



Daito Group Sustainability Meeting

2024



Medium-Term Management Plan and Sustainability

TAKEUCHI Kei

Representative Director,
Chief Executive Officer (CEO)



Daito Group's Purpose

Link the Trust to Make a Better Future.



>>> Towards **realizing** our purpose

Done

Step1

Setting standards

Establishment of the standards for thoughts and actions for all employees

Step2

System design

Revision of personnel system

Step3

Dissemination

Implementation at the frontline

Management and employees working on the frontlines across the country gathered to discuss the company-wide project.





**To become a company
where more employees
embody the heart behind our purpose**



New challenges as a whole Group

**Maximize
the “Power of Employees”**





**The frontlines
are the priority**



Student newspaper staff

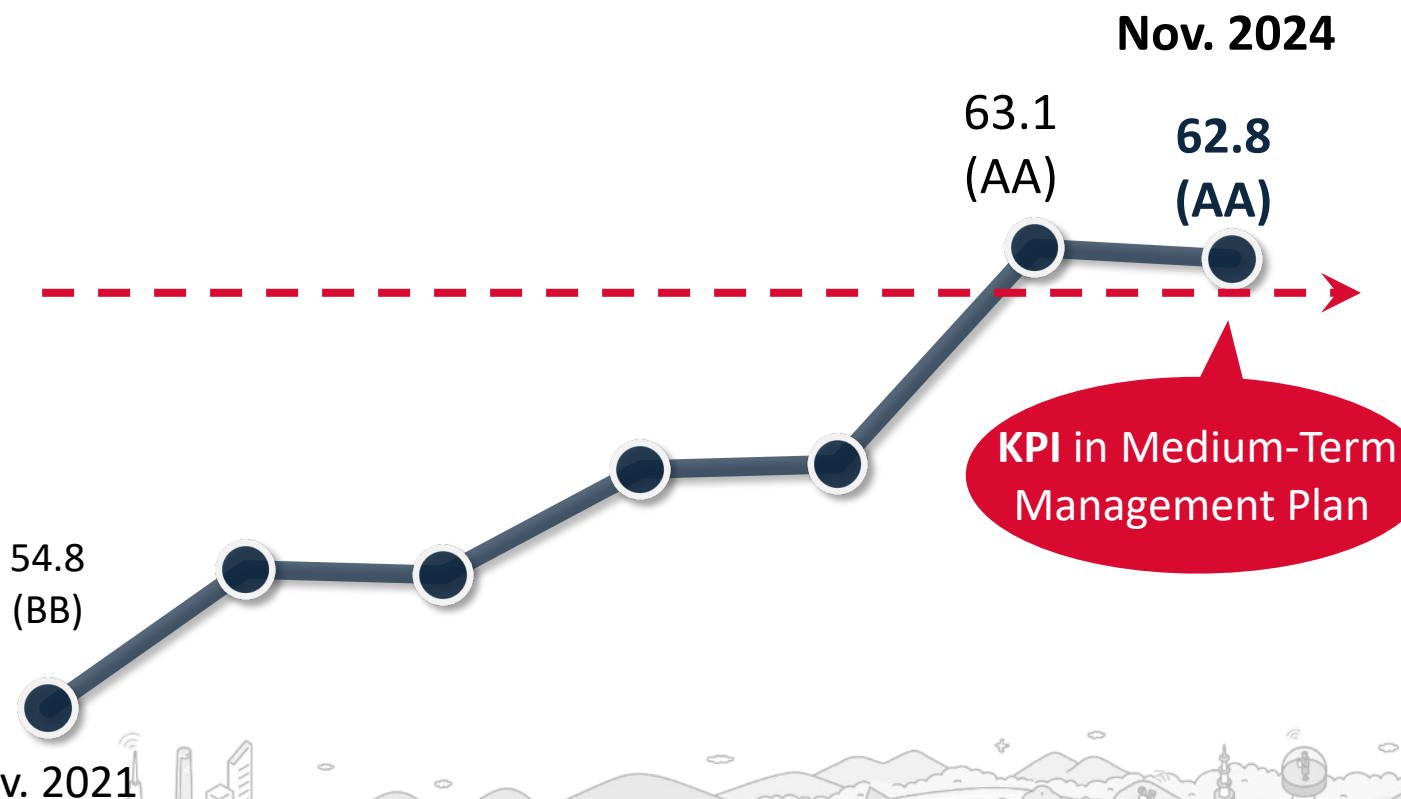
**Cherishing
connections
between people**



