

Medium-term Management Plan

Promoting Diversity

We aim to further grow as a company to be entrusted with your dreams and futures.

Becoming a company that stakeholders are proud of and in which they can entrust their dreams and futures

Corporate transformation is now accelerating, as society learns to live with a new normal and the continuing effects of the COVID-19 pandemic. The situation calls for the creation of new value that is not bound by conventional thinking and preconceptions. To create this value, we need to build an organization where employees can be more productive than ever before and engage in continual innovation. To produce innovation for a brighter future we need of course a diverse mix of employees that includes people of different nationalities, ages, genders, and abilities. It requires a collision of different ways of thinking and diverse backgrounds, including those with divergent interests, gender identities, sexual orientations, knowledge, and experiences. I believe that diversity and inclusion, which mean respecting and recognizing each other's differences and making the most of them, are essential for corporate management in an era of new normal.



At Daito Trust Construction, we have been striving to create workplaces where each and every employee feels enthusiastic about their work, based on a promise of “a vibrant workplace environment where every employee is able to gain a sense of satisfaction through their challenges.” Against the backdrop of a shrinking workforce, declining birthrate and aging society in Japan, as well as rapidly changing societies, Daito is actively adopting diversity as a management strategy. We are working to build an organization in which diversity is a strength, where diverse human resources have equal opportunities to play active roles. This effort is centered on the promotion of work-life balance, advancement of female employees, and work style reform. In fiscal 2019, the Daito Group implemented a medium-term management plan, the New Five-Year Plan. The objective is to achieve continuous growth by transforming from a rental housing specialist into a total lifestyle support company with close regional ties centered on comprehensive leasing. One of the plan goals is to realize a company that stakeholders are proud of and in which they can entrust their dreams and futures. To expand its business, Daito believes it cannot earn the confidence of external stakeholders unless employees themselves are proud of their Group. We are striving to realize workplaces that are rewarding and supportive so that all employees can play an active role and take pride in working for the Daito Group.

Our mission is to remain a company that stakeholders are proud of and in which they can entrust their dreams and futures, by building good work environments and a strong corporate culture. The Group must make the necessary changes while maintaining its strengths. With the courage to realize transformation, we will enthusiastically take on the challenges ahead.

President and Representative Director (CEO)
Daito Trust Construction Co., Ltd.

小林克満



DAITO TRUST CONSTRUCTION CO., LTD.

 Theme

“LOVE COLORS”

Turning employee individuality into corporate strength

There are as many different people as there are homes,
so we as employees should feel free to express our own
individualities.

This will enable us to recognize various possibilities and
become a company in which each employee can entrust
their dreams and future.

Through Daito’s “LOVE COLORS” initiative, we will take
on the challenge of embracing new diversity. We will
strive to create a culture where each individual builds his
or her own life through work, and where we transform our
differences into strength for the future.



Diversity and Inclusion Declaration

- We will respect each person's individuality, appreciate diversity, and aim to foster a corporate culture that allows us to maximize our individual abilities.
- We will strive to create job satisfaction and supportive workplaces and realize a company that we are proud of and in which we can entrust our dreams and futures.
- We will work to promote diversity as a management strategy and aim to become a sustainable company that continually creates new value.

Daito Approach

We do not discriminate based on race, nationality, ethnicity, gender, sexual orientation, gender identity, disability, age, creed, social status, or other attribute. The Daito Trust Code of Conduct stipulates that personnel must respect each other's personalities and individuality and that social discrimination and human rights violations will not be tolerated. It also states that international rules and local laws and regulations must be observed, and that local culture and customs should be respected.

As a total lifestyle support company centered on comprehensive leasing

We aim to further grow as a company to be entrusted with your dreams and futures.



Promotion Framework

In 2015, we established a Diversity Promotion Section within the Human Resource Department as an organization dedicated to the promotion of diversity within the Company. In order to promote diversity as a management strategy, we are focusing on work-life balance, the advancement of female employees, and work style reform. To create an organization where diversity is a strength and all kinds of human resources can play active roles, we are building a framework that allows change to be promoted from both the top and bottom of the organization. To promote change from the top down, information is regularly shared with the Board of Directors, and at executive management meetings chaired by the President. Information on matters related to diversity promotion and relevant action plans is thoroughly discussed by the executives and directors. Meanwhile, to also promote change from the bottom up, we hold diversity promotion workshops and have launched projects called “Irodori LAB” and “KENTAKU EST”. Based on feedback from the employees, we are working to revise the framework and improve workplace culture.

