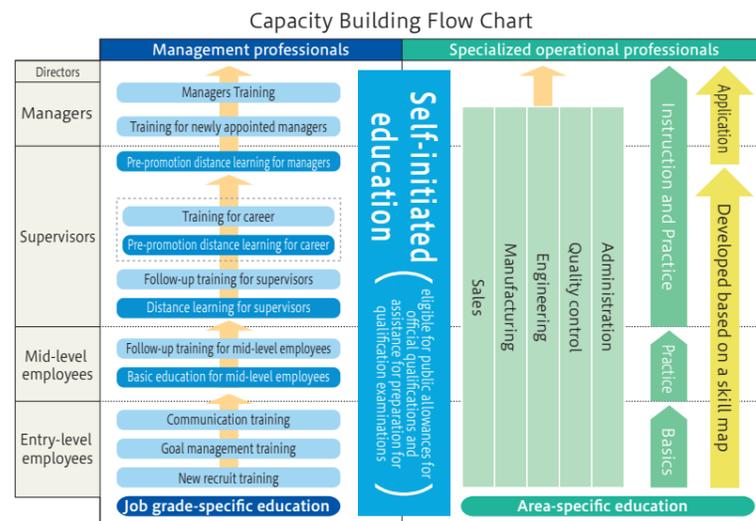


Challenging Corporate Culture and Proactive Human Resources

We endeavor to be and remain a company that plays a leading role in this rapidly changing society by realizing greater convenience and comfort with our technologies. To do so, we believe that it is essential to nurture human resources capable of proactive self-improvement and create a mechanism and workplace environment that allows such individuals to continue to aspire for greater achievements. To realize all of this, we are determined to continue our utmost efforts.

Human Resource Development

Daishinku's mechanism for human resource development is constructed around two pillars: job grade-specific education in which participants learn business management in a structured manner from the basics, and area-specific education designed to train operational professionals. In addition, there are well-developed systems that assist employees in their self-improvement (foreign languages, specialized learning, etc.) and preparation for official qualification examinations, supporting their individual career development. These systems are designed based on the concept that the main actor in capacity building is the person himself/herself, to entice employees to proactively, rather than passively, engage in self-improvement.



Becoming a Company with Rich Diversity in People

As a global company, we consider that the key to the company's strength lies in a rich diversity of people taking advantage of their respective strengths. As part of our initiatives, we strive to maintain a work environment that encourages participation of women to expand their sphere of activities, and, in fact, women have surpassed men in terms of average number of years of uninterrupted service. The number of female managers continues to increase, and we will continue to develop employees who can serve as role models for others so that we will have a frontline of excellent female candidates for executive positions. Further, we strive to develop a system that can better reflect the motivation of individual employees, such as changing the system to allow an employee hired for a local position to switch to a main company-wide career track more easily. We will continue to improve the work environment so that every employee can fully demonstrate and fulfill his/her potential and be rewarded accordingly, and revise the system where necessary that incorporates various opinions.

Tighter Work Hour Management Control by Introducing the IC Card-Based Attendance Management System

As Work-Style Reform Laws have come into force, work styles focusing on work-life balance has drawn worldwide attention, and we are also implementing initiatives. One such initiative is work hour management based on punching in/out using an IC card and an attendance management system has been introduced with the following two purposes in mind. First, to improve the work environment, we aim to realize a more employee-friendly workplace environment by simplifying management and visualizing problem areas. We aim to realize a workplace environment where every employee can work comfortably, such as giving consideration to their physical and mental safety by curbing long work hours and making it easier for managers to track the work conditions of each person by computerization of various applications to promote workload leveling. Second, we aim to implement tighter management control. For example, if punching out after a regular time causes an error message, the former mindset "I can stay a bit longer to finish this work" will not be accepted. Each employee will start considering how to work more efficiently, which will inevitably promote work improvements and reform. A comfortable workplace environment will ensure greater benefits for employees and the Company from improved work performance as a result of efforts made by each employee. Aiming to create such a workplace environment to enable a win-win relationship, we will continue to address the issue of work-style reform.

Workplace Environment

Self-declaration System and In-house Staff Recruitment System

Under the self-assessment system, employees with service of less than eight years are given an opportunity every two years to move within departments. This in-house staff recruitment system started in 2019. This system allows departments to secure necessary staff through open call to employees. Employees may apply for a job which they really want to do, so high-probability matching can be expected.

Employees' Health Maintenance

Daishinku is committed to maintaining and enhancing its employees' health. Employees who are found to have health problems in the annual physical examination are guided to take a complete checkup or receive medical treatment, under an occupational physician's direction.

Stress Check and Mental Health Check

As legally required, an annual inspection is conducted on stress levels to which employees are exposed. In addition, careful follow-up is provided, including analysis of the inspection results and the leveling off of the work burden where needed, to maintain and enhance employees' mental health and stability. A mental health check is conducted as necessary after interviewing employees who have worked significant amounts of overtime, connecting them to an interview with an industrial physician. It is important to reduce employee workloads, of course, but we consider it just as important to have a safety net in place.

Childcare and Nursing Leave

Daishinku offers employees childcare or nursing leave with more advantageous conditions than those legally required, helping them reconcile their work and family duties. Large percentages of employees take childcare leave and resume work after childbirth. We strive to continuously improve our workplace environment so that female employees can stay with the company for many years.

Of the women working at domestic bases of the Daishinku Group **100%** have taken childcare leave, and **100%** have resumed work after childbirth.

*From April 2018 through March 2020

Commendation System

Employees who have made achievements are commended every month, and especially significant achievements are commended at the founding commemorative event. We commend a wide range of employees from young employees to veteran employees to improve their motivation.

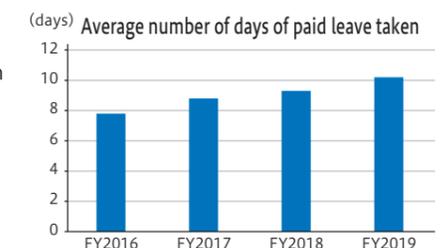
Employee Training

Through training sessions, employees will gain awareness and behavior required for their positions that cannot be acquired in the course of their daily work to lead that leads to changes in behavior. These types of training sessions are continuously reviewed for improvements.



Annual Holidays

We consider that it is important for employees to enjoy a change of pace and routine and refresh themselves appropriately on holidays so that they return recharged for high performance. Accordingly, we provide them with as many holidays as possible and encourage them to make active use of the paid leave system.



Topics

New Wage System

As of October 2020, we changed our wage and appraisal system to a so-called performance-oriented system, so that employees who are highly motivated and maintain a level of high performance keep that motivation and level, while those with a lower performance level are encouraged to change their behavior to enhance their skills from a sense of crisis.

To survive in highly competitive environment, we need to become a stronger company that can ensure continuous profit into the future. A strong company is built on the maximum performance of all its employees, and we consider that all employees who work with a look of determination in their eyes will demonstrate maximum performance. What is important are "proper content" and "proper operation," which are like the wheels of a cart – if one doesn't work properly, the cart cannot move forward. Implementing changes to the system is not the end goal but a starting point. We will monitor the status of operations continuously and review and improve the system as necessary.