Employee Growth
=
Company Growth



Keep high standards in **Employee Engagement Score**



Secure excellent foreign construction management engineers



A job interview in Uzbekistan

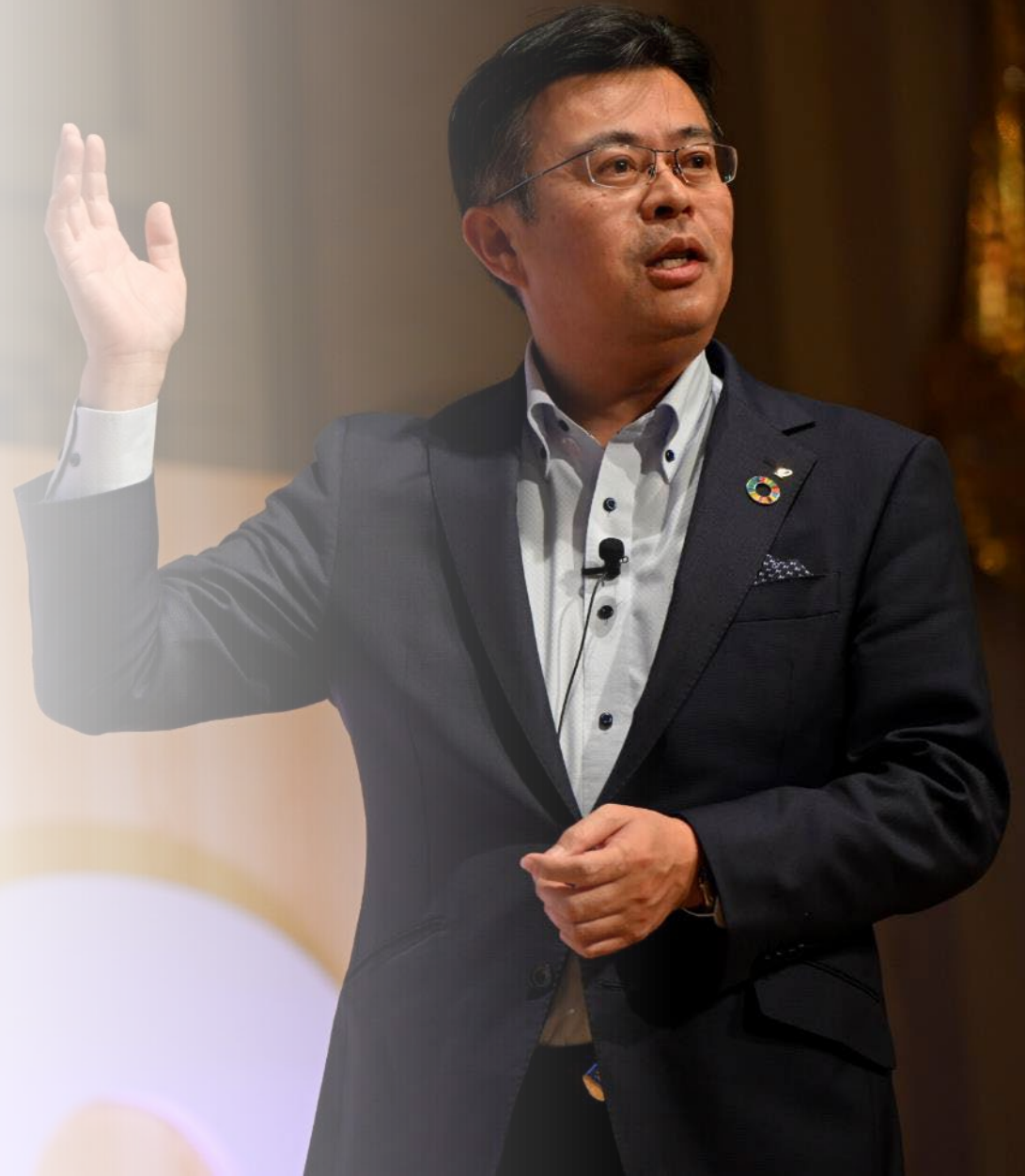


Agreement signed with Indonesian university to train construction management engineers

Human Capital Management in Daito Group

TANAKA Yoshimasa

Director, Senior Executive Officer
General Manager of General
Administration Headquarter



Promotion of human capital management



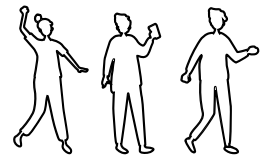
The diagram illustrates a conceptual model for maximizing employee power. It features two speech bubble boxes at the top, one blue and one green, each with radiating lines above it. The blue box contains the text 'Ease of work' and the green box contains 'Job satisfaction'. A large yellow 'X' is positioned between these two boxes, indicating multiplication. A yellow downward-pointing arrow is located below the 'X'. At the bottom, the text 'Maximize the “power of employees”' is displayed on a yellow background, flanked by two groups of three stylized human figures. The entire slide is framed by a red header and footer, with a cityscape illustration at the bottom.

