

Fulfillment of Corporate Social Responsibility

Quality Improvement Initiatives

Our vision of quality

At Dai-Dan, reasoning and a strong sense of duty tell us that providing sound quality will increase customer satisfaction and trust. Therefore, in order to provide customer-pleasing quality, we maintain ISO 9001 certification current for all of our business sites in Japan and attentively manage the quality of our services and work, starting with in-depth preliminary studies before breaking ground, reducing quality incidents during installations, and covering our steps along the way with every imaginable kind of testing. Moreover, education and training are tools we use to ensure good quality by honing the skills and acumen of our workforce and subcontractors.

Works Preview Meetings

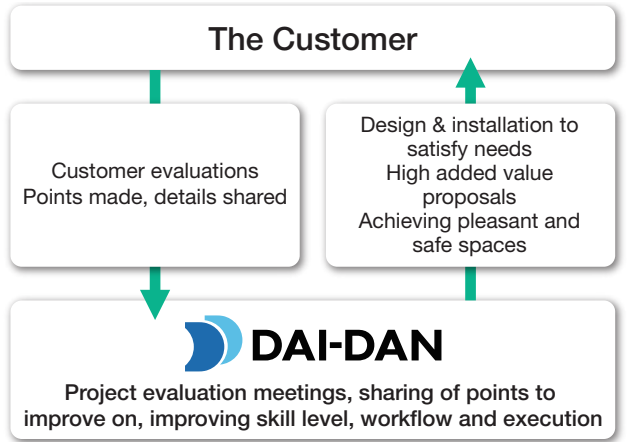
Throughout our long history we have provided building systems and services to customers in various industries with diverse building applications. In order to capitalize on our long track record of installations and our knowledge of customer systems, we hold Works Preview Meetings for each project with the attendance of the sales, engineering and other specialized departments concerned. We strive to provide high-quality systems that best serve our customers from the perspectives of functionality, quality, cost and energy efficiency.

Building Track Record System

We have been using a Building Track Record System, an internal information system, in order to make the most of our installation experiences. The Building Track Record System is used to record the details of the installation and recommendations, as well as customer requirements for each building. We enhance customer satisfaction by recommending detailed renovation options that contribute to comfortable use of a building.

Customer evaluations

Knowing what our customers think of us and our work is an important first step towards doing a better job, so we probe customer satisfaction after completing and handing over every project. More specifically, we get them to rank our technical abilities and project management performance on a scale of 4 (4 being the highest) and to explain anything that did not meet with their satisfaction and any requests they have of us. In FY2024, we collected 286 replies to our customer satisfaction surveys and earned an average overall rating of 3.67. The survey is an excellent tool for learning what customers like and do not like, and improving how we go about business, so we will continue to use it proactively alongside every opportunity of direct dialog to communicate with customers on a deeper level.



Customer satisfaction survey results

4-point scale
(4: Satisfied 3: Generally satisfied 2: Somewhat dissatisfied 1: Dissatisfied)

Item	FY2022	FY2023	FY2024
Installer capacity	3.53	3.46	3.62
Installation management	3.54	3.46	3.59
Creativity and solution proposals	3.56	3.49	3.56
Backup capacity	3.52	3.38	3.53
Overall evaluation	3.58	3.53	3.67

Number of surveys completed: FY2022; 611/FY2023; 351/FY2024; 286

Human Rights Due Diligence Initiatives

In 2011, the United Nations Human Rights Council adopted the Guiding Principles on Business and Human Rights, and declared that companies had a responsibility to respect human rights.

As part of the guidelines, companies are asked to 1) formulate a human rights policy, 2) implement human rights due diligence, and 3) construct mechanisms to deal with adverse impacts.

In Japan as well, an action plan on “Business and Human Rights” was formulated in 2020 to promote respect for human rights in corporate activities. In response to the growing international interest in the need for companies to respect human rights, we also recognize the promotion of respect for human rights as an important issue and have started human rights due diligence to further advance our initiatives related to respect for human rights.

Three particularly important Guiding Principles on Business and Human Rights and our initiatives in these areas

UN Guiding Principles on Business and Human Rights	Our initiatives
1) Formulate human rights policy (Principle 16)	2020: Formulation of human rights and labor policies
2) Implement human rights due diligence (Principle 17)	2022: Start of human rights due diligence
3) Construct mechanisms to deal with adverse impacts (Principle 22)	2023: Establishment of separate external points of contact to respond to queries about either human rights and discrimination issues or labor issues 2024: Conducted a sustainability survey for partner companies, referencing the CSR Procurement Self-Assessment Tool

*UNGP: Abbreviation for “UN Guiding Principles on Business and Human Rights.” The numbers refer to item numbers within the UNGP.

