

Quality Management

Materiality 3. Construction of High-quality Social Infrastructure and Buildings

Penta-Ocean Construction Group provides high-quality construction and related services for social infrastructure and buildings, ensuring reliable quality backed by advanced technologies, in accordance with our quality management system which conforms to ISO 9001 standards.

Principle of Quality Activities

1. Demonstrate flexible ideas and creativity to provide high value-added products and services
2. Establish an appropriate construction management system for construction work
3. Strive to improve the ability of the staff to perform their duties, refine productivity-enhancing technologies, and strive to ensure reliable construction and quality



Scan the QR code for Safety, Health, Quality, and Environmental Policies

Promotion System / Quality Management System

Our quality management system conforms to ISO 9001 standards. We obtained ISO 9001 certification for our company-wide quality management system in November 2003 and have been utilizing it as a means to promote continuous system improvement and efficient, effective operations. The quality management system is overseen by the Headquarters Quality and Environmental Management Committee and the Quality and Environmental Management Committee of each branch office.



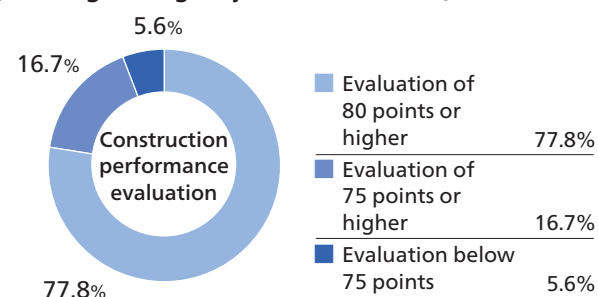
Quality Patrols

To ensure reliable quality that meets client requirements, a quality plan, which outlines quality-related activities for each construction project, is prepared and managed by the project supervisor. The Civil Engineering Division Manager and Building Construction Division Manager at each branch regularly conduct quality patrols to verify the effective implementation of the plan and the proper functioning of measures to prevent nonconformities.

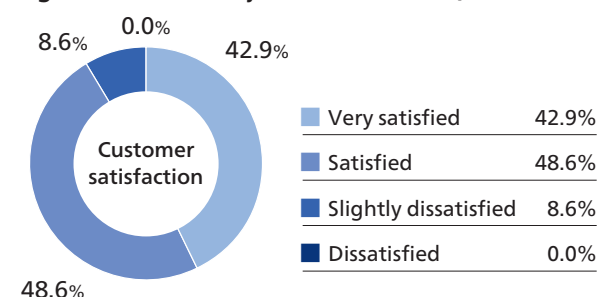
Commitment to Customer Satisfaction

We conduct customer satisfaction surveys every year in accordance with our quality management system. We collect and analyze survey data and construction performance evaluations, and share the findings, such as items that received high ratings and those that were rated poorly, with each branch and construction office through meetings such as the Civil Engineering Division Managers' Meeting and the Site Manager/Senior Staff Member Meeting. In particular, for items that received low evaluations, we clarify the causes and implement countermeasures to build a system that enables company-wide improvements, aiming to further enhance customer satisfaction. In the FY 3/25 survey, for public civil engineering works, approximately 95% of our work received very high client evaluations of 75 points or more. For private building construction, many customers expressed satisfaction with our constructed buildings, construction staff, and sales staff, rating them as "very satisfied" or "satisfied."

