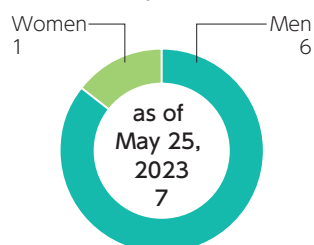
Note: Full-time employees only

Hires by Gender (New Graduates)

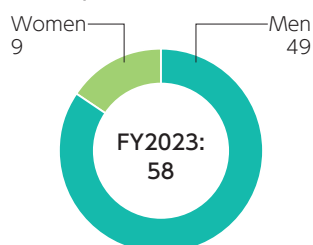


Note: Full-time employees only

Directors by Gender

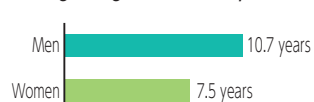


Hires by Gender (Mid-Career)



Note: Full-time employees only

Average Length of Service by Gender



Note: As of FY2023 end; full-time employees only

Average Annual Salary by Gender



Note: 1. As of FY2023 end; full-time employees only
2. Male average age: 42.7 years old; female average age: 37.6 years old

Promoting diversity and creating comfortable working environments

In FY2023, 18 Daiseki Group employees utilized childcare leave, of whom six were male employees.

Acquisition of Paid Leave and Maternity/Childcare Leave at the Daiseki Group

| FY | 2021 | 2022 | 2023 |
|---|------|------|-------|
| Paid leave acquisition rate (%) ^{*1} | 58.8 | 60.5 | 67.3 |
| Utilized maternity leave (people) | 3 | 7 | 10 |
| Men who utilized childcare leave (%) ^{*2} | - | 10.8 | 21.4 |
| Avg. number of days used for men's childcare leave (days) | - | - | 12.1 |
| Women who utilized childcare leave (%) ^{*2} | - | 85.7 | 150.0 |
| Avg. number of days used for women's childcare leave (days) | - | - | 255.3 |

The Daiseki Group's turnover rate (FY2023)

| | Male employees | Female employees | Total |
|---------------------------------|----------------|------------------|-------|
| Turnover Rate (%) ^{*3} | 2.6 | 6.2 | 3.2 |

^{*1} Paid Leave Acquisition Rate shows the rate of paid leaves employees acquired within the leaves given.
^{*2} Childcare leave acquisition rate shows the rate of employees who utilized childcare leave versus the number of employees who had newborns in that fiscal year; the childcare leave acquisition rate may exceed 100% if there were childcare leaves that spanned multiple fiscal years.
^{*3} Turnover Rate shows the rate of employees who resigned in FY2023 within the number of employees in February 2023.

Comments from employees who took childcare leave **Voice**

We were able to share the joys and tribulations of childcare as a couple

Jiro Asada, Daiseki Kyushu Works Sales Division 1, Assistant Division Chief

After the birth of our second child (our first son) in November 2022, I took childcare leave in March 2023 to reduce the burden on my wife, who was taking care of our son and daughter by herself. While I was on childcare leave, I took care of cooking, laundry and other things, and was able to reduce the burden shouldered by my wife. It was also a time for me to mentally refresh by being with my kids more, and I gained a renewed motivation for my work. By taking childcare leave, I was once again able to experience the joys and difficulties of raising kids and gained useful life experiences. From 2022 it is possible to take split childcare leave, so I am planning to take another leave period later on.



Childcare

ESG Reporting

Society: People

Human Resource Development and Workplace Improvement Efforts

We aim for company's continuous evolution by enhancing human resources development and creating environment where employees can work comfortably.

Human resources development policy

The involvement of various personnel is necessary for the realization of the company's management strategy. We have positioned the development of next-generation management personnel as our core focus, and we will raise internal motivation by enhancing training per job level from new employees to managers, as well as by enriching training programs tailored to the career aspirations of employees.

Also, by utilizing job rotations for the purpose of human resources development, we will broaden employees outlooks, increase their curiosity in their work, and improve in-house communication. Daiseki will cultivate personnel who can respond flexibly to changes in society and diverse values.

Target and performance for human resource

To promote Health Management and diversity, the Daiseki Group set concrete target figures in FY2023. In March 2023, four female employees were newly appointed to management positions, such that of a total of 201 managers, there are now seven female managers, a rate of 3.3%.

Actual and target figures related to human resources for FY2023

| | Actual | Target |
|-----------------------------|---------------|-------------------------------------|
| Turnover Rate | 3.1% (1.9%) | Below 2% (below 1%) |
| Paid Leave Acquisition Rate | 67.3% (70.2%) | 80% or more (80% or more) |
| Rate of Female Managers | 1.5% (1.6%) | By FY2027 10% or more (10% or more) |

Note: () shows figures for Daiseki only

Efforts for nurturing human resources

● Employee trainings

The Daiseki Group actively participates in trainings programs considering that employees are our human capitals. From FY2023, we are inviting outside instructors to hold new training course for female managers. We will also continue holding compliance study sessions for all employees.