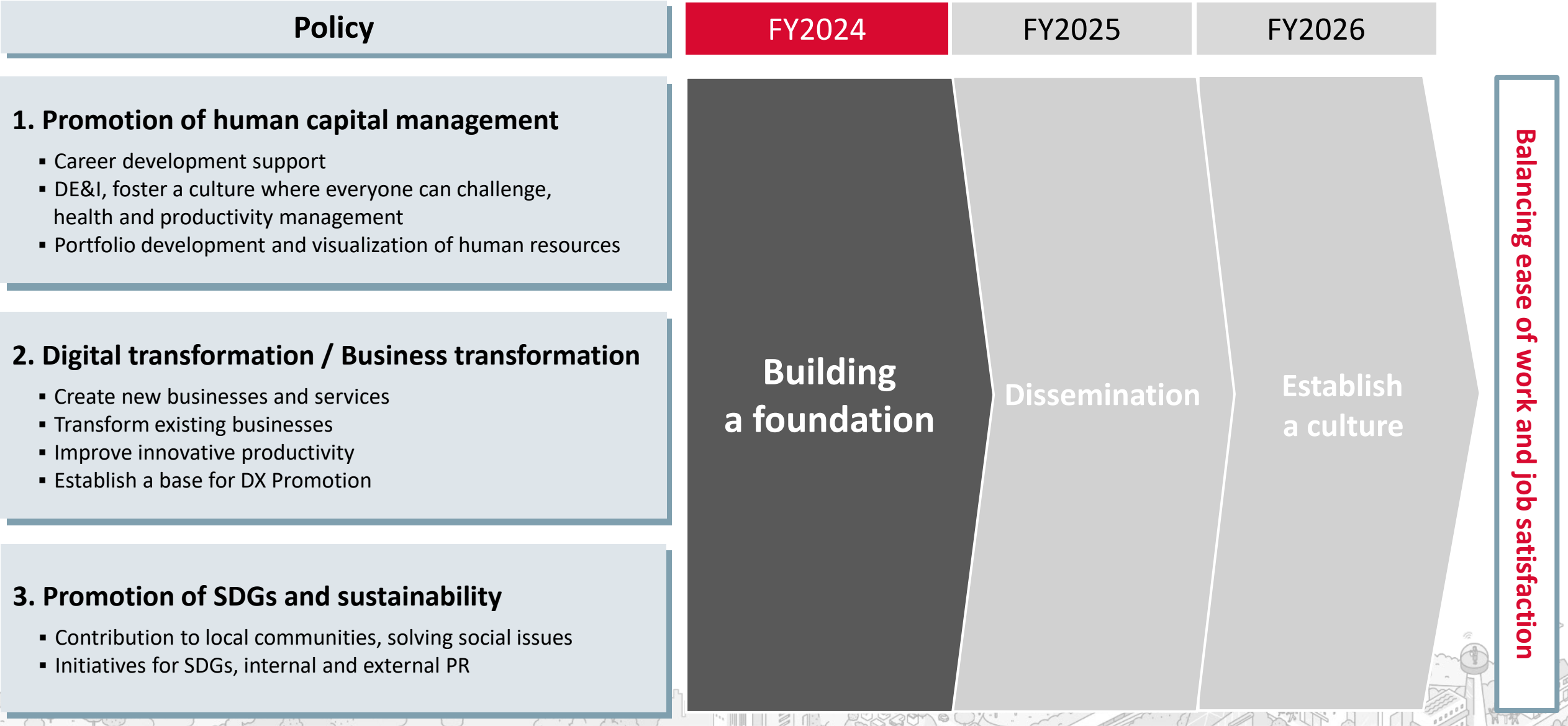
Ease of work



Job satisfaction

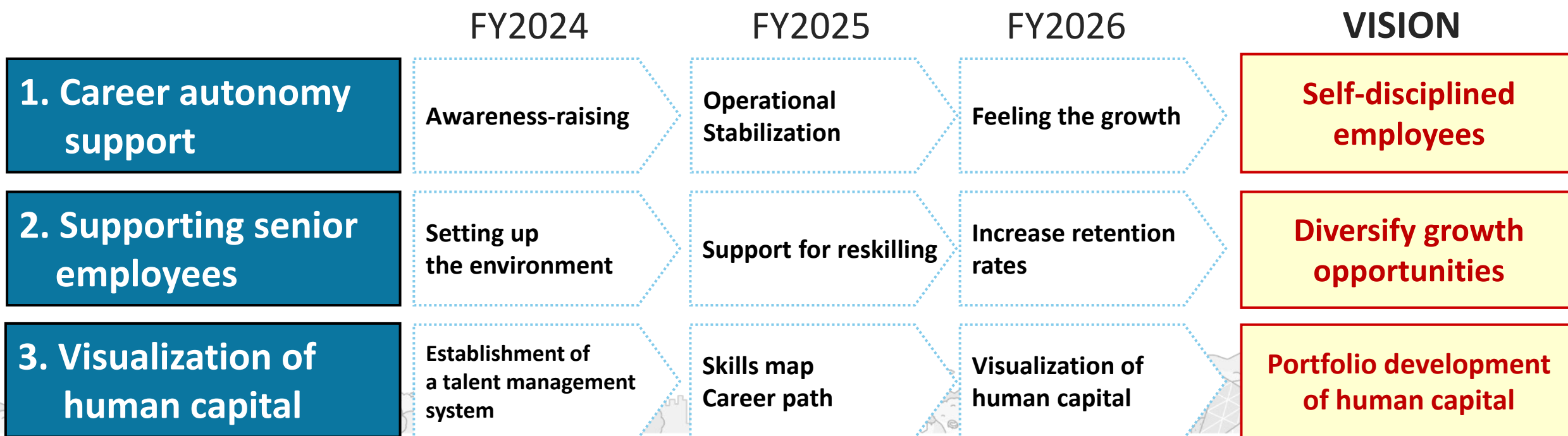
Maximize the “power of employees”





Three axes to focus on

1. Career development support for everyone
2. Supporting senior employees for the era of 100-year life spans
3. Portfolio development and visualization of human capital



Awareness-raising for executives and managers

Job satisfaction

A meeting was held with all executives, branch managers, and department heads (334 people) regarding **human capital management and future management**.

