

# Working in Harmony with Society

## Efforts to Respect Humanity

### 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 three 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 demonstrate their own abilities, we established 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 family tour attended by family members of employees.

### Promotion of Women's Empowerment

For the sites to which female technical employees are assigned, we install changing rooms and resting rooms in advance as well as provide training seminar on the company system and how to achieve a balance between childcare and career for young female full-time employees on the main career track, promoting the development of a pleasant working environment for women.

Furthermore, senior female employees conduct interviews regularly to new female employees, asking 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 at the 4th "Kensetsu Komachi Activity Promotion Award"

Following last year, we won the excellence prize in the 4th "Kensetsu Komachi Activity Promotion Award" hosted by the Japan Federation of Construction Contractors (JFCC). This award was established in 2015 with the aim of helping foster next generation, promote diversity, and improve the image of the construction industry by awarding efforts to promote the active participation of women in the construction industry.

Our ICT team (Japan) and BIM/CIM Group (Singapore) are working on technology development in an environment where employees with various personalities can play active roles regardless of gender, nationality, language, and occupation. In addition, our young female engineers in Japan improved their awareness of career advancement through work with female leaders who are active in overseas offices. These points were highly recognized and led to the award.

### Held "Kensetsu Komachi Active Site Tour 2018"

"Kensetsu Komachi Active Site Tour 2018" sponsored by the Japan Federation of Construction Contractors was held. This tour is a special summer vacation project organized by the Japan Federation of Construction Contractors as part of their efforts to promote active participation of women. It was one of the tours held at 19 sites throughout Japan where "Kensetsu Komachi" are active, targeting female elementary and junior high school students and their parents.

We conducted the "Tokyo Bay Cruise/Large Ship Terminal Construction Site Tour." 24 people (11 groups of parents and children) participated to observe the new passenger ship terminal constructed by our company from a ship, the Tokyo Port Rinko Road Namboku Line construction site, and the underwater screen installation and removal work. At the work experience corner, the participants were involved with a concrete work, bundled reinforcing steel, and had surveying experience.

Eleven Kensetsu Komachi, including the Director of the Oshima Diversity Promotion Center of the HR Department (a committee member of the Kensetsu Komachi Sub-committee), guided the tour and presented the features of women's work in the construction industry and the attractiveness of construction industry while interacting with participants.

### 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 by reflecting performance and evaluation in the international division in remuneration, and enhances foreign workers engagement in efforts to achieve their individual targets.

### Work Style Reform

In order to realize "two days off per week and overtime not exceeding 720 hours," we established model sites 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 both 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 scheduled five paid annual holidays, childcare leave, nursing-care support, trail of telework, and support for child rearing, in order to foster enthusiasm among all employees.



	FY3/16	FY3/17	FY3/18	FY3/19
Number of employees (Women in career-track position) (Female technical staff among women in career-track position)	2,522 (30) (22)	2,572 (32) (23)	2,673 (54) (44)	2,793 (79) (66)
Number of new employees (Women in career-track position) (Female technical staff among women in career-track position)	118 (5) (3)	116 (3) (2)	164 (23) (22)	190 (30) (24)
Number of foreign employees (Women)	1,726 (400)	2,004 (428)	1,800 (432)	1,781 (408)
Employment rate for persons with disabilities (%)	1.84	2.00	2.20	2.25
Rate of taking paid holidays (%)	25.0	28.7	52.2	53.1
Rate of taking childcare leave (for women) (%)	85.7	85.7	100	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" earlier than other construction peers, and continues safety and health management with "PENTA-COHSMS."

### Health & Safety, Quality and Environmental Policy

Penta-Ocean Construction Group shall promote construction activities by taking utmost consideration of health & safety, quality and environment and shall comply with all relevant laws and other requirements. Furthermore, we shall proactively work on the workstyle reform and improve productivity to realize reform and to achieve sustainable development as an attractive company that is trusted by all stakeholders.

We shall strive to earn trust from society by providing eco-friendly products and services that give satisfaction to our customers through our devoting efforts to prevent all accidents through safety-first construction with respect for humanity. By ensuring all employees' strict adherence to the above-mentioned policy, we shall promote efficient and effective implementation of the policy while continuously improving the existing management systems. Under the above management philosophy, we established the following guidelines.

