

Creating an Environment That Enhances Value for Employees and the Company



The Daigas Group regards human capital as a source of value creation. Against the backdrop of a shrinking labor market and diversifying ways of work, we will expand recruitment and provide a workplace where diverse human resources gather and work together to maximize their potential, thereby increasing corporate value.

In addition, we will foster mutual-growth relationships between employees and the company by boosting business activities through two-way communications between them.

FY2024.3 Results

Employee attitude survey **Four comprehensive indicators^{*1} remained at appropriate levels**

Annual average hours of training per employee **25.1** hours/person

Ratio of female employees promoted to managerial positions **15.9%**

Ratio of female executives **26.7%**^{*2}

Ratio of female directors **20.0%**^{*2}

Ratio of female career-track employees **32.8%**

^{*1} Four comprehensive indicators are "overall satisfaction," "loyalty," "intention to continue working," and "intention to recommend"

^{*2} Ratio of female directors was 26.7% after the Annual Meeting of Shareholders held in June 2024

Initiatives through FY2024.3

With the aim of acquiring and developing human resources who can play an active role in a rapidly changing business environment, we expanded recruitment channels and offered diverse education programs for each employee's skills development.

As a result, we were able to acquire diverse talent, with larger numbers of specialists and mid-career hires joining the company. As for skills development, we developed the career portal system and advanced the visualization of employees' careers and career support for younger employees. Simultaneously, we worked on the creation of a pleasant working environment, promoting flexible work styles unconstrained by time or location.

To empower employees with diverse careers and values, we enhanced career education for women, offered support for balancing childcare with work, and took other measures, with the recognition that promoting women's careers is of particular importance. As a result, we achieved the targets for the ratio of women in managerial positions, ratio of female directors, and ratio of female executives, which have been set as materiality. In recognition of these efforts, we were selected as "the Nadeshiko Brand," which is a testament to excellence in women's empowerment in the workplace.

We also work on Health and Productivity Management^{*3}. We established the Daigas Group Action Guidelines "Healthy 7" to promote healthy lifestyles, in addition to the Daigas Group Health Management Declaration, and aim to improve employees' lifestyle habits by carrying out health promotion activities based on "Healthy 7." In recognition of these efforts, we were selected as one of "the Health and Productivity Management Stock Selection Program 2024" two years in a row.

^{*3} Health and Productivity Management is a registered trademark of the NPO Kenko Keiei Kenkyukai.



Challenges

To expand the Group's business and diversify business portfolio, it is important to sustainably secure personnel as the entire Group. It is necessary to increase personnel who can develop technologies related to carbon neutrality and promote digital transformation, as well as to secure diverse personnel, including specialists. In addition, we need to further accelerate such initiatives as the development of human resources necessary for management strategies and the creation of an environment where the right person is appointed to the right position and each employee can demonstrate their abilities to the fullest.

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Initiatives Enhanced under the Medium-Term Management Plan

The Daigas Group will drive forward talent acquisition and development, strategic deployment of talent to align with job requirements, and revitalization of individuals, with KPIs set in addition to materiality indicators.

Human Resources Strategy

Talent acquisition and development

Based on the recognition that sustainable organizational management is important for the achievement of future management strategies, we will work to secure personnel in a systematic manner and assign and appoint personnel with an awareness of human resource development.

Strategic deployment of talent to align with job requirements

We will enhance talent management to deploy talent strategically to align with job requirements and maximize employees' performance.

Revitalization of individuals

We will work on the revitalization of individuals, where we achieve both the creation of an environment that makes employees feel more rewarded and motivated and the maximization of the overall output.

To revitalize initiatives and create an environment that enhances value for employees and the company, we will promote health management, improve group-wide communications through Daigas X (Daigas transformation), and take other measures to improve the overall employee satisfaction level.

Message from Officer in Charge of Human Resources

Creating an environment where employees can demonstrate their strengths

As a human resources strategy to achieve "Support Employees to Shine in Their Roles" in the key strategy under the current Medium-Term Management Plan, we are working on talent acquisition and development, strategic deployment of talent to align with job requirements, and revitalization of individuals. To achieve these, we have set new KPIs, including the total number of new graduates and mid-career recruitments, reserve ratio of next-generation management personnel, and work engagement score.

The Daigas Group promotes talent management that takes career aspirations seriously. We deploy and promote personnel based on systematically compiled talent management data, which includes HR information and business lineup. In addition, we are expanding work style options and creating an environment that allows flexible work styles.

Specifically, from this fiscal year, we are holding career training sessions and interviews more frequently and making them available to employees of diverse ages. These sessions and interviews are intended to help employees play an active role in the Group and draw their futures. We are thus supporting an autonomous career development. We have also introduced a system where employees on the development track, who are expected to work in a wide range of business domains, can see information on senior colleagues' careers on the career portal and ask for a meeting. Furthermore, systems are in place to have a side job or do an internship in a different division of the company, as well as to have an external side job. With such diverse initiatives, we will promote a human resource strategy based on our business strategy.



Director, Senior Executive Officer, General Manager of Human Resources Dept.

Toshiyuki Imai

Human Resources KPIs

	Specific initiatives and KPI	FY2024.3 Results	FY2027.3 Targets
Talent acquisition and development	Total number of new graduates and mid-career hires	Previous medium-term plan: 266 people	New medium-term plan: 330 people (approx. 1.25 fold increase)
	Ratio of female career-track employees	32.8%	30% or higher
	Development of DX core staff	180 employees	300 employees
Strategic deployment of talent to align with job requirements	Reserve ratio of next-generation management personnel	—	250% or higher
	Ratio of female directors	20.0%	25% or higher
Revitalization of individuals	Ratio of female employees promoted to managerial positions	15.9%	20% or higher
	Work engagement score*	—	50 or more

*Deviation in work engagement results for companies using the Advantage Toughness Survey.