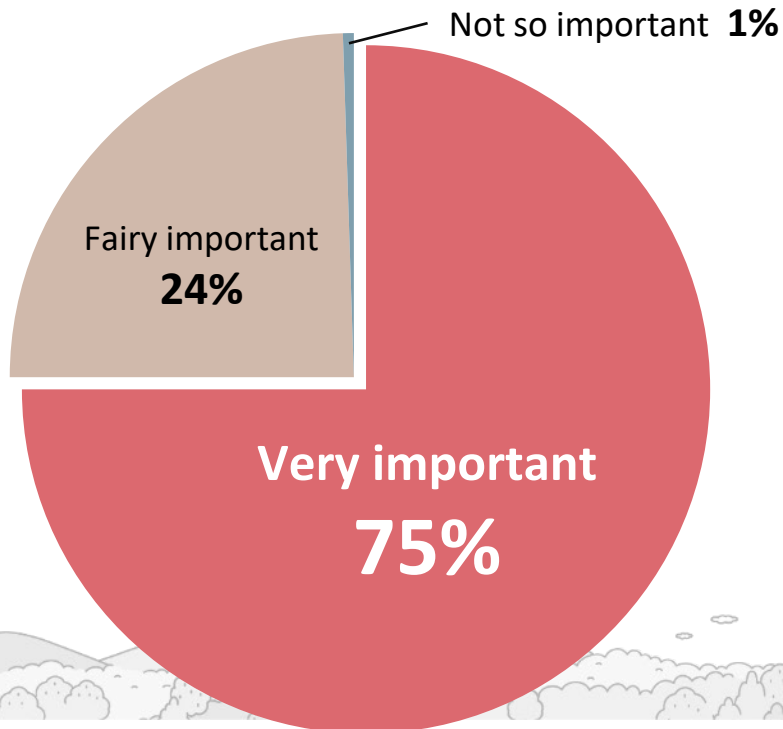
Topics

- Human capital management and career strategies
- Shifting to an autonomous career
- Career ownership
- Career autonomy support you can start tomorrow
- Q&A
- etc.

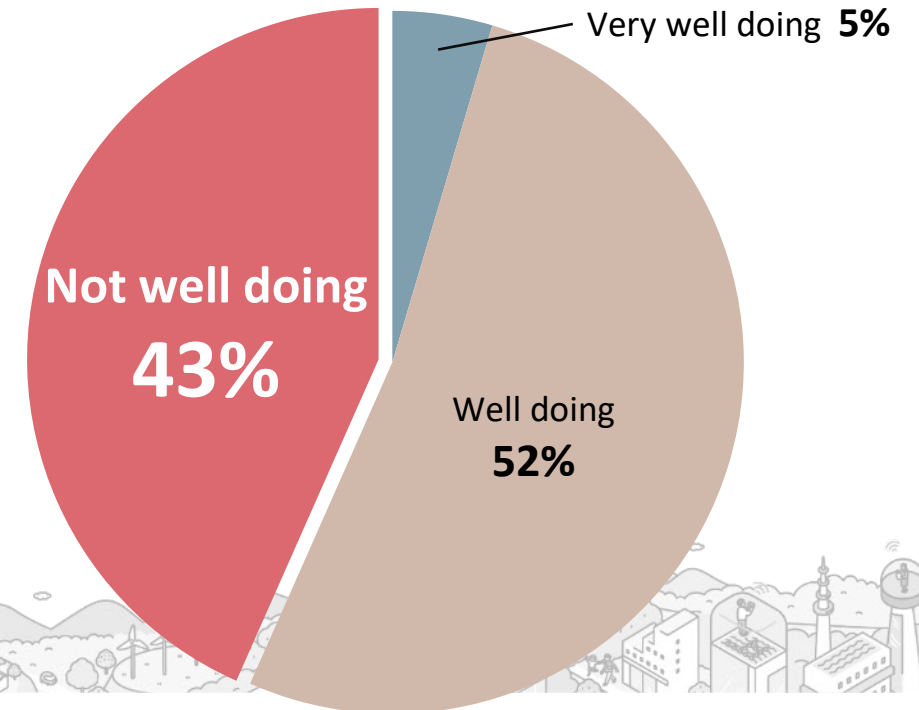
Survey of executives and managers regarding career autonomy support

Although there is a high awareness of the importance of career autonomy support,
43% of executives and managers in the Company are not doing it well.

Q. Importance of career autonomy support



Q. Are you providing career support to your subordinates?



Dialogue on their worries and problems



Opinions (example)

Executive

- ✓ Values are becoming more diverse, and different people require different methods of support, nurturing and response.
- ✓ There is insufficient support for the career advancement of department heads and managers.

Branch manager

- ✓ I need support for coaching to help subordinates become more professional.
- ✓ How should I deal with subordinates who don't have clear plans for the future?

Department head

- ✓ Communication and trust between superiors and subordinates is important, but what kind of thinking and actions are required?
- ✓ Please tell me the key points to clearly explain the difference between career and promotion.

1. Career autonomy support

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Expand learning environments to encourage employees to take on new challenges and become more independent

Actively invest in our employees in addition to granting restricted stock!

Support for obtaining professional qualifications

Creating an environment for obtaining qualifications, both mentally and financially



Online video learning service

1,720 users



Study Subsidy

Supporting interactions outside the company



Realize a fulfilling senior work-life



Ease of work



Job satisfaction

Post-retirement re-employment system

- The system has been improved and expanded since the early 2000s
 - ➔ Traditionally, senior employees have been an important asset
- Guaranteed full-time employment until age 65
(Subject to certain conditions such as evaluation)