### Examples of Accident Prevention Activities

#### ■ Efforts to Prevent Fall Accidents

Our company has adopted an "Issuance of Immediate Red Card for the Non-use of Safety Belts System" \* that identifies those who fail to use safety belts when working at height and sends them out of the site in order to ensure that employees are using safety belts with the aim of achieving "zero fall accidents."

\* Workers who have been ordered to leave the site are allowed to return to work after again undergoing safety re-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 "Friendly Greeting Campaign" that aims to achieve "zero incidents, accidents and illnesses" in order to create a safe, healthy and lively workplace culture by calling each other by name.

### Health & Safety Activities Guidelines

1. Strive to prevent all accidents as well as industrial accidents, including those involving the public.
2. Prevent occupational diseases, promote mental and physical health and create a comfortable working environment.
3. Conduct health & safety inspection activities in cooperation with employees and partner companies with an aim to improve the health and safety standards.

## 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 response to customer requests. We hold bi-annual financial results briefings for institutional investors and analysts with the participation of the management of our company, and accept individual interviews from 200 to 300 analysts annually. We also held a tour on board of the self-elevating platform (SEP) multi-purpose crane ship "CP-8001" to introduce our latest cutting-edge technology. Additionally, the president of our company visits the U.S. and Europe once a year to directly discuss our business strategies, etc. with institutional investors and analysts overseas.

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



### Held "Site Tours for Individual Shareholders"

As part of our IR activities, our company holds on-site tours for individual shareholders at our civil engineering and construction sites. These tours have been held since 2016 with the aim of deepening their understanding of our business activities through visiting the sites.

In the civil engineering site, 44 shareholders have toured around the site while cruising the Tokyo port. As for construction site, 38 shareholders toured the high-rise condominium building and experienced the work at the site. Going forward, we will continue to conduct tours for individual shareholders to help them understand our company's technological capabilities and expand the base of the construction industry.



### Participated in a Summer Science Event

Our Joint Venture for the construction of the Tono-machi Haneda Airport Line, has participated in a summer science event organized by KING SKYFRONT (an urban redevelopment project in the Tono-machi area of Kawasaki Ward) in Kawasaki City. The purpose of this event was to create opportunities for elementary school students to come into contact with science, enhance understanding in KING SKYFRONT, and promote interactions with various institutions through this event.

As a hands-on event, our Joint Venture allowed the participants to board a vehicle for work at heights and had a tour of the site. In addition, female employees of the Joint Venture's Kensetsu Komachi and Kawasaki City representatives explained the mechanism of the bridge with the theme of "Do you know what a bridge is? Let's make one and learn!"



### Held Private Company Training for Teachers

Our company has been conducting the "private company training for teachers" targeting public school teachers, and a total of 202 teachers have participated in this year's event for 26 consecutive years thus far. This training program is hosted by Keizai Koho Center, and is held every year. The training offers various programs for teachers at private companies. It is hoped that they will utilize their experiences in the education of children and also in school management.

This year, we invited 12 teachers to participate in the training. The Civil Engineering/Building Construction Business Unit introduced construction results in Japan and overseas and explained the company's business activities. The Human Resources Division introduced Work Style Reforms and mental health care initiatives. Then they went on a site visit and experienced the construction work.



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

On Civil Engineering Day (18th November), we invite children from local kindergartens to visit the Institute of Technology in Nasu-shiobara City to learn the construction industry. This year, we have invited 57 senior class students and 7 teachers from Futaba Kindergarten to tour around our facilities and experience participatory experiments in each laboratory building.

Before the tour, the children have learned about our Suez Canal restoration project. Therefore, they were filled with curiosity in the exhibition space, saying "That is devil's bedrock!" The teacher asked them "Who wants to work at Penta-Ocean Construction?" and we heard children answering, "Me, me!" The event seems to have helped in developing young children's interest in the construction industry and our company.