Human rights due diligence promotion framework

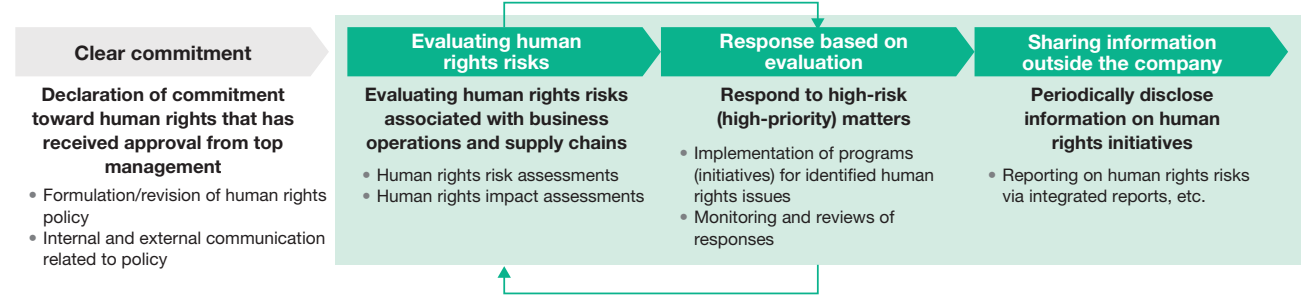
We have established the following structure to promote management that respects human rights. The work style reform theme is positioned as an important working group, consisting of members who are well-versed in our company’s key areas. Moreover, as these members also lead our activities related to human rights, they receive human rights training from outside experts to give them a

comprehensive understanding of human rights and the latest trends in the field.

Oversight	Board of Directors
Execution	Executives responsible for appropriate operations in human rights and labor
Promotion system	Sustainability Committee and, under it, the Workstyle Reform Theme

Implementing Human Rights Due Diligence

Human rights due diligence processes



Evaluating human rights risks

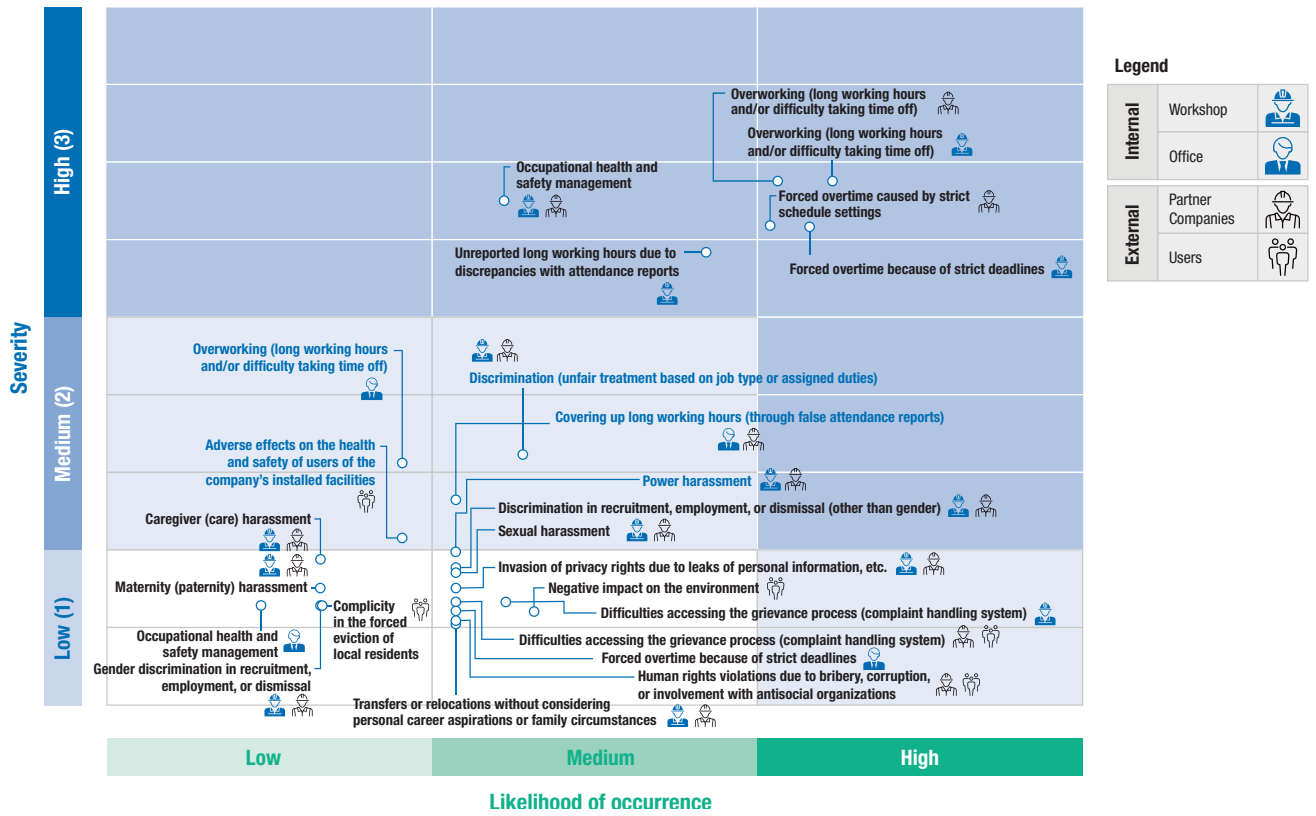
We have determined the scope of our evaluation of human rights risk assessments exhaustively refine risks based on the Guiding Principles on Business and Human Rights, and we have quantified the likelihood and severity of all conceivable human rights risks. Furthermore, we conduct human rights training for our employees, followed by a survey after the training. We also conduct surveys with partner companies to assess human rights risks within our company and across the value chain.