FY 3/25 Construction Performance Evaluation (Civil Engineering Projects, Public Sector)



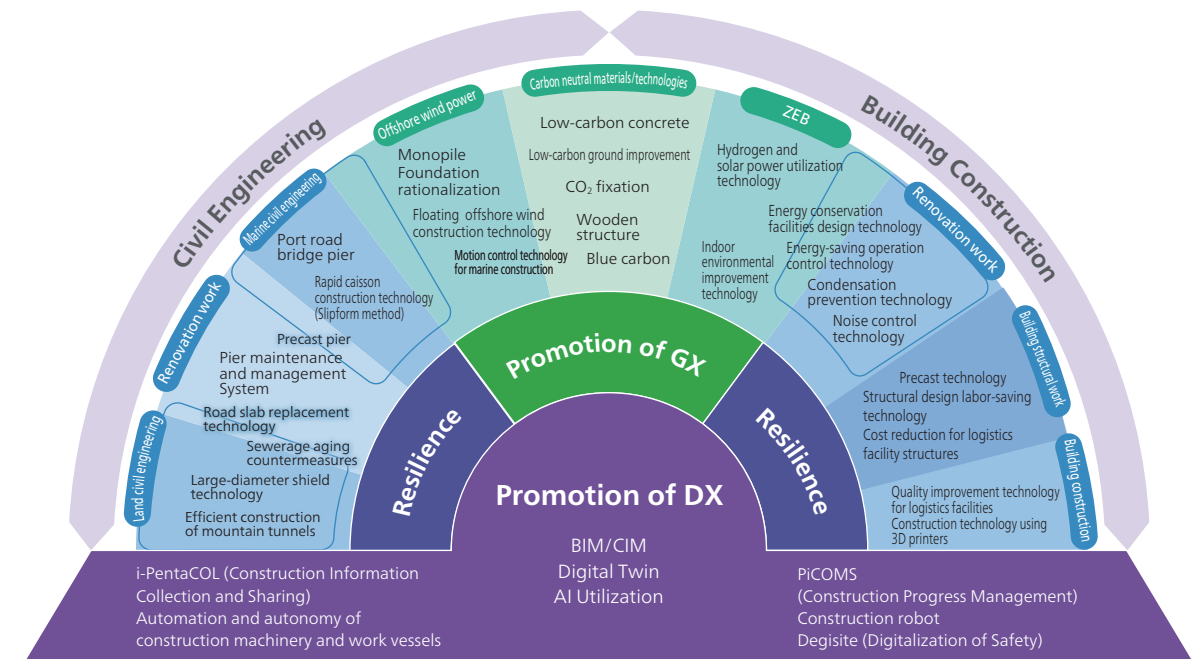
FY 3/25 Handover Project Customer Satisfaction Survey (Building Construction Project, Private Sector)



Technology Development

Materiality 4. Enhancing Technology Development and Technical Capabilities

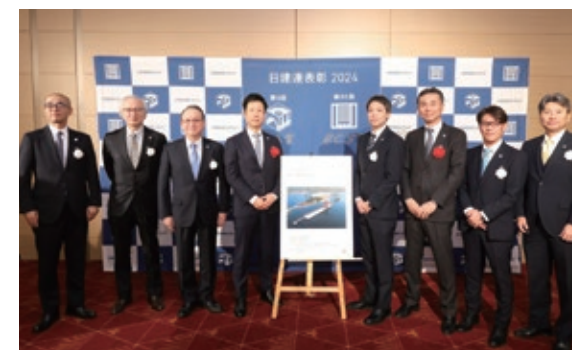
With the aim of contributing to society by providing high-quality social infrastructure and buildings, we are engaged in technology development focusing on three areas: Promotion of DX, promotion of GX, and resilience (national resilience). We regard DX as a foundation for productivity enhancement and technological innovation. In the area of GX, we are engaged in the development of technologies that contribute to the realization of a sustainable society. For resilience, we are working to develop disaster prevention technologies, countermeasures for aging structures, and to advance construction technologies. While enhancing our technologies, we also aim to create new value through interdepartmental collaboration that leverages the strengths of each business unit and the promotion of open innovation.



External Awards

Double winner of JSCE Award and Nikkenren Award

The "Pier No. 3 at Mitsukojima Transshipment Wharf New Construction Project" received the Technology Award at the 2023 JSCE (Japan Society of Civil Engineers) Award and the Outstanding Civil Engineering Achievement Award at the 2024 Nikkenren (Japan Federation of Construction Contractors) Award. This project, at the Mitsukojima Transshipment Wharf—the largest raw salt terminal in Japan—was a collaboration among industry, government, and academia to develop and commercialize Japan's first precast pier construction technology using large blocks, achieving both rapid construction and economic efficiency.