### Seaweed Cleanup Activities at Wajiro Tidal Flat (Fukuoka City)

We participated in the seaweed cleanup activities at Wajiro Tidal Flat. On the Wajiro Coast, a large amount of seaweed grows from summer to autumn, covering the tidal flat. It hinders the growth of living creatures in the tidal flat such as clams. In addition, the seaweed near the shore causes a rotting odor if left untouched. This time, due to the impact of the typhoon, we also collected daily household trash, barbecue equipment, bottles and cans in addition to seaweed.

Some employees from our Kyushu Branch participated in the seaweed cleanup activities at tidal flat in Wajiro area as a volunteer activity hosted by Kyushu Electric Power Company, Civil Engineering Construction Subcommittee / Cement Subcommittee, of which our company is a member.

We will continue to actively participate in volunteer activities as part of our contribution to the community.





## Won External Awards

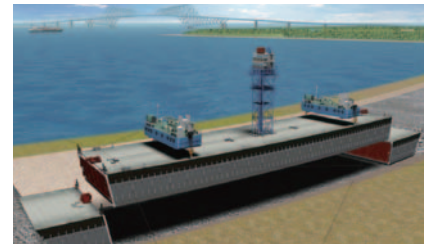
### Won the 20th Anniversary Grand Prize of the National Land Technology Development Award

The National Land Technology Development Award is presented by the Minister of Land, Infrastructure, Transport and Tourism to technology developers, who have contributed to the development of outstanding new technologies in the construction field. This year marks the 20th year anniversary of the awarding body. Of the 220 technologies awarded so far, 16 have been selected as the "20th Anniversary Grand Prize," including our "Key Element Method," developed by our company, which were chosen as a model technology for future technology development.

#### ● Outline of the Key Element Method

Our "Key Element Method" is a technology that eliminates the final connector segments in submerged tunnels. Compared with conventional method, it realizes a significant cost reduction and shortening of the construction period, due to elimination of final connectors.

In addition, with the exception of some confirmation work, the Key Element Method has realized substantive unmanned underwater work using ICT, which can improve quality, productivity, and safety.



Installation of a submerged caisson using "Key Element Method"

### Won the Paper Award of Ports and Harbors Association of Japan for the Second Consecutive Year

In the general meetings of the Ports and Harbors Association of Japan in FY3/19 and FY3/20, we won the Best Paper Award of Ports and Harbors Association of Japan for the second consecutive year.

The Ports and Harbors Association of Japan Awards include a best paper award, technology award, planning award, and the Samejima award and the best paper award is given once a year to individuals or organizations who published excellent papers on port maintenance and coastal conservation.

In FY3/19, General Manager Takehiko Sato won the award for the best paper entitled "Design method development of breakwater reinforcing embankment and sensitivity analysis of its shape," which proposed a new design method for the robustness of breakwaters. In FY3/20, General Manager Katsuya Ikeno won the award for the paper titled "Technical development concerning pile head joints of precast superstructure by the sleeve pipe connection method," which is a practical method that improves on-site productivity.



FY3/19



FY3/20

### Won the Special Excellent Work Award by the Ministry of Defense for Two Projects

In August 2018, the "2018 Special Excellent Work Award Commendation Ceremony" was held at the Ministry of Defense headquarters, and our company received the awards for two projects. This is the second consecutive year that we won the award.

The two projects that won the Special Excellent Work Award were the construction of a baseball field and a cultural exchange facility within the general sports facility "Atago Sport Complex" located in Atagoyama district of Iwakuni city, Yamaguchi Prefecture. The Ministry of Defense was the primary operator of the construction of the facility.

The main facility, "Kizuna Stadium," which is a baseball field, has 100m on both wings and 122m at the center, and with a capacity of about 8,000 people. BIM and 3D measurement were adopted to support the construction of a particular shape that is unique to a baseball field.

Meanwhile, the cultural exchange facility is a shared facility between US military personnel in Japan and Iwakuni citizens, and has a sport arena and various rooms such as Japanese-style rooms and cooking rooms for cultural exchange. The theme of the exterior was "Japanese," and special finishes were adopted everywhere, which required a high level of technical capabilities and creativity.



2018 Special Excellent Work Award  
Atago Sport Complex Baseball Field (known as Kizuna Stadium)



#### 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.