Scope of evaluation

Item	Scope
1. Region	Sites in Japan
2. Business scope	M&E work
3. Stakeholders	Includes Dai-Dan employees, contracted workers, and subcontractors’ employees and contracted workers

Human rights risk map

Based on quantified “likelihood” and “severity,” we created a human rights risk map and identified “occupational health and safety management” at worksites, “covering up long working hours (through false attendance reports),” “forced overtime because of strict deadlines,” and “overworking (long working hours and/or difficulty taking time off)” as particularly important human rights risks.



Initiatives for significant human rights risks

Occupational health and safety management

We have long been involved in proactive efforts to ensure occupational safety, and have formulated health and safety policies. We also disclose information on frequency rates (frequency of workplace accidents) and severity rates (the severity of accidents), and analyze the status of work-related accidents. Looking at work-related accidents for the last two or three years, the number of incidents is rising among those, including site managers, who have less than five years' experience and who are insufficiently aware of dangers. With the aim of reducing the number of incidents caused by insufficient awareness of dangers and non-compliance with rules, we will ensure sites have daily safety guidance and communication with workers. We believe that it is vitally important to repeat guidance, and our activities will reflect that.

Covering up long working hours (through false attendance reports)

As a result of revisions to the law in April 2024, there is a risk of there being a big difference between official working hours and the actual situation, due to underreporting of

overtime by employees aware of the rules on long working hours. As well as putting in place mechanisms for timely labor management, we conduct repeated training and other educational activities to teach employees about appropriate labor management. As an example of our measures to reduce overtime, we share information about positive workplace case studies, promote clever ways of reducing the need for overtime, and try to cultivate an atmosphere where it is easy to take time off.

Forced overtime because of strict deadlines

For requests from customers for a short work period, or where a facility is only closed for a set number of days, when we receive the order we give the qualification that we require worksites to be inactive two days per week. For this and other measures, we are working to strengthen our ability to negotiate with customers. As one of the top equipment companies, we continue to share information within the industry to change the external environment, and aim to be an even better business partner with technical capabilities. Within the company, we will work to further expand our recruitment of new graduates and mid-career hires.

Overworking (long working hours and/or difficulty taking time off)

For our company, correcting long working hours is an urgent issue. While we had been addressing long working hours at each business site in accordance with local laws and

regulations, we launched the “SMILE Project” to accumulate know-how for working productively on an ongoing basis, and to correct long working hours across the company by supporting each other as a team rather than as individuals.

Training on human rights and work style reform

Under the human rights and labor policies, we promote management that respects human rights, even in a diversifying social environment. As part of these efforts, we conduct training on human rights and work style reform aimed at raising awareness among management.

In FY2024, we conducted web-based training on human rights risks for all employees. After the training, we checked

understanding through a survey and worked to grasp the actual situation regarding human rights issues within the company. In addition, we hold human rights training during training for newly appointed executives and deputy managers, which is one of the hierarchical training programs, and we also regularly conduct hearings on human rights risks at construction sites.