Senior employees

- ➔ Diverse ways of working and success



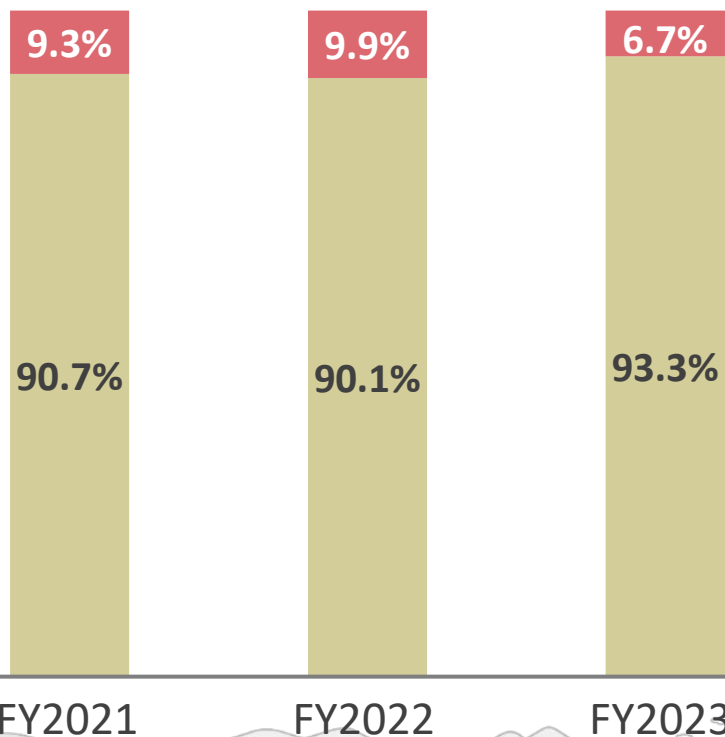
Young & mid-career employees

- ➔ Feeling of security to work long term

Analysis of retirees

Post-retirement career (non-consolidated)

- Continuation of employment
- Retirement



Among retirees, there are those who want to work but cannot.

