

## Risk Management

The protection of personal information has become an issue of great social urgency. As Daiwa House Industry holds a large amount of information — both personal and corporate — relating to its customers, we have set forth strict policies on the management of such information at all Group companies, and have designed detailed administrative procedures to be followed in all conceivable circumstances. In these ways, we are ensuring that our risk management system in this field is fully reliable.

With respect to risk management, an issue of increasing importance following the full enactment of the Personal Information Protection Law in April 2005, we use the Risk Management Committee, which was established in April 2002 at Daiwa House Industry, to avoid the risks inherent in the operations of the Group, and to enable a prompt and proper response to any risks that arise. Moreover, we have further strengthened action against the risk of unauthorized disclosure of personal information and we enforce comprehensive security based on our personal information protection policy.

To contain the risks inherent in our business operations to the greatest extent possible, we are actively pursuing initiatives aimed at lowering environmental degradation risks. Specifically, we are working to ensure that no illegal dumping of waste materials takes place. We also undertake soil quality surveys of land plots intended for construction, and of the land on which our manufacturing plants stand, enabling us to identify soil pollution problems and take immediate remedial action.

## Recruitment and Training



The future of the Group depends, first and foremost, on the quality of its work force. We are therefore investing considerable time and energy in reorganizing our personnel system to make it easier for the opinions of staff on the front line to be conveyed to upper management levels, and we are also involved in creating a new style of working environment that gives due consideration to the needs of our female staff, as well as employees with disabilities. Our aim is to design and perfect a system that will make the most of our valuable human resources.

Human resources are the key to growth for the Daiwa House Group and its business operations. Recognizing this, we conducted an attitude survey for all employees in October 2004 and introduced human resources initiatives in fiscal 2005, which would enable general employees to develop their capabilities and talent on their own by selecting career paths and jobs themselves. We will enhance educational programs by introducing measures such as an inter-company voluntary job-change system within the Group, a system to exchange human resources, the training of executive management ranks through a next-generation leadership training program, and an in-house certification scheme.

In recruitment, we are actively hiring new graduates and mid-career workers based on our policy of respecting the dignity and diversity of individuals, irrespective of age and gender. Indeed, Daiwa House Industry has achieved a higher rate of employment of disabled people (1.89%) than both the legal employment rate (1.8%) and the average among private companies (1.48%). We will also encourage the rehiring of retired employees with special skills and expertise within the Group, and employ them to hand down and share their technological expertise and general know-how, to provide better customer service.