Health and Productivity Management Initiatives

Aims and policy

Health and Productivity Management Declaration

In April 2024, the president personally announced “Dai-Dan’s Aims in Health Management” as a top message.

It sums up our firm belief that it is critical for everyone on our workforce leads a happy life and unite in contributing to the corporate growth and social development.

Guided by this train of thought, we will be seeking ways to improve the quality of life of our people and make it possible for all of them to lead healthy, happy lives, as a platform for corporate growth and contributing to a sustainable society.

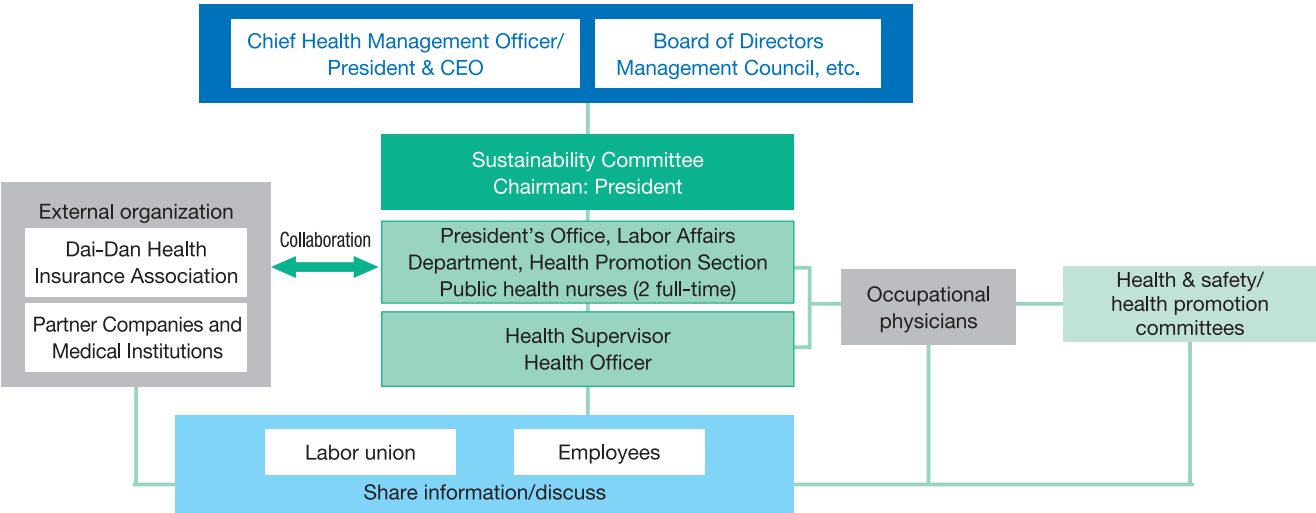
Ideal

- Raising everyone’s awareness of health**
As a company, we will constructively support efforts to maintain and improve health in order to raise health awareness and improve the health literacy of each and every employee.
- Creating healthy, motivating workplace environments (for corporate growth)**
We can expect to grow as a company by creating healthy, motivating workplace environments where work style reforms allow each and every one to balance work and life, and exhibit the best of their abilities.
- Extending one’s healthy years (as a contribution to local communities and society as a whole)**
As a company, we can and will contribute to the local communities who host our business operations and society as a whole, by supporting and training our employees and our subcontractors’ employees so that they can be healthy and active longer.