Received the OCAJI Project Award

At the 2024 OCAJI Project Awards held by the Overseas Construction Association of Japan, Inc., two of our projects—Offshore Marine Center 2 (Singapore) and Nacala Port Development Phase I & II (Mozambique)—received awards. The Offshore Marine Center 2 project was recognized for its utilization of digital technology, while the Nacala Port Development project commended for its contribution to the development and revitalization of countries in the Nacala Corridor region.

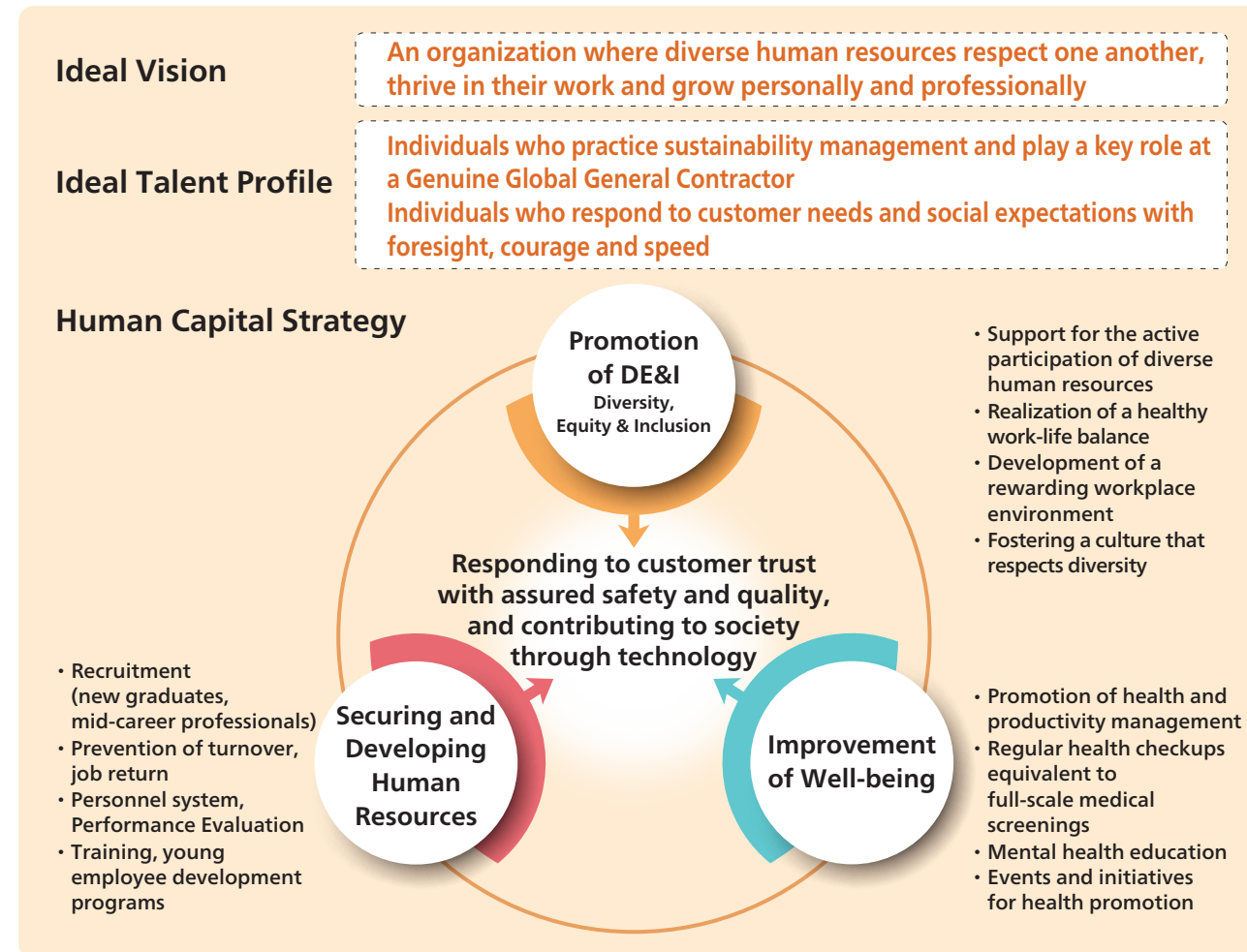


Human Capital Strategy

Materiality 5. Promotion of DE&I

Penta-Ocean Construction aspires to be an organization where diverse human resources respect one another, thrive in their work and grow personally and professionally. To that end, our basic policy is to secure and nurture “individuals who practice sustainability management and play a key role at a Genuine Global General Contractor” and “individuals who respond to customer needs and social expectations with foresight, courage and speed”.

Through initiatives based on our human capital strategy, we contribute to sustainability management that we envision and embrace. By enhancing the satisfaction of each individual (employee engagement), we bring out their full potential, thereby working toward the long-term enhancement of our corporate value.