● Diversity Promotion Workshops

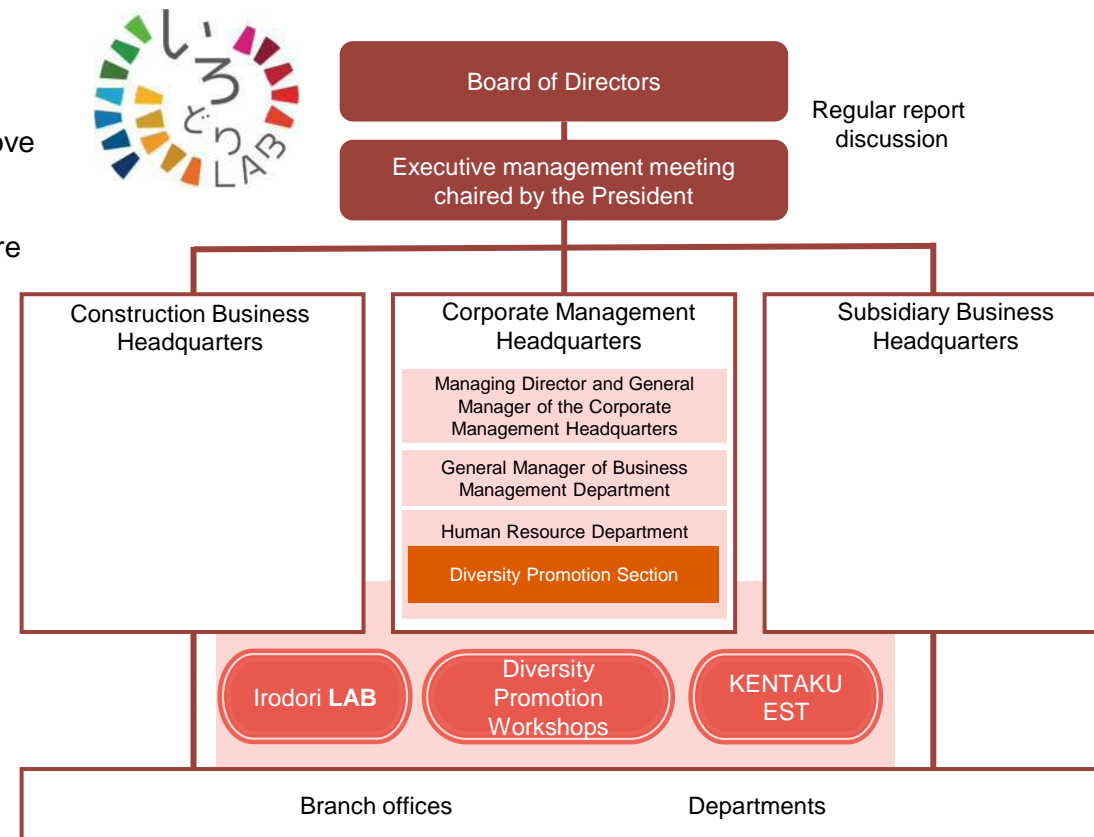
With the aim of fostering an open organizational culture, we are recruiting employees who have a real desire to change and improve the company, and we hold regular workshops on diversity promotion. While maintaining good communication between the head and branch offices, the opinions of those on the frontlines are always heard, and activities are carried out based on actual circumstances.

● Irodori LAB

We have launched the Irodori LAB project to promote the active participation of women in the workplace. We now believe that the active participation of all employees, including women, is indispensable for the sustainable growth of the company. The project is operating under the slogan, “Always by Your Side. A Company that Brings to Life the Phrase ‘To Each Their Own.’”

● KENTAKU EST

This project seeks to build a foundation to support LGBTQ employees and create an internal network that can benefit those employees.



Board Members Evaluation

After the results of efforts to promote diversity and female employee advancement are reported to the Board of Directors, the Governance Committee deliberates and uses the results to evaluate officers.

Shareholder Dialogue

To help achieve sustainable growth and increase corporate value over the medium and long terms, we regularly engage in active dialogue with shareholders. Daito recognizes the importance of utilizing shareholder feedback for corporate management in order to grow the organization together with our shareholders. Daito's investor relations are led by the director in charge of IR. To allow investors to better understand our management strategy and plan, we also actively respond to interviews with shareholders and investors and provide forums for dialogue with them. Information on the Daito Group's efforts to promote diversity is shared in the Medium-term Management Plan, Integrated Report, ESG Supplemental Report, and diversity website.

