

# Working in Harmony with Society

## Respect for Diversity

We are making efforts to value the individual abilities and to respect employee diversity by, for example, creating a working environment that is pleasant to work in regardless of attributes such as nationality, gender or workplace. We are also promoting employment of people with disabilities and stability of their work force and improving the retired worker re-employment system. Regarding the employment of people with disabilities, we have set up “a satellite office for employment of people with disabilities” in two places and continue to employ them stably. In addition, as human rights awareness activities, we hold human rights awareness workshops for our executives to raise awareness about diversity.

## Supporting Next Generation Development

Aiming to create a pleasant working environment where employees can balance work and family (childcare/nursing care) and fully exercise their own abilities, we formulated the “4th Action Plan for Supporting Next Generation Development” in FY3/18 and now working on it as a five-year task. In addition, aiming to support the balance between employees’ work and childcare/nursing care, we have distributed a specially designed handbook, lent PCs for offering company information to those employees taking childcare/nursing care leave, and held a tour of the workplace attended by family members of employees.

## Promotion of Women’s Empowerment

For the workplaces to which female technical employees are assigned, we install changing rooms, resting rooms, bathrooms, and safety goods in advance as well as provide harassment training targeting on-site employees and subcontractors, promoting the development of a pleasant working environment for women.

Furthermore, senior female employees conduct interviews regularly to new female employees, ask their recognition of current situation and offer counseling sessions.

We have also developed a system that allows women to continue work after time off from work to take care of a family member. Interviews with their superiors are arranged before and after childcare leave and mutual understanding regarding returning to their old jobs are deepened.

## Won the Excellence Prize and Special Prize at the 3rd Kensetsu Komachi Empowerment Promotion Awards

At the “3rd Kensetsu Komachi Empowerment Promotion Awards” hosted by the Japan Federation of Construction Contractors (JFCC), our “Diversity Promotion Office (satellite office for employment of people with disabilities)” won the Excellence Prize while the “Institute of Technology” won the Special Prize. The awards honor the activities of Kensetsu Komachi who aim for promoting work style reform and improving the image of the construction industry.

Naoko Umezu, assistant manager of Diversity Promotion Center, Human Resources Division (second from left), made a presentation on the activity to maintain the job opportunities for people with disabilities regardless of age or gender. In this activity, a female employee as a manager operated a satellite office where people with disabilities work, carefully considering the characteristics of different disabilities, making use of her childcare experience.

Noriko Kikuhara, assistant manager of Institute of Technology (third from left), made a presentation on the female engineers who, despite being busy with raising their own children, took the lead in holding a site tour for families. These female engineers also actively held site tours attended by people from regional educational facilities. In doing so, the children who will make the future world can discover “how interesting and amazing the construction industry is.”



## Held “Port of Tokyo Cruise and Large Ship Terminal Construction Site Tour”

“The 3rd Kensetsu Komachi Empowerment Site Tour” was held at the Port of Tokyo. This is a special event for the promotion of women’s empowerment by the Japan Federation of Construction Contractors, which is one of the “tours held in 17 sites in Japan where Kensetsu Komachi play an active role” tailored for female elementary and junior high school students and their parents. Five families (a total of 13 parents and children) participated in the tour to visit our construction site of the New Passenger Ship Terminal walk-through and the construction related to development of the Tokyo Port Seaside Road Namboku Line. They were also able to try out operations including cement crafting, bundling of rebar, and measurements as work experience. Eleven civil engineering Kensetsu Komachi members played leading roles to appeal the work of women in the construction industry and the industry itself.



## Global Personnel System

In FY3/18, we adopted a personnel evaluation system for foreign workers in Singapore and Hong Kong, which are the major footholds of our international division. In July 2018, we introduced a grading and remuneration system.

The objective of the personal evaluation system is to motivate employees to attain their goals, promote personnel development, and facilitate communication between superiors and subordinates.

The grading and remuneration system boosts the incentive to perform well and achieve goals, reflects performance and evaluation in the international division in remuneration, and enhances foreign workers engagement in efforts to attain goals.

## Work Style Reform

In order to realize “two days off per week and overtime not exceeding 720 hours,” we established model workplaces taking seven or eight days off per four weeks in FY3/18, defined the second Saturday of each month as “closing Saturday,” and started efforts to give six days off per four weeks without fail. In FY3/19, we defined the second and fourth Saturdays as “closing Saturdays” with the aim of having individual employees take six days off per four weeks with compensating holidays and rotating schedules.

As for overtime work, we engage in activities for reducing overtime work by one hour per person per day in order to realize overtime not exceeding 720 hours for all employees by the end of FY3/20. In addition, in order to attain these goals, we are actively proceeding with the development and adoption of productivity improvement technologies.

In order to enrich the work and life balance, we conduct activities to improve the working environment, including the promotion of active utilization of five paid annual holidays, childcare leave, nursing-care support, telework, and support for child rearing, so that individual employees can work in a vibrant manner.