Top2 reasons for retire

1. Caring for parents
2. Health problem

Being close to people and maximizing everyone's potential

Expand diverse work styles according to life / career circumstances



Employee who has been re-employed before the new system was introduced

【FY2024】 Expansion of systems for seniors

1. Introduction of a reduced work schedule system for re-employed employees

➡ Work 4 days a week, choose from 6 to 7.5 hours of work per day

2. Introduction of a transfer system for re-employed employees to group companies

Further pursuit of Ease of work × Job satisfaction

Maximize use of our Group's resources to promote further initiatives



Future challenges

1. Expansion of transferee Group companies

➡ Increasing opportunities for success across the entire group

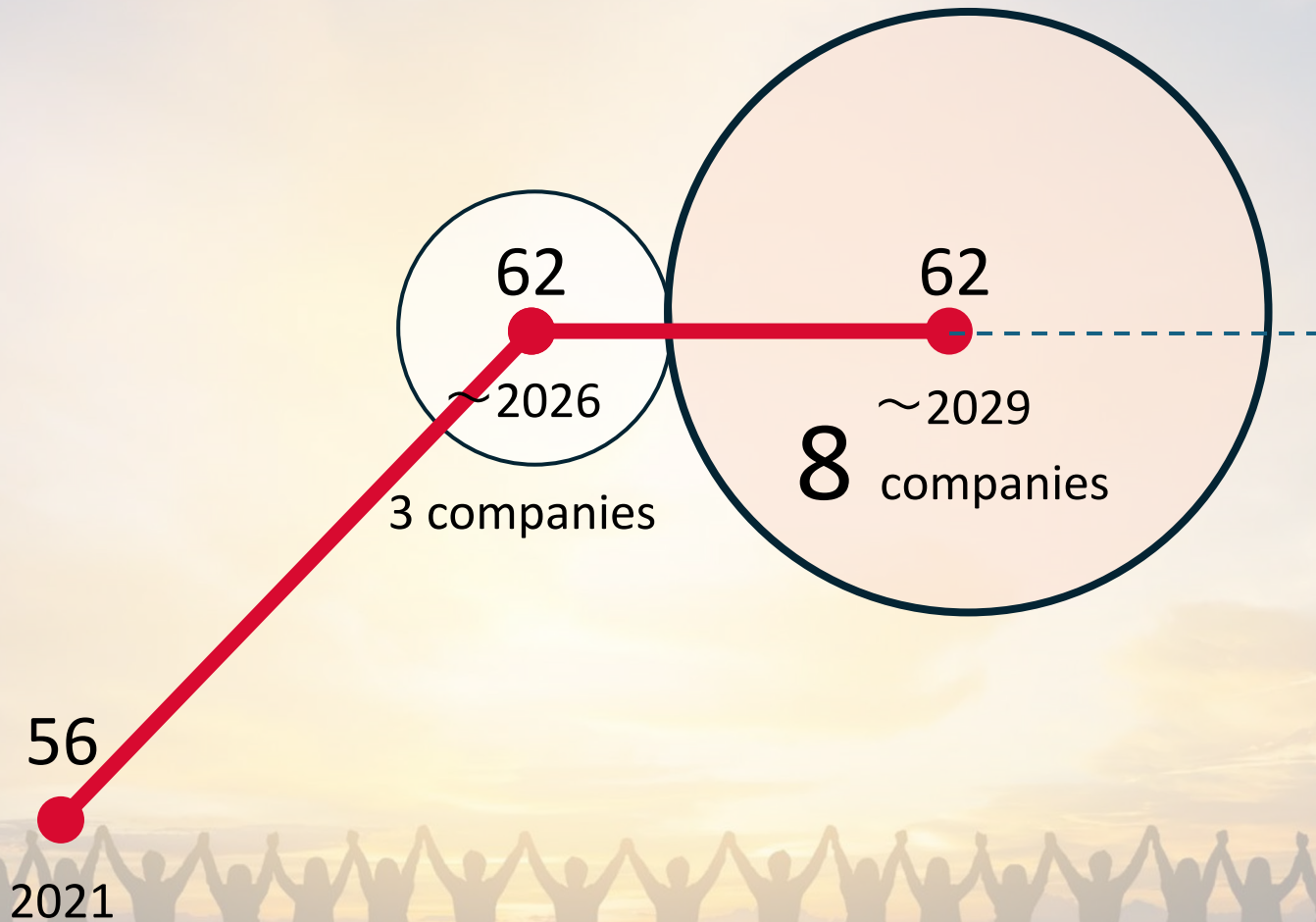
2. Career development support

➡ Reskilling, nurturing the next generation

3. Improving financial literacy

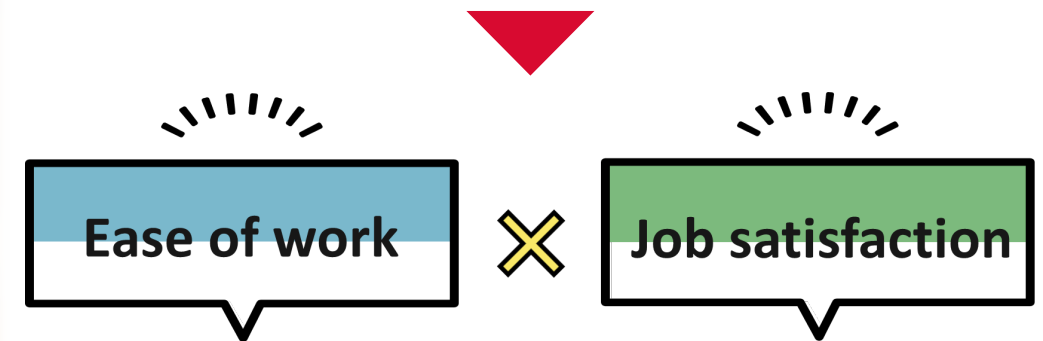
➡ Support for asset formation for retirement

Employee Engagement Score 【Medium-long term target】



~ 2026 Keep 62.0 in 3 companies

~ 2029 Achieve 62.0 in 8 companies



Improve across the Group





Human capital management through DE&I

YUNOME Yukari

Executive Officer,
General Manager of
Diversity Promotion Department

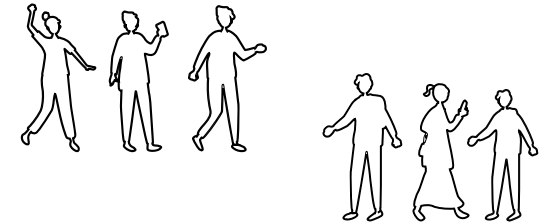


01

Background to the emphasis on equity

02

Status of efforts



03

Quality of communication



New Medium-Term Management Plan of Promoting Diversity

Focus on people

Diversity, Equity & Inclusion
medium-term management plan

Employee Diversity is
the Company's Strength

 DAITO TRUST
CONSTRUCTION CO., LTD.

Talent/
organi-
zation



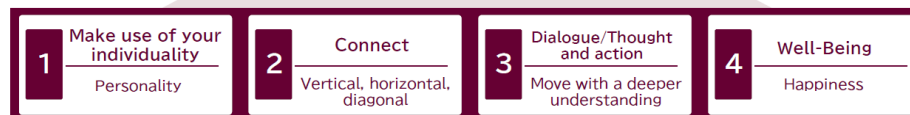
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Strategy “Quality of communication
challenged from diverse
perspectives

New value creation and
innovation

Four axes of diversity
promotion

Communication



Growth of the
“Individual”



Growth of the
“Company”



See it here

6

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1 Background to the emphasis on equity

Female Employee Development Program

» Identify women with potential and systematically training and promote them

Executives



Females



Superiors



Executives



Females



Superiors



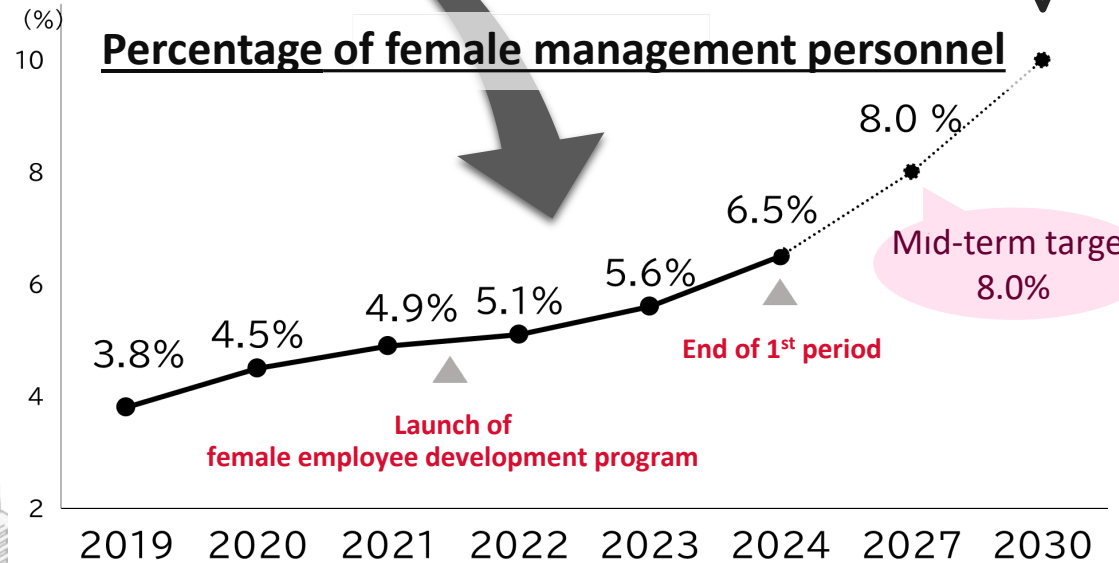
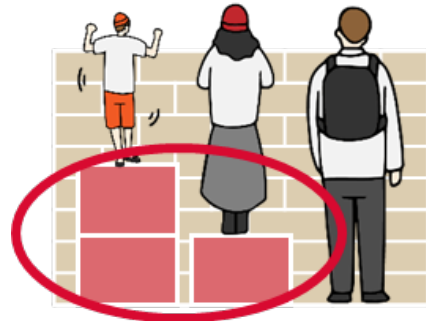
**FY2030 target
10.0%**