Directors, Audit and Supervisory Board Members, and Executive Officers

| | Total | Number of Women |
|-------------------------------------|-------|-----------------|
| Number of Directors | 11 | 1 |
| Internal Directors | 7 | -- |
| Outside Directors | 4 | 1 |
| Audit and Supervisory Board Members | 3 | -- |
| Executive Officers | 16 | -- |

* Reason for the appointment of Ms. Mami Sasaki as an outside director

She was appointed as an outside director based on her ability to help oversee the management of the Daito Group while making a significant contribution to diversity management, including the advancement of female employees. (* From the 2020 ESG Supplemental Report, Notice of Convocation of the 45th Ordinary General Meeting of Shareholders in June 2019)

Sound Management Ranking

As one initiative to energetically promote diversity group-wide, in 2018 we launched a Sound Management Ranking. This indicator not only looks at operating results and profits, but also other elements that are indispensable for the sound management of an organization. These include process and working environment factors such as productivity, human resources development, and the creation of supportive workplaces. There is also a system to recognize outstanding branch offices, and the rewards are ones that employees and their families can enjoy together.

Supportive Workplace Creation

Work style reform

Curbing long work hours
Promoting employee awareness of the need to improve productivity and produce results in a limited timeframe

- Performance disclosure (monthly), data visualization (overtime hours, flextime utilization rate, etc.)
- Implementing no-overtime days, consolidating meetings, and promoting paid leave usage
- Enabling flextime and telework to provide flexible working styles
- Launch of a project to reduce long work hours (cross-organization)
- Visualization of productivity using Sound Management Ranking (DICES)
- Improving the IT environment and operational efficiency using new technology

Work-life balance

To help build long-term careers, create workplaces where employees can balance their work and family lives, and undertake major life events with workplace support

- Enhancing the work-life balance support system (time off for childcare, family member care, and medical appointments for infertility treatment, etc.)
- Fostering a positive workplace environment (efforts to make programs easier to use, etc.)

Open organizational culture

Communication promotion
Fostering an organizational culture that encourages challenge-taking and permits failure

- Implementing communication promotion measures
- Active information sharing (diversity website and e-mail newsletter)
- Creating individual communities for bottom-up transformation
- Family support through family days and campaigns, etc.

Creating Workplaces with Job Satisfaction

Human resource development

Developing human resources who can take active roles
Educating employees to think independently about their long-term career goals

- Human resource development program
- Female employee development program
- Diversity training
- Job-specific training
- Program to facilitate returning to work after maternity/childcare leave

Engagement

Supporting independent career development
Creating an environment where employees can maximize their abilities and be recognized by others
Encouraging employees to take on challenges and generate innovation

- Employee evaluation according to abilities even if there are restrictions
- Adding diversity promotion criteria to manager evaluations
- Future innovators (Mirai-innovators)
- Employee Satisfaction Survey (D-COMPASS)

Becoming a company that can actively engage diverse human resources and produce sustainable results

Initiatives to Date and Three-year Plan

| | | FY2016 and Prior | FY2017-18 | FY19-20 |
|-----------------------|-----------------------------|---|-----------|---------|
| Supportive workplaces | Work style reform | Curbing long work hours and improving productivity <ul style="list-style-type: none"> Implementation of no-overtime days Monthly disclosure of overtime hours Implementation of anniversary leave Long work hours reduction project launch Work style review consulting program Setting of rest intervals between work days/shifts Exemption from overtime work Establishment of computer shutdown times | | |
| | Work-life balance | Creating workplaces and a corporate culture that make it easy for employees to balance work and family responsibilities (childcare, nursing care for a relative, etc.) <ul style="list-style-type: none"> Maternity leave and reduced working hours system introduced Introduction of support paid leave Paid sick child leave and nursing care leave Established a Come Back Pass system (for rejoining the company) and long-distance support Introduction of a shortened work hours system Allowed nursing care leave to be taken in portions Allowed sick childcare and nursing care leave to be taken in hourly increments Establishment of a system for non-regular employees to switch to regular employees Work location designation system Act on Advancement of Measures to Support Raising Next-Generation Children | | |
| | Open organizational culture | Promotion of communication to foster an open organizational culture <ul style="list-style-type: none"> Office enhancement initiative | | |
| | | | | |
| Job satisfaction | Human resource development | Developing human resources who understand the benefits of diversity and can play an active role <ul style="list-style-type: none"> Establishment of a human resource development program Diversity training (single session) Labor management training begun | | |
| | Engagement | Building a system to improve each employee's motivation and job satisfaction <ul style="list-style-type: none"> Established Employee Satisfaction Survey (D-COMPASS) Introduction of multi-faceted evaluations | | |