Promotion System

Under the Sustainability Promotion Committee, we have established the DE&I (Diversity, Equity & Inclusion) Promotion Committee. The DE&I Promotion Committee is established at headquarters, branch offices, International Business Unit, and group companies to plan measures and monitor their implementation status in collaboration with relevant departments and labor-management, working together to resolve key issues.

In addition, by conducting regular visits to branch offices and group companies, members of the Headquarters DE&I Promotion Committee gain firsthand insight into local circumstances and consider tailored solutions to individual issues.



Enhancement of Well-being

Materiality 5. Promotion of DE&I

We believe that fostering the well-being of our employees is fundamental to driving the long-term and sustained development of society through sustainable construction practices. In pursuit of that goal, we are committed to supporting and nurturing both the mental and physical well-being of all executives and employees.

Health and Productivity Management Promotion Policy / System

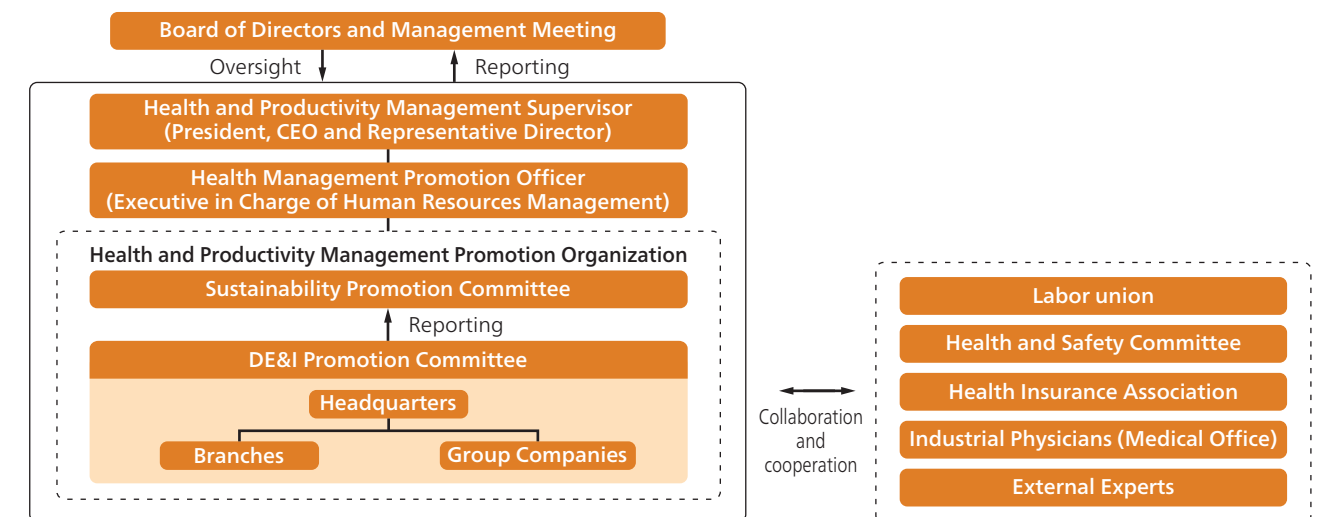
To articulate our commitment to enhance employee well-being, we formulated the Penta-Ocean Construction Group Declaration of Health and Productivity Management in 2024.



Scan the QR code for the Declaration of Health and Productivity Management

Health and Productivity Management Promotion System

The President, CEO and Representative Director serves as the Health and Productivity Management Supervisor, and the Senior Executive in charge of human resources management acts as the Promotion Officer. Under the Sustainability Promotion Committee, the DE&I Promotion Committee advances Health and Productivity Management. These bodies will work closely and collaborate with internal/external organizations including the labor union, the health insurance association and other experts, in promoting the above initiatives.



Physical Health

To detect diseases early and prevent serious illnesses, we conduct regular health checkups equivalent to full-scale medical screenings, and also provide support for examination costs for women's specific health risks such as uterine and breast cancers.

Mental Health

We conduct “Self-Care Training” for young employees and “Line-Care Training” for newly appointed managers to help them maintain their mental health. In addition, we have established multiple external counseling services to create an environment where employees have accessible and approachable channels for mental and physical health support. We also conduct stress checks annually and provide support for improving workplaces identified as having high health risks based on analysis of the results for each organization.

Health Education

While aiming to raise employees' health awareness and prevent mental health issues and illness, we promote healthy lifestyles by distributing health-related booklets annually. We also conduct “Line-Care Training” and “Self-Care Training”, along with sessions on women's health issues and infertility treatment.

Initiatives for Health Promotion

We carry out various initiatives for health promotion, such as organizing wellness walks and providing smoking cessation programs.



Promotion of DE&I (Diversity, Equity & Inclusion)

Materiality

5. Promotion of DE&I

In accordance with the Penta-Ocean Construction Group DE&I Promotion Policy, we actively promote initiatives to improve work-life balance so that all employees, regardless of gender, can continue their careers without professional concerns when navigating through various life events such as child care or caregiving, beyond our commitment to promoting female empowerment. We strive to create an environment and systems where diverse individuals - regardless of race, gender, nationality, religion, disability, age, sexual orientation, or gender identity - have equal opportunities to thrive and work with mutual respect.

Diversity, Equity and Inclusion (DE&I) Promotion Policy

At Penta-Ocean Construction Group, we strive to create a rewarding workplace where human talent from diverse backgrounds is given equal opportunities to thrive and reach their full potential. We believe that embracing diversity and maximizing the potential of each individual enables us to respond flexibly to social challenges and changes, while creating new value. Guided by this belief, we have formulated our DE&I Promotion Policy in August 2025.



Scan the QR code
for the DE&I
Promotion Policy

Support for the Empowerment of Diverse Human Resources

Promotion of Female Empowerment

We are committed to fostering a workplace where women can thrive in their work by enhancing internal systems and implementing supportive measures that enable them to work comfortably, as part of our broader efforts to build a more inclusive society. In particular, we provide career support and develop environments that allow employees to continue their careers on-site through different phases of life, such as child-rearing. In July 2023, we obtained the “Eruboshi” certification (second stage) from the Minister of Health, Labour and Welfare for these efforts.



Support for the Success of Global Employees Working at Headquarters in Japan

To support employees of diverse nationalities thrive in the workplace, we offer Japanese language training to facilitate communication and provide religious accommodations such as prayer rooms. We also conduct orientation and follow-up training for newly hired employees of foreign nationality.