Promotion system

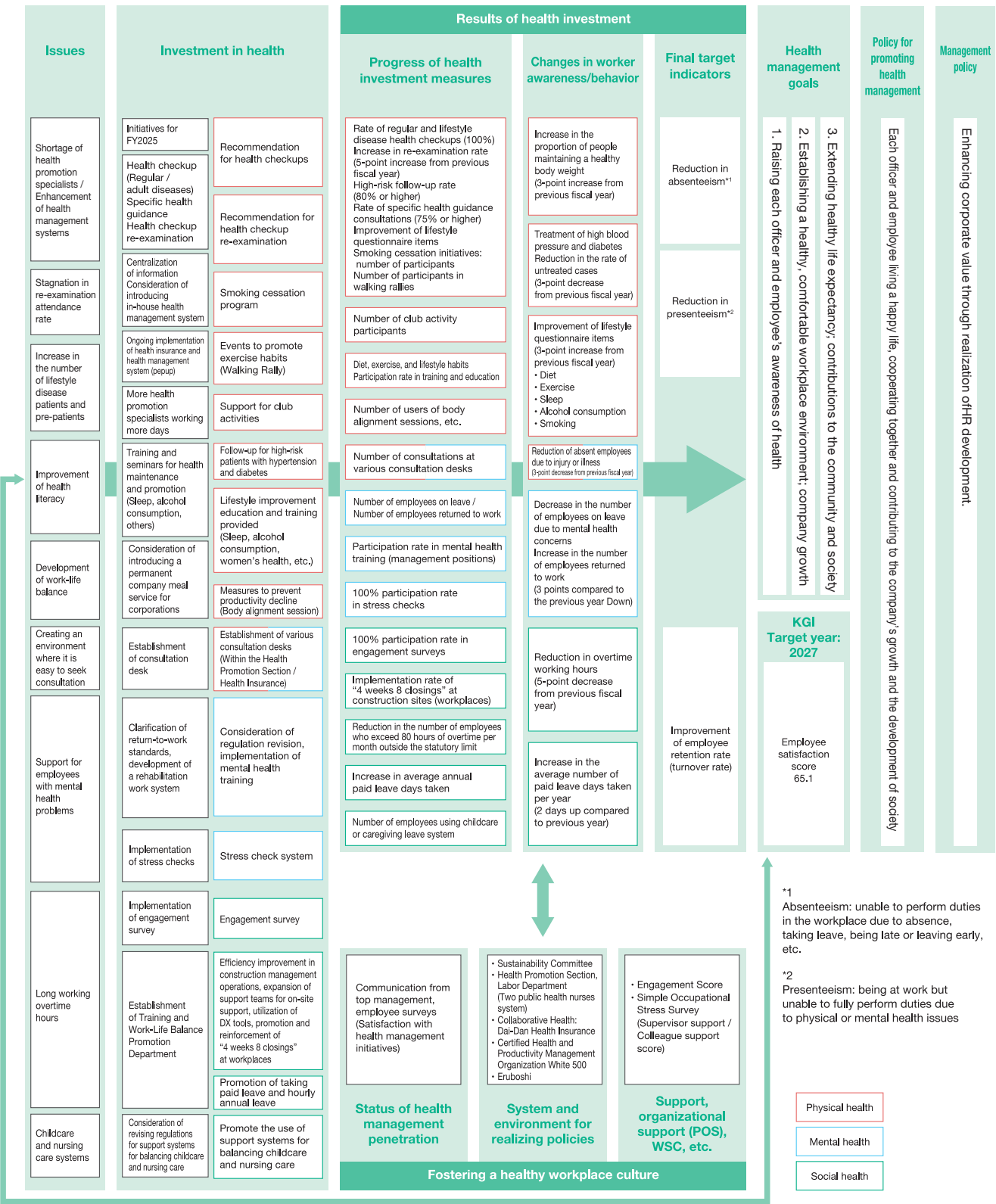
Under the Sustainability Committee chaired by the president, the Health Promotion Section of the President’s Office Labor Department promotes initiatives such as planning, implementation, verification, and internal rollout related to health and productivity management.

The results are reported and referred to the Board of Directors; under this system, the Board of Directors provides oversight.



Health issues and targets

► Dai-Dan Health and Productivity Management Strategy Map (FY2025)