Toward equity

Equality



Equity



2

Status of efforts » Sales stuff

Previous

Time and physical limitations
due to childcare, nursing care, or own illness



Retirement...



Going forward

◆ Corporate Sales

Less overtime work



◆ Consultant sales



◆ Support stuff

- Routine visits
- Support for other sales employees



Flexible in time, etc.



Status of efforts » Other roles

Design stuff

Parenting roundtable discussion



Construction management stuff

Construction site touring



Discussion meeting



3 Quality of communication

✓ Improve Quality of communication from various angles

- 1. Close communication from executives to employees
- 2. Be yourself, be the Company

Employee-led initiatives

Irodori LAB



A project to promote the active participation of women

PERSO-RES



Diversity promotion workshop

KENTAKU EST



Internal support network



Convert individual power into the Company power



DX Strategy in Daito Group

NAGANO Yuichiro

Executive Officer, CDO,
General Manager of IT System Department
and DX Promotion Department





DX is an important tool that can be combined with management strategies (GX, ESG management, etc.)



Utilize DX in human capital management



Promote digital transformation to strengthen new employee training and automate operations

AI Manager



AI plays the role of the customer and simulates business negotiations



AI advises optimal action plan

Remote Site Inspection

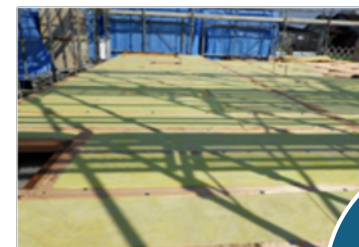


Check the building condition from a remote location using video

Ensures the same level of accuracy as on-site inspections



Inspection Photo AI



Take a photo



Automatically judges inspection items

1. 床合板下の断熱材 (検査チェック番号022)
2. 床合板下の断熱材の厚 (検査チェック番号008)
3. ⋮

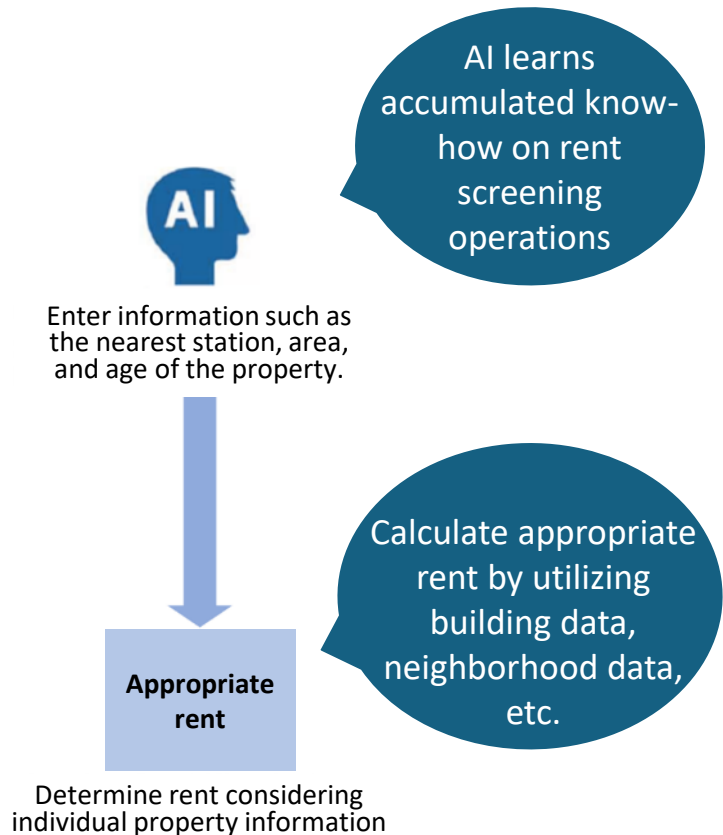
Output a list of candidate inspection items

AI learns from inspection photo data accumulated over 10 years

Automatically determine process inspection items from photos

Respond quickly to customer needs, such as setting rent based on objective judgment and automating face-to-face operations

