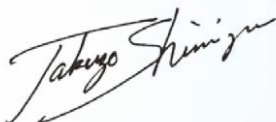


Message from the President

To affirmatively respond to the customer's trust with reliable safety and product quality, contributing to society through advanced technology



Takuzo Shimizu
President, Chief Executive Officer and Representative Director



Penta-Ocean Construction Co., Ltd. will celebrate its 125th anniversary in April 2021 since its founding as Mizuno Gumi in Kure City, Hiroshima Prefecture in 1896. Our initial business in marine civil engineering works have significantly expanded to land civil engineering and building construction works. Overseas, we have had historical involvement in numerous and notable projects, particularly the Suez Canal Widening and Deepening Project, etc. This year is the 56th anniversary of the establishment of our base in Singapore. Penta-Ocean Construction group aims to become a "genuine global general contractor" with distinctive strengths in port, coastal and waterfront areas and overseas.

Based on the basic CSR policy that "the greatest contribution to society is the construction of high-quality infrastructure," Penta-Ocean Construction Group practices CSR management with an emphasis on ESG (E: environment, S: society, G: corporate governance). Our corporate mission is to affirmatively respond to the customer's trust with reliable safety and product quality, contributing to society through advanced technology. We are deeply aware that each and every employee has a responsibility to

society, and we aim to become a highly attractive company to our various stakeholders through our corporate activities. To this end, we are engaged in a variety of initiatives in both our core construction business and other related businesses.

As part of our "environmental" initiatives, we are putting into practice our management philosophies of "Creating a nature-rich environment" and "Cherishing a pioneering spirit," and by taking advantage of our strengths in marine civil engineering, we take on the challenges in offshore wind farm construction field towards its full-fledged implementation in Japan. In the field of building construction, we are working on a Zero Energy Building (ZEB), which aims to achieve net zero energy consumption of the building. We are also contributing to the development of a rich environment through recycling of construction-generated soil and dredged soil and the preservation of coastal sea environments such as seaweed beds and tidal flats, as well as working to reduce the environmental impact by remodeling our work vessels and using environmentally friendly construction machinery. We monitor and evaluate our efforts to reduce the

environmental impact by operating the environmental management system.

As for our “social” initiatives, we contribute to society through our main corporate activities in order to achieve one of our management philosophies “affiliating with society,” and at the same time, we engage in a variety of initiatives aiming to become a leading company in Work Style Reform and Productivity Improvement, and also a leading company in Diversity & Inclusion (D&I).

In the current situation of a “New Normal” to live with COVID-19, we are convinced that to continue construction work is our social mission as a main contractor, after strictly implementing infection prevention measures to avoid 3 Cs (Closed spaces, Crowded spaces and Close-contact settings) and secure safety and health for all engineers and skilled workers at the construction sites. We place top priority on infection prevention measures as well as safety. To shift to a “New Normal” working style to consciously raise awareness for social distancing, our initiatives of productivity improvement are considered effective, such as utilizing ICT for non-contact, remote and information-aided construction management, and promoting labor-saving and industrialized construction. In fact, we even positively think that now is an opportune time to accelerate the above-mentioned initiatives, which will lead to realization of Work Style Reform, targeting two-days off per week.

In our D&I promotion efforts, we are working to secure and develop diverse human resources regardless of gender or nationality at home and overseas. In order to promote the active participation of female workers, we will create a comfortable working environment by taking into consideration their life events. As for non-Japanese employees, we have introduced a “Global personnel system,” a target management type personnel evaluation and compensation system. We have also established a new global career-track position to recruit international students both in Japan and ASEAN countries and are currently hiring them on a regular basis.

With regard to construction safety, we are working together with our partner companies to prevent occupational accidents by placing the highest priority on safety through the use of the Construction Occupational Health and Safety Management System (PENTA-COHSMS). Overseas, we are working to develop the same Penta-Ocean Standard that we have established in Japan. In addition, we support our partner companies in their Work Style Reform by offering cash-only payment for construction works, encouraging them to enroll in social insurance, and increasing labor costs when they achieve their holiday-acquisition targets, all in an effort to secure future workers to support the construction industry.

Regarding corporate “governance,” we practice fair and highly transparent management based on the principle of conducting business activities in a stakeholder-oriented manner. Every year, the Board of Directors verifies the status of the internal control system and conducts a self-evaluation to determine whether the Board of Directors is functioning properly, with the aim of continuously improving corporate governance. We also conduct thorough risk management and provide practical compliance trainings based on the actual cases in our domestic and overseas offices.

In terms of relations with our shareholders and investors, we strive to disclose information in a timely and appropriate manner to help them understand our corporate attitude and approaches, and we conduct proactive public relations and investor relations activities at home and abroad.

Penta-Ocean Construction Group will continue to contribute to society through the construction of high-quality social infrastructure, and will actively engage in ESG-focused CSR activities to enhance its corporate value.