Specific results and targets

		Annual Results			FY2025 Target Value	Status	Remarks	
		FY2022	FY2023	FY2024				
Progress of health investment measures	Proportion taking regular health checks		100%	100%	100%	100%	▲	
	Proportion taking detailed tests after regular checks		75.6%	92.2%	95.7%	95.0%	▲	
	Proportion taking stress checks		98.3%	98.8%	99.4%	100%	▲	
	Participation in general measures for workers	Mental health seminars	58.3%	45.0%	22.0%	80.0%	▼	
		Health information sharing system	96.6%	98.0%	96.2%	100%	▼	
		Walking rallies	20.8%	23.4%	26.5%	35.0%	▲	
	Participation rate in disease prevention measures	Rate requiring specific health guidance	20.2%	22.2%	22.5%	20.0%	▲	
		Rate of specific health guidance implemented	74.3%	65.2%	83.5%	80.0%	▲	
	Employee satisfaction score for the measures	Health information provision system (Pepup)	—	—	35.6%	75.0%	—	Employee survey rate
	Working hours	Monthly average total working hours	182 hours	184 hours	177 hours	180 hours	▼	
Leave taken	Rate of yearly paid leave taken	53.2%	58.3%	56.0%	60.0%	▼		
Changes in worker awareness/behavior	Results from collecting health check questionnaires	Rate of smokers	35.7%	34.1%	32.0%	30.0%	▼	Survey on health and productivity management standards
		Rate of employees that sufficiently exercise	21.4%	23.0%	23.3%	25.0%	▲	Survey on health and productivity management standards
		Rate of employees that take sufficient sleep	54.6%	52.6%	47.2%	55.0%	▼	Survey on health and productivity management standards
		Rate of employees that drink alcohol within acceptable amount	78.5%	77.3%	74.0%	85.0%	▼	Survey on health and productivity management standards
		Rate of employees with appropriate diet	44.8%	46.4%	49.7%	48.0%	▲	Health scoring report standards
	Management of those at high risk	Rate of employees with lifestyle diseases	22.5%	22.9%	22.2%	20.0%	▼	Those with diabetes, high blood pressure, or abnormal fat levels
		Rate of employees with deteriorating symptoms	7.8%	8.2%	8.0%	6.0%	▼	One or more of the three disorders above + complications
		Rate of employees with deteriorating daily functions	0.3%	0.2%	0.3%	0.1%	▲	As above, but with serious symptoms
	Health literacy	Rate of employees using the health information sharing system	50.7%	38.3%	39.1%	50.0%	▲	Those using the system once or more a month
Final target indicators	Health check results indicators	Rate of employees with healthy weight	57.6%	59.4%	56.9%	60.0%	▼	
		Rate of employees with medical findings	60.9%	56.9%	69.0%	53.0%	▲	
		Rate of employees with risk of high blood pressure	1.2%	1.0%	1.4%	1.0%	▲	
		Rate of employees with risk of diabetes	1.0%	0.7%	0.3%	0.5%	▼	
		Rate of employees with poorly controlled diabetes	1.8%	2.0%	2.1%	1.0%	▲	
	Job separation	Average length of service (years)	17.4 years	16.9 years	16.6 years	18.0 years	▼	
		New employee retention rate	86.4%	80.2%	92.9%	86.0%	▲	
	Temporary leave	Number of employees on leave due to mental health reasons	27 people	19 people	28 people	Less than 10 people	▲	Including long-term absences
		Number of employees on leave due to other reasons	6 people	8 people	9 people	Less than 5 people	▲	Including long-term absences
	Presenteeism	Rate of labor productivity loss	—	18.7%	18.1%	15.0%	▼	SPQ (Single-Item Presenteeism Question developed by the University of Tokyo)
	Absenteeism	Rate of employees using leave systems due to illness or injury	0.75%	0.68%	0.65%	0.5%	▼	Proportion of total employees
	Work engagement	Employee satisfaction score	—	61.0	63.0	65.1	▲	Results of the employee engagement survey
	Results from collecting stress check findings	Rate of employees with high stress levels	11.6%	12.3%	12.5%	10.0%	▲	

* Individual initiative investment amount: ○ Specific health checkup and guidance project cost: 11,121 thousand yen ○ Health information provision system usage fee: 9,746 thousand yen

Inclusion in the “White 500” in the 2025 Certified KENKO Investment for Health Outstanding Organizations Recognition Program

Now, after five consecutive years of recognition, we have been certified for the first time as a “White 500” organization under the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category). We will continue activities aimed at maintaining and improving these efforts.



Main measures

As part of collaborative health initiatives, our company holds a “Walking Rally” twice a year, organized by the Dai-Dan Health Insurance Society. Every year, we also hold walking events with volunteers from each office to visit nearby spots, compile them into a MAP, and provide it to employees. Through these activities, we participate in the Japan Sports Agency’s “FUN+WALK PROJECT,” join the “Sport in Life Consortium,” and have been certified as a “Sports Yell Company 2025.”



To improve health literacy, we hold “Shoulder and Back Pain Seminars,” provide various health information during National Occupational Health Week, and distribute informational videos on nursing care. Through these activities, we raise employees’ awareness of health and strive to create a better workplace environment.

Supporting health promotion for business partners

In January 2023, we announced our Partnership Building Declaration, and in August that year, we added initiatives related to health and productivity management as one of our initiative areas. We also identified “building better partnerships with subcontractors and suppliers” as one of our material issues, and through a health and safety council and the dedicated Subcontractor Portal site, we are providing information about health and productivity management and jointly implementing health events.

Relationship with Society

Signing of the Disaster Prevention Agreement (cooperation with local communities)

Dai-Dan has, through its industrial association, signed a Disaster Prevention Agreement with local governments concerning post-disaster emergency activities. We have also entered into agreements directly with some municipalities and industry organizations, and have established a system that allows for the swift provision of post-disaster emergency assistance. We aim to assist with the swift recovery of the local community and local businesses by proactively participating in reconstruction efforts of the affected region.