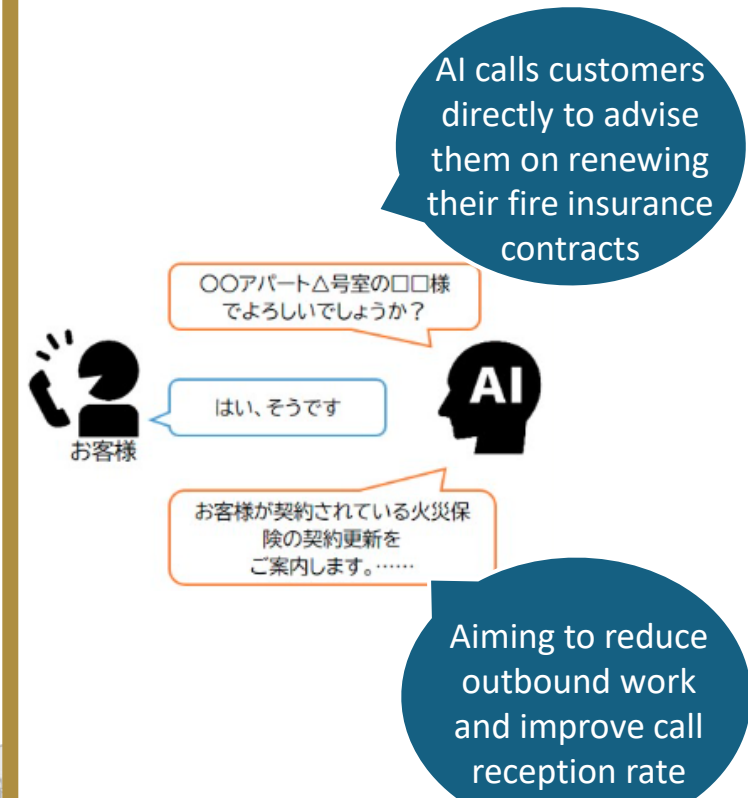
Rent screening AI



Electronic rental contract platform



AI call service



Launch of **operation reform project** through DX in anticipation of realizing VISION 2030

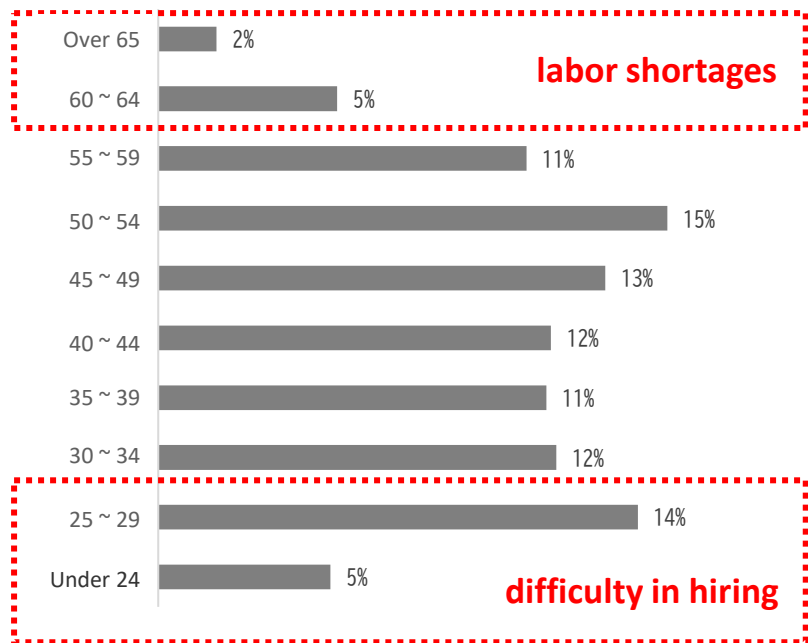
- 1 Drastic reduction in operations and restructuring through DX**
- 2 Response to changes in the environment** (Improve innovative productivity)
- 3 Shift human resources to new business fields**



Improve productivity, secure labor, and shift human resources to strengthen business

Secure labor

Eliminate waste in operations to cover labor shortages



Strengthen new business fields

Shift human resources to new business areas using time saved through operational reforms



Personnel transfer



To planning and proposal operation

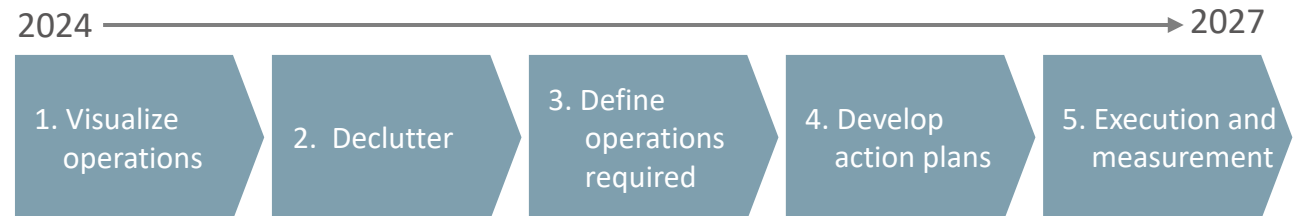


Human resource development

Streamline all operations and promote digital transformation
from a zero-based perspective



Business Process Re-engineering



Revise business processes for global optimization

New challenges for becoming a 100-year Group

Cultivate DX leaders for autonomy and self-reliance

1,840
employees

43

DX talent training

Develop talents who have knowledge of the Group's operations and business domains and can utilize data and digital technology.

Accelerate DX and establish new corporate culture from FY2025 onwards



Develop
4,000 DX talents
by FY2024



Participant feedback

Digital analysis methods were used to identify potential issues within operations.

Internal DX certification system

Increase motivation by certifying internal qualifications in four stages based on DX skills



Beginner	Bronze	Silver	Gold
1,011	755	52	23 employees
Implement new tasks	Propose solutions to problems	Solve problems	Achieve DX in the Group's businesses

*As of end of Oct. 2024



Certified person feedback

I was able to propose ideas for utilizing digital technology to transform daily operations.

Implement DX with all Group employees (18,000 employees)

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