	FY3/15	FY3/16	FY3/17	FY3/18
Number of employees (Women in management track position)	2,441 (25)	2,522 (30)	2,572 (32)	2,673 (54)
Number of new employees (Women in management track position)	86 (2)	118 (5)	116 (3)	164 (23)
Number of foreign employees (Women)	1,436 ( - )	1,726 (400)	2,004 (428)	1,800 (432)
Employment rate for persons with disabilities (%)	1.90	1.84	2.00	2.20
Rate of taking paid holidays (%)	26.7	25.0	28.7	52.2
Rate of taking childcare leave (for women) (%)	85.7	93.3	88.9	100

## Occupational Safety and Health

Penta-Ocean Construction gives top priority to safety in construction work, with the basic policy of respecting each person. In the construction field, Penta-Ocean obtained the "certification of COHSMS" early, and continues safety and health management with "PENTA-COHSMS."

### Health & Safety, Quality and Environmental Policy

Penta-Ocean Construction Group shall aim to be a company that grows sustainably as a trusted corporation and attractive to all our stakeholders through promoting construction activities taking utmost consideration of health & safety, quality and environment, as well as through complying with all relevant laws and other requirements.

We shall provide products and services that give satisfaction to our customers by devoting our full efforts to prevent all accidents through safety-first construction with respect for people forming basic stance in the management philosophy of this Company. Together with this, we shall establish trust from society through friendly business operation to the global environment.

### Examples of Accident Prevention Activities

#### ■ Efforts to Prevent Fall Accidents .....

The Company has introduced an "Immediate Red Card for the Non-use of Safety Belts System"\* that sees those who fail to use safety belts when working at height and sends them out of the plant in order to ensure that employees use safety belts with the aim of achieving "zero fall accidents."

\*Workers who have been ordered to leave the plant are allowed to return to work after again undergoing safety training.

#### ■ Efforts to Prevent Crane Accidents .....

We are implementing hands-on sling education that incorporate the "3-3-3 Exercise"\* by actually allowing all workers to use cranes with the aim of achieving "zero crane accidents."

\*3-3-3 Exercise: This is an exercise to give recognition about the risks of slinging work by making all workers aware of the following rules: "Move 3m away from a suspended load once slung," "temporarily stop hoisting at 30cm" and "wind up 3 seconds after hoisting."

#### ■ Enhancing On-site Communication .....

We are working on the promotion of a "Sympathetic Friendly Greeting Campaign" that aims to achieve "zero incidents, accidents and illnesses" by creating a safe, healthy and lively workplace culture.

### Health & Safety Activities Guidelines

1. We shall strive to prevent worker accidents as well as all other accidents, including public accidents.
2. We shall form comfortable workplace environments by preventing occupational diseases and promoting healthy mind and body.
3. We shall conduct health & safety inspection activities based on cooperation between employees and partner companies with the aim of improving its level.

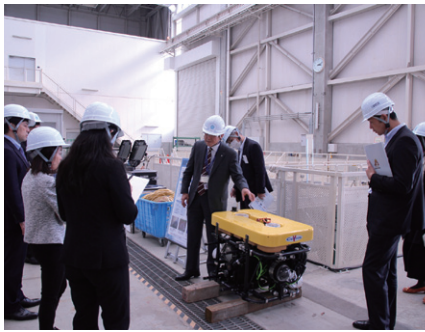
# Social Contribution Activities

## Promotion of IR (Investor Relations)

Under the basic policy of timely and appropriate information disclosure, our company makes efforts to enrich the various IR tools on our website to meet your requests. For institutional investors and analysts, we hold a session to provide a briefing on our financial results twice a year, involving the management of our company, and accept individual interviews with 200 to 300 people. In addition, we held a tour in the technological institute, which has commemorated the 50th anniversary of its establishment, to introduce our cutting-edge technology. For

overseas institutional investors and analysts, the president of our company visits the U.S. and Europe twice a year, and directly discusses our business strategies, etc. with them.

Through these activities, we strive to enrich communication with shareholders and investors.



## Support for Sports, Education, Art, Culture, and Regional Vitalization

As an effort to support sports activities that represent Japan, we have been supporting the activities of Ms. Sae Miyakawa, the first female professional gymnast in Japan, who achieved excellent results at the Olympics in Rio de Janeiro, since the FY3/17.

We also actively participate in regional vitalization projects and regional cultural activities, etc. held by educational or research funds of universities and municipalities. We will keep communicating proactively with local communities and contributing to society.



## Held a Tour for Kindergarteners at the Institute of Technology

In celebration of Civil Engineering Day, the tour is held on November 18 every year for the purpose of giving local children an opportunity to experience civil engineering technology first-hand and become familiar with the construction industry. Children are also introduced to the history of civil engineering to develop their knowledge and imagination.

This time, we invited 65 children and seven teachers from Futaba Kindergarten. Each of the experiment buildings held various hands-on demonstrations. For example, in the water science building, the kindergarteners performed an experiment to float a ship made from a plastic bottle or any other material in a water tank and then observe how waves affect it. In the multipurpose building, they observed the liquefaction phenomenon.