Assistance through the Dai-Dan Society Activity Fund

In April 1993, as part of our social contribution activities for our 90th anniversary, the Dai-Dan Society Activity Fund was established in the Osaka Community Foundation. From returns on fund assets, we support social welfare enhancement activities especially for persons with physical disabilities, including human rights education.

Dissemination of technical information to external parties

In order to contribute to the development of Japan’s building services industry, we support the running of industry organizations and academic conferences, and we also dispatch lecturers to external organizations. In particular, our engineers are dispatched to external training centers and educational institutions across Japan as lecturers to provide classes on building service technologies.

List of executives belonging to external organizations and destinations for dispatched lecturers

Organization	Position
Air-conditioning & Plumbing Contractors Associations of Japan	Chairman
Institute of Electrical Installation Engineers of Japan	General Director
Japan Electrical Construction Association	Advisory Committee Member
Association of Japan Instrumentation Industry	Administration Council Member
Japanese Association of Building Mechanical and Electrical Engineers	General Director
Association of Building Engineering and Equipment	General Director
Japan Architecture Facilities Inspection Association	General Director
Japan Electrician Association	Vice Chair
Construction Industry Transaction Improvement Organization	General Director
Public Buildings Association	General Director
Osaka Piping Higher Training School	Part-time lecturer
Kogakuin University	Part-time lecturer
Toyo University	Part-time lecturer

* External organizations are as of June 2025; lecturer dispatch status is for April 2024 to March 2025.

Publication of the DAI-DAN Technical Current News

With the objective of publicizing our technological development and research initiatives, we publish the DAI-DAN Technical Current News every September. The publication gives comprehensive explanations of experiments, assessment methods and analysis results using charts and images. The 118th edition was published in September 2024 and donated to the National Diet Library.



Contents published in the September 2024 issue

- Fundamental investigation into vacuum sewerage systems
- Development of jigs for local nitrogen replacement to improve efficiency of refrigerant copper pipe welding
- Concept for rebuilding Niigata Branch
- Lighting equipment for a carbon-neutral era
- Study on effective use of natural ventilation
- Summary of basic ZEB plans and analysis of BELS database
- Case studies of wellness initiatives at site offices for large-scale projects
- Investigations into damper air leakage volumes
- Investigations into effects of propeller fans for ceiling cassette air conditioners
- Overview of activities to market the cloud-based monitoring and control system REMOVIS overseas, and investigations into introducing it at our Singapore Branch
- Indoor temperature predictions using neural networks
- Investigations into CFD usage using 3D building models created using photographic measurement methods
- Development of environment visualization systems
- Research related to working environments at cell processing facilities
- Investigations into airflow at inlets for air barrier booths
- Analysis of environment monitoring data at Cellab Tonomachi CPF
- Analysis into airborne particles in clean rooms during power outages

Social contribution activities

As a corporate citizen, Dai-Dan fulfills its social responsibility and works to build trust with local communities by participating in social contribution activities and supporting sports activities.

Social contribution activities

Site	Activity Overview	
Tohoku Branch	Donald McDonald House Sendai Cleaning Activity	Cleaning activities at accommodation facilities for families of patients hospitalized at Miyagi Prefectural Children’s Hospital
Hokuriku Branch	Town Beautification Partner System	Cleaning activities around the Fukui Castle Ruins
Innovation Headquarters, China Branch	Tidal flat conservation activities at Onomichi and Matsunaga Bays	Soil cultivation, juvenile clam release, and protection with nets to preserve the habitat for clams in tidal flats
Singapore Branch DAIDAN INTERNATIONAL ASIA	Charity With Love Food Goodies Bag Program 2024	Gifted bags filled with food items to 450 underprivileged households (Packed food items into bags and visited each household to deliver them by hand)
Osaka Head Office	Adopt-a-River Program	Cleaning activities on the sidewalk along Tosabori River between Higobashi and Yodoyabashi
Toyota Branch	Traffic safety standing guard activities	Traffic safety standing guard activities at Akebono-cho intersection



Donald McDonald House Sendai Cleaning Activity (Tohoku Branch)



Town Beautification Partner System (Hokuriku Branch)



Tidal flat conservation activities at Onomichi and Matsunaga Bays (Innovation Headquarters, China Branch)



Charity With Love Food Goodies Bag Program 2024 (Singapore Branch, DAIDAN INTERNATIONAL ASIA)



Adopt-a-River Program (Osaka Head Office)



Traffic safety standing guard activities (Toyota Branch)

Dai-Dan Forest maintenance activities

Forests absorb CO₂, support biodiversity, and lead to more abundant water resources. We therefore recognize that supporting forests is highly valuable in making society more sustainable.