Initiatives to Date and Three-year Plan

| | | Current Three-year Plan | | |
|-----------------------|-----------------------------|--|--------|--------|
| | | FY2021 | FY2022 | FY2023 |
| Supportive workplaces | Work style reform | Curbing long work hours and improving productivity | | |
| | | Promoting flexible work styles and further improving productivity | | |
| | | • Flextime system without core period | | |
| | Work-life balance | Creating workplaces and a corporate culture that make it easy for employees to balance work and family Responsibilities (childcare, nursing care for a relative, etc.) | | |
| | | Creating workplaces and a corporate culture that promote job satisfaction | | |
| | | Phase 6 | | |
| | Open organizational culture | Promotion of communication to foster an open organizational culture | | |
| | | Promoted cross-organizational communication | | |
| | | • Diversity promotion workshops | | |
| Job satisfaction | Human resource development | Developing human resources who understand the benefits of diversity and can play an active role | | |
| | | Educating employees to independently plan their long-term career goals | | |
| | | • Female employee development program | | |
| | Engagement | Building a system to improve each employee's motivation and job satisfaction | | |
| | | Independent career development support, and choice of mechanisms | | |

Initiatives to Date and Three-year Plan

| | FY2016 and Prior | FY2017-18 | FY2019-20 |
|--|--|---|---|
| Female advancement | Act on the Promotion of Female Participation and Career Advancement in the Workplace: General Employer Action Plan (Phase 1) Phase 2 | | |
| | Phase 1: Creating a supportive work environment for women <ul style="list-style-type: none"> • Appointment of female sales education managers • Training for women by job type • Introduction of maternity leave and reduced working hours • Establishment of office casual dress code • Release of DVD on female employee training for managers • Paid sick child leave and nursing care leave • Establishment of a Come Back Pass system (for rejoining the company) • Introduction of a shortened work hours system • Expansion of sick child and nursing care leave (hourly increments) • Launch of construction sales training for female employees across Japan • Start of female technical staff meetings • Establishment of women's career support training • Implementation of cross-industry exchange meetings • Limit on accommodation for training and reward trips | <ul style="list-style-type: none"> • Full-scale reduction of long work hours • Elimination of special training at the time of promotion to a managerial positions using long-term accommodation • Launch of Construction Section female employee meetings • Mandatory partial paid childcare leave for fathers of newborns • Exclusion from evaluation period during maternity/childcare leave ■Getting into the habit of learning <ul style="list-style-type: none"> • Women's Academy • Online learning, etc. | Phase 2: Creating an environment where women can work over the long term ■Expansion of work-life balance support system <ul style="list-style-type: none"> • Irodori LAB project launch • Implementation of an infertility treatment leave system • Expansion of eligible ages for sick child leave and for shortened work hours for childcare givers • Introduction of sick family member leave • Implementation of family leave • Establishment of an infertility treatment benefit system • Introduction of company-sponsored daycare referral service ■Flexible work style realization <ul style="list-style-type: none"> • Introduction of a flextime system for all job types • Expansion of telework Phase 3: Creating a workplace culture that encourages support system use to continually promotes initiatives ■Enhancing awareness-raising activities <ul style="list-style-type: none"> • Diversity training implementation • Diversity website launch • Sharing activities in e-mail newsletters, etc. Phase 4: Enabling independent planning of one's own long-term career Phase 5: Making personal career goals achievable ■Promotion of flexible work styles <ul style="list-style-type: none"> • Flextime system • Telework, etc. Phase 6: Removing barriers for promotion to managerial positions and making such promotions commonplace Creating an organization that reflects the opinions of women in decision-making |
| Advancement of diverse human resources | Creating an environment where all employees including diverse human resources can demonstrate their abilities <ul style="list-style-type: none"> • Program to support work-life balance for home caregivers • Introduction of a service that allows employees to check on elderly family members remotely • Introduction of a re-employment system | | |
| | | | <ul style="list-style-type: none"> • Introduction of personal files for employees with disabilities • Education for employees with disabilities and support system strengthening Development of LGBTQ-related programs, and awareness raising through education <ul style="list-style-type: none"> • LGBTQ Code of Conduct revision • LGBTQ consultation service establishment |