## Held a Tour for Individual Shareholders

Following FY3/17, we held the "tour for individual shareholders" again at the civil engineering and building construction sites for the purpose of improving the shareholders' understanding of our business content and construction achievements.

The civil engineering tour was held twice, once in the morning and once in the afternoon, in which a total of 26 individual shareholders visited our construction sites and interesting places of the current topics such as the planned venues of the Tokyo Olympic and Paralympic Games and the Toyosu market while taking a cruise around the Port of Tokyo. In the building construction tour, participants observed how several condominiums are built all at once and learned about the process of town development directly from the site observation.

We will continue activities through shareholder tours so that shareholders can gain a better understanding of the construction industry and its social involvement.



## Visiting Lectures Started

Based on our long-term business experience for about 50 years in Singapore, we gave a lecture about our construction achievements, episodes in Singapore, and governmental policies, etc. to about 240 first-year students of the Senior High School at Otsuka, University of Tsukuba. This lecture was held so that the students could determine their theme of learning before their school trip to Singapore. The students commented, "The episodes from the viewpoint of the construction industry were very intriguing," and "I realized that Japanese construction technologies have been indispensable in considerably developing the small country of Singapore." Our company will continue activities to convey the attractive features of the construction industry to society.



## Participated in the "Beach Clean-up Activity"

Our employees and their families participated in the Onizaki Beach clean-up activity, near the Chubu International Airport in Tokoname City, Aichi Prefecture. We have been participating in this activity 14 times since 2006. Trash from the river flows into Ise Bay due to heavy rain and strong wind.

This has a negative effect on fisheries, various animals and plants, as well as the coast. Despite the rain on the day, we were able to pick up a lot of trash such as plastic bottles, glass, and debris. We obtained feedback from the participants, such as: "Since sea turtles and other creatures visit here, we want to make the beach clean and pleasant for sea creatures. This activity made me think again about the environmental problem."

To protect the beautiful beach, we will continue to actively participate in this kind of activity.



# Major Awards from Outside the Company Social

## Won the 1st Japan Construction International Award

On April 11, 2018, we won the 1st Japan Construction International Award for two projects: the "Contract 485 Design Construction and Completion of Marina Coastal Expressway (Marina Bay Crossing)" and the "Thilawa SEZ Zone A development project." This award was established by the Ministry of Land, Infrastructure, Transport and Tourism in order to commend overseas construction projects that have achieved "high-quality infrastructure," aiming to improve Japan's competitiveness and to promote further overseas expansion of Japanese corporations.



### ● Contract 485 Design Construction and Completion of Marina Coastal Expressway (Marina Bay Crossing)

This project is the construction of the underground expressway with five lanes on each side, including Singapore's first undersea tunnel. By temporarily closing and drying the part above sea level with steel pipe sheet piles, we built a high-quality tunnel framework which meets the required water leakage prevention standards.



### ● Thilawa SEZ Zone A Development Project

This is a large-scale industrial complex development project that both public and private sectors of Japan and Myanmar are working on. The development of 326 ha of the initial development area "Zone A" was designed and constructed. It has helped Japanese corporations enter Myanmar, contributing to the country's economic development.

## Won the Prize for Most Excellent Paper Targeting Young Engineers Hosted by the World Association for Waterborne Transport Infrastructure (PIANC)

Kenichi Mizuno, Senior Staff Member of Civil Engineering R&D Division, Institute of Technology, won the first place of the 2018 De Paepe-Willems Award, a prize for most excellent paper targeting young engineers, which was hosted by the World Association for Waterborne Transport Infrastructure (PIANC).

This award highly evaluates the practicality and originality of the paper. Since the establishment of the award in 1985, most of the winners have been engineers from Western countries. Mizuno achieved the feat of becoming the second Japanese engineer to win the award. The awarded paper was about the system of inspection and diagnosis for piers developed by our company. We also won the Infrastructure Maintenance Award as described below.



## Won the Infrastructure Maintenance Award

The Infrastructure Maintenance Award is a national recognition in Japan given to outstanding effort on technology development concerning domestic social capital maintenance. While the "Ministry of Land, Infrastructure, Transport and Tourism Special Prize" was given to the port structure inspection and diagnosis system using a wireless LAN boat, which was developed by our company, the "Ministry of Defense Excellent Prize" was given to the construction of a new underground fuel tank utilizing the existing underground fuel tank. The purpose of this award is to promote widespread use of these various efforts as best practices. It aims to revitalize the maintenance industry and spread the concept the infrastructure maintenance. We will continue to propose efficient maintenance management for customers through advanced technology development and construction.



Wireless LAN boat



### Corporate Identity

Our Pentagon logo represents the five oceans of the world. Penta-ocean believes there are no borders for the creative mind and with this philosophy has played an active role in every corner of the world.



### Mascot Character

"Mr. PENTA" was modeled on an adorable basset hound. We gave him his name from "Penta-Ocean" – the English name of our company.