Tokyo Head Office
Saitama Forestry CO₂
absorption amount certificate

Hokuriku Branch
Forest maintenance activities
CO₂ absorption certificate

Osaka Head Office
CO₂ absorption certificate

Shikoku Branch
CO₂ absorption certificate

Kyushu Branch
Kumamoto Prefecture
absorption amount certificate

Dai-Dan Forest activities

Within Dai-Dan, nine head offices and branches have concluded agreements with different local authorities.

Site	Activities location (size)	Date	Implementation	Tree planting	CO ₂ absorption amount
Hokkaido Branch	Suigen-no-Mori, Domin-no-Mori Kamuishiri Area (1.0 ha)	Oct. 5, 2024	Tree planting activities	Tree planting of Akaezomatsu, Kashiwa, Mizunara, Yachidamo, Itayakayade, and others	—
Tohoku Branch	Miyatoko, Taiwa-cho, Kurokawa District, Miyagi Pref. (3.47 ha)	Oct. 19, 2024	Memorial tree-planting/tree-planting activities	Tree planting, branch trimming and thinning, and walkway creation	—
Tokyo Head Office	Moroyama-machi, Iruma District, Saitama Pref. (4.55 ha)	Jun. 17, 2024	Tree planting and thinning activities	Japanese cypress thinning (2 trees)	7.8 t-CO ₂ /year
Nagoya Office	Komono-cho, Mie Pref. (6.5 ha)	Nov. 9, 2024	Thinning and tree planting activities	Thinning of miscellaneous trees and planting of Yamazakura, Aodamo, Mitsubatsutsuji, etc. (20 trees)	—
Hokuriku Branch	Osaki Area, Kahoku, Ishikawa Pref. (0.52 ha)	Nov. 16, 2024	Tree planting activities	Black pine tree-planting (200 trees)	0.2 t-CO ₂ /year
Osaka Head Office	Sugitani, Konan-cho, Koka, Shiga Pref. (12.56 ha)	Nov. 23, 2024	Maintenance Activities	Felling operations and taping work to protect trees from harmful animals	—
Chugoku Branch	Yakage-cho, Oda District, Okayama Pref. (1.6 ha)	Nov. 30, 2024	Thinning and tree planting activities	Felling operations and planting of 75 Yamazakura and Irohamomiji trees	—
Shikoku Branch	Miki-cho, Kita District, Kagawa Pref. (2.85 ha)	Dec. 7, 2024	Tree planting activities	Japanese cypress tree-planting (540 trees)	1.2 t-CO ₂ /year
Kyushu Office	Yunomae-machi, Kuma District, Kumamoto Pref. (10.61 ha)	Oct. 19, 2024	Tree planting activities	“Obisugi” (variety of Japanese cedar) tree-planting (500 trees)	7.85 t-CO ₂ /year



A family planting a tree



Group photo at the Dai-Dan Forest Yunomae

Sponsorship activities

We undertake a variety of initiatives to make contributions to the community as a responsible corporate citizen.

Nozomi Tanaka
Track and Field Middle/Long
Distance Athlete
Individual Sponsor

J.League Machida Zelvia
Support Company

Japan Deaf Football Association
Official Partner

Para Football (General
Incorporated Association)
Event Sponsorship

B.League Alvark Tokyo
Support Company

J.League Kyoto Sanga
Support Company

X.League Tainai Deers
Official Sponsor

WROJapan2024
National Silver Sponsor

Broadcast of new commercials have started

The new commercial “Prepare and Challenge,” which began airing in October 2024, features Nozomi Tanaka, a middle/long-distance track and field athlete supported by our company since 2021 (affiliated with New Balance). The commercial draws a parallel between Ms. Tanaka’s daily efforts to maintain her condition and challenge world records, and our company’s pursuit of creating spatial value

through the control of air, water, and electricity. At the same time, the commercial “By Your Side in Life.” also began airing. In this version, singer VK Blanka wrote an original song, “Dengon.” Because our equipment is a familiar part of everyday life, we expressed the mission of ensuring that daily life never stops.



“Prepare and Challenge” version
<https://youtu.be/TxzjqXiSI08>

“By Your Side in Life.” version
<https://youtu.be/MOJNrLRINLY>