Initiatives to Date and Three-year Plan

| Current Three-year Plan | | | |
|--|---|--------|--------|
| | FY2021 | FY2022 | FY2023 |
| Female advancement | Phase 2 | | |
| | Phase 2: Creating an environment where women can work over the long term | | |
| | Phase 3: Creating a workplace culture that encourages support system use to continually promotes initiatives | | |
| | <ul style="list-style-type: none"> ■ Promotion activities across job types and head and branch offices <ul style="list-style-type: none"> • Establishment of a Female Advancement Promotion Committee • Recruitment of employees to organize diversity promotion activities ■ Initiative to hire more women | | |
| | Phase 4: Enabling independent planning of one's own long-term career | | |
| | <ul style="list-style-type: none"> ■ Learning about career planning <ul style="list-style-type: none"> • Establishment of education programs for female employees | | |
| | Phase 5: Making personal career goals achievable | | |
| Advancement of diverse human resources | Phase 6: Removing barriers for promotion to managerial positions and making such promotions commonplace Creating an organization that reflects the opinions of women in decision-making | | |
| | <ul style="list-style-type: none"> ■ Changing the approach from promoting to also developing outstanding female employees <ul style="list-style-type: none"> • Introduction of a quota system • Establishment of training for superiors ■ Eliminating the resistance to female promotion by educating from the early stage ■ Making promotion easier to imagine so that it can become personally achievable <ul style="list-style-type: none"> • Establishment of education programs for female employees | | |
| | Creating an environment where all employees including diverse human resources can demonstrate their abilities | | |
| | Promoting opportunities for seniors | | |
| | Development of LGBTQ-related programs, and awareness raising through education | | |
| | <ul style="list-style-type: none"> • Family-ship system (recognition of same-sex partners) • Implementation of training • Use of business names • Guidelines sharing | | |

 **KPI**

Current Three-year Plan

| Indicator | Unit | FY2016 (Result) | FY2017 (Result) | FY2018 (Result) | FY2019 (Result) | FY2020 (Result) | FY2021 (Target) | FY2022 (Target) | FY2023 (Target) |
|---|-------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Average overtime* | Hours | -- | -- | 24.4 | 19.1 | 14.6 | 17.0 | 16.5 | 16.0 |
| Paid leave acquisition rate | % | 52.2 | 58.2 | 70.2 | 77.4 | 76.4 | 75.0 | 77.5 | 80.0 |
| Average number of paid leave days taken | Days | -- | 8.69 | 10.98 | 12.47 | 12.69 | -- | -- | -- |
| Male childcare leave acquisition rate | % | 0.0 | 5.9 | 60.6 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Average number of days taken for male childcare leave | Days | 0 | 365.0 | 8.4 | 5.1 | 5.2 | -- | -- | -- |
| Employee Satisfaction Survey: Overall satisfaction rate | % | 69.5 | 72.0 | 67.6 | 66.2 | 67.2 | -- | -- | 75.0 |
| Female share of workforce | % | 13.7 | 13.3 | 14.2 | 14.3 | 14.8 | 16.3 | 18.1 | 20.3 |
| Female worker recruitment share | % | 20.4 | 22.5 | 21.2 | 18.1 | 24.5 | 24.7 | 28.8 | 33.6 |
| Percentage of female managers | % | 3.5 | 3.1 | 3.8 | 4.1 | 4.6 | 4.8 | 5.4 | 6.0 |
| Percentage of female officers | % | 3.3 | 3.8 | 3.4 | 3.2 | 3.2 | 6.7 | 6.7 | 6.7 |
| Employment rate of people with disabilities | % | 2.83 | 2.91 | 3.03 | 2.98 | 2.95 | 3.00 | 3.05 | 3.10 |

* 2017 and earlier not included (before legal requirement)

Employee welfare system list

Subject: Men / women

Only men

Only women

| | | Marriage | Infertility treatment | Pregnancy | Childbirth | Childcare | | | Nursing care | Retirement | Injury / illness |
|--|-------|--|-------------------------------|--------------------------------|---|--|-------------------|--------------------|---|--|--------------------------|
| | | | | | | Preschool | Elementary school | Junior high school | | | |
| Work | Hours | | | Maternity Shortened work hours | | Shortened work hours for childcare | | | Shortened work hours for employees with nursing care responsibilities | | |
| | | Flextime, staggered work start times, shortened work hours, leaving the office earlier; leaving the office later, late night work; restrictions on overtime work | | | | | | | | | |
| | Place | Long-distance transfer support | | | | | | | | Long-distance transfer support | |
| Telework and work location designation | | | | | | | | | | | |
| Leave | | Special leave for marriage | Infertility treatment leave | Maternity leave | Prenatal and postnatal leave | Sick child leave | | | Nursing care leave | | Sick family member leave |
| | | Spousal transfer leave | Infertility treatment leave | Maternity leave | Special paternal leave for childbirth | Childcare leave | | | Nursing care leave | | |
| | | Annual paid leave (*1), anniversary leave, volunteer leave, support paid leave, refresh leave (service commendation), other special leave, family leave (*2) | | | | | | | | | |
| Career | | Work-life balance declaration, online education, and standard retirement age of 65 | | | | | | | | | |
| | | | | | | | | | | Delayed retirement age Come Back Pass (re-employment) | |
| Money | | Wedding benefit | Infertility treatment benefit | Childbirth allowance | Childbirth and childcare lump-sum benefit Childbirth benefit | Childcare benefit | | | Nursing care benefit | Mandatory retirement benefit | GLTD system |
| | | Company housing, special housing financial assistance, support for tenants of own rental housing, refresh bonus (service commendation), and congratulation or condolence money | | | | | | | | | |
| Asset formation | | Selective corporate defined contribution pension plan (Selective DC), property accumulation savings, workplace Nippon Individual Savings Accounts (NISA), an employee stockholding association, and dedicated loans (product name “Mochiron”) for members of the employee stockholding association | | | | | | | | | |
| Other | | Benefit Station, group insurance, and tablet lending and consultation service for employees on leave | | | | | | | | | |
| | | | | | | Parenting assistance service Daycare finding assistance | | | Remote elder monitoring service | | |

*1 Paid leave: Available in half-day and hourly increments

*2 Family leave: Employees can take this paid leave in addition to their annual paid leave. The name has been changed to "family leave" so that employees can take leave regardless of their particular family situation. (Infertility treatment leave, maternity leave, sick child leave, sick family member leave, and nursing care leave)



Certified as a Health & Productivity Management Organization (White 500)

On March 4, 2021, we were approved under the 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program implemented by Japan's Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council). Based on the Daito Group Health Declaration, the Group is working to improve its corporate value by promoting health management that also enhances employee productivity and engagement.



Recognized under the 9th Smart Life Project Awards (Let's extend healthy life expectancy!) by the Ministry of Health, Labour and Welfare Health Bureau Director-General

Since fiscal 2016, we have been holding a breakfast photo contest. The aim is to raise employee awareness of the importance of eating breakfast, to improve the percentage of those who eat breakfast, and to help employees improve their health. The contest encourages personnel to submit their breakfast photos based on a different theme every year. In November 2020, this initiative was recognized with the Ministry of Health, Labour and Welfare Health Bureau Director-General's Excellence Award at the 9th Smart Life Project Awards (Let's extend healthy life expectancy!) sponsored by Japan's Ministry of Health, Labour and Welfare and the Japan Sports Agency.



Certified as a "Sports Yell Company" for three consecutive years

In January 2021, we were certified by the Japan Sports Agency as a "Sports Yell Company" for 2020, representing the third consecutive year. The Group was praised for its internal efforts to maintain and improve employee health. Prior to this, Daito also participated in the "Sport in Life Project."



Certified by the Ministry of Health, Labour and Welfare as an outstanding company for employment of persons with disabilities

Daito Corporate Service Co., Ltd., is a special subsidiary of Daito Trust Construction Co., Ltd., and has been certified by the Ministry of Health, Labour and Welfare as an outstanding company for the employment of people with disabilities. The Daito subsidiary was commended for hiring a large number of disabled employees and enabling them to succeed in the workplace. Its outstanding initiatives were also recognized, such as employment management and review of work format based on individual disability attributes.