Total training hours at the Daiseki Group (FY2023)

| Description | Total training hours (hours) | Total number of attendees (people) |
|--------------------------------|-------------------------------|------------------------------------|
| Compliance study session | 5,726(5.1 hours per employee) | 11,452 |
| Training per job levels | 400 | 32 |
| Female manager training course | 68 | 3 |
| Other trainings | 1,958 | — |
| Total | 8,152(7.3 hours per employee) | 11,487 |

Internal environment improvement policy

In order for employees to be proud about their work to their families, we believe it is important that they are fulfilled in both their work and personal lives. We believe that in order for each employee to feel fulfilled in their work and have high motivation for growth, it is important to accumulate successful work experiences, to demonstrate teamwork by fostering a culture of mutual recognition and praise, to enrich personal lives by achieving results efficiently in limited time, and to ensure the safety and health of employees and their families, around which the above factors revolve.

Daiseki will build a corporate culture that allows us to consider everything from our immediate work environment to the global environment, and to continue to grow and take on challenges, and provide a work environment in which employees can work with vigor and be proud of to their families.

Female manager training

In order to achieve the target of increasing the ratio of female managers to at least 10% by the end of FY2027, from FY2023 Daiseki began efforts to train future female management candidates. Between October 2022 and January 2023, three female employees in the assistant division chief or chief class attended the four-day female manager training course. In this course, participants learned about the state of female managers, leadership, logical thinking, management of direct employees, and the formulation of action plans, among other topics. We will continue bolstering efforts for the development of female managers.

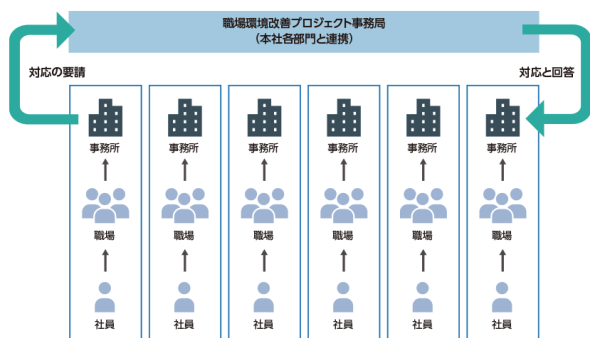


Female manager training course

Creating comfortable working environments

● Work Environment Improvement Project

Daiseki has been engaged in the “Work Environment Improvement Project.” This involves in-house improvement activities aimed at creating a workplace where all employees can work in health and safety. The employees in charge of the project and each department are working together on improvements while listening to employees’ opinions and requests for improvements to the workplace environment.



Flow of Work Environment Improvement Project Activities

Shareholding association system

Daiseki regards employees as human capital, and to encourage employees to have an interest in the company’s management and to expand employee benefits, we grant a stock holding incentive of 15% of the reserve amount to support employee ownership of company shares.

Attendance at shareholding association at Daiseki

| FY | 2021 | 2022 | 2023 |
|---|------|------|------|
| Number of shareholding association members (people) | 492 | 545 | 570 |
| Attendance rate for shareholding association (%) | 77.1 | 81.4 | 82.7 |

● Improving the work environment with renovations

At Daiseki Kanto Works we expanded the office space and changed the layout to create a new dining space. This made the space more open, contributed to a better working environment, as well as work efficiency and enhanced motivation. It also made the dining space easier to use as kitchen and basin areas are consolidated onto one floor. This has increased the number of opportunities to have meals with

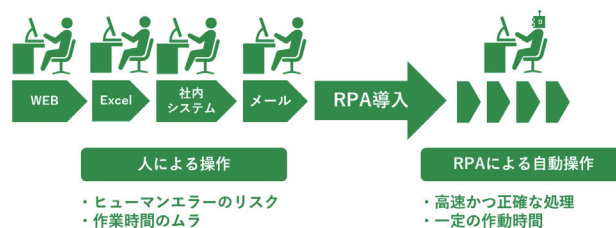
employees from other departments, deepening bonds and making it easier to collaborate on work.



Cafeteria after renovation (Daiseki Kanto Works)

Implementing RPA to improve work efficiency (Daiseki Eco. Solution)

Daiseki Eco. Solution implemented company-wide RPA in FY2023 with the aim of improving work efficiency. RPA stands for Robotic Process Automation, which is a technology that uses robots to automate tasks done on PCs. By utilizing RPA, benefits such as work streamlining and reduced costs can be expected. The largest benefit of this for Daiseki Eco. Solution came from checking the checkbox after confirming that analysis results were accurate. With this technology we have been successful in reducing the time spent on analysis work by 40 hours per month. We are planning additional work streamlining going forward.



Overview of RPA (Daiseki Eco. Solution)

● Comments from an employee engaged in work streamlining Voice

Using digital tachographs to streamline vehicle dispatch and reduce overtime work

Yusuke Ishikawa, Daiseki Chiba Works Operations Division, Assistant Division Chief

We installed digital tachographs on all industrial waste transport vehicles at Chiba Works. Before these were installed, employees would write a work report every day after returning to the company, but by using digital tachographs this was no longer necessary, contributing to a reduction in overtime hours worked. Employees in our section said they were happy that they no longer needed to write a report after returning to the office, and that they were now able to leave work earlier. Furthermore, this initiative enabled us to monitor the location of each transport vehicle, making the return time to the company more predictable and enabling us to arrange efficient dispatching of vehicles. Production section employees can also quickly ascertain the delivery time of items to be received, proving a synergistic effect for other departments. We will continue endeavors to streamline operations to facilitate the work of section employees.