Training for global employees

Empowerment of Senior Employees

We offer opportunities for employees who wish to continue working beyond the retirement age of 60 to utilize their extensive experience. We provide opportunities for senior employees to remain active in the workplace by mentoring younger colleagues and sharing their expertise, often serving as one-on-one instructors for young employees at the Safety and Quality Control Education Office.

Support for the Success of Employees with Disabilities

We support employees with disabilities by providing accommodations tailored to their individual needs, enabling them to fully demonstrate their abilities and thrive in the workplace. At our satellite offices (work rooms) located in Tokyo (Shinjyuku and Mitaka) and Kanagawa (two locations in Yokohama), we offer an environment designed to support their well-being, including regular one-on-one meetings and mental health support systems.

Enhancing Paternity Leave Uptake

We support male employees' active participation in child care by promoting the acquisition of paternity leave. To create an environment that fully supports the use of paternity leave, we conduct surveys and roundtable discussions for eligible male employees. In recent years, the uptake rate of child care leave and related leaves has reached 100%.



Roundtable discussion for fathers who have taken paternity leave

Initiatives to Achieve Work-Life Balance

Support for Balancing Child Care and Work

We provide various systems and support to help employees navigate through life events such as childbirth and child care to work comfortably and continue their careers. We enhance support for employees with child care responsibilities by holding opinion exchange meetings during their child care leave or after returning to work, granting 12 days of paid leave per year for child nursing regardless of the number of children, and expanding the reasons for taking leave beyond legal requirements.



Opinion exchange meeting for
employees returning from child care leave

Support for Balancing Nursing Care and Work

We are committed to creating an environment to help employees balance their professional lives with their nursing care responsibilities. We support employees with caregiving responsibilities by granting 12 days of paid leave per year for caregiving, regardless of the number of family members requiring care, and by providing necessary information through handbooks and leaflets.

Balancing Infertility Treatment and Work

To support balancing infertility treatment and work, we grant 12 days of paid leave per year for birth support, enabling employees to undergo infertility treatment without adding undue stress. We have also established systems for leave of absence for infertility treatment and special financial supports.

System for Changing Work Location due to Spouse Job Transfers

We have established a system that allows employees with location-specific constraints to apply for a change of work location when their spouse is transferred, enabling them to continue their careers.

Workplace Tours for Employees' Families

We hold workplace tours for employees' families, providing learning opportunities for children and deepening families' understanding of the workplace and the work we do, which leads to increased employee motivation and enhanced workplace support for employees with child care responsibilities. In FY 3/25, family visits were held at the Tokyo Civil Engineering Branch, Tokyo Building Construction Branch and the Osaka Branch.



Tokyo Civil Engineering /
Tokyo Building Construction Branch Family Visit

Creating a Rewarding Workplace Environment

Establishing two days off per week / Reducing Overtime Work

Penta-Ocean Construction Group is working toward the goals of establishing a system where employees take 8 days off per 4 weeks, two days off per week (Saturday and Sunday off), and 8 site closures per 4 weeks. We are also working to reduce overtime by thoroughly implementing a system of no more than 45 hours of work every other month.

Promoting the Acquisition of Annual Paid Leave

We support employees in enriching their private lives by enabling the acquisition of paid leave in half-day and hourly units and promoting leave acquisition. We also require employees to take five planned days of leave per year and create an environment that fully supports the use of planned leave.

Special Leave of Absence System

We have established a system that allows employees who wish to take a long-term leave of absence for personal reasons, such as engaging in volunteer activities or accompanying a spouse on a job transfer.

Promotion of Flexible Work Styles

• Flextime system / Rotating Morning Briefing System

From 2024, in addition to office-work departments, we are introducing a flextime system at site offices and implementing a rotating morning briefing system to promote flexible working hours.

• Telework System

Adopted in FY 3/21, we continue the telework system, which was established during the COVID-19 pandemic, to promote diversity in work styles.

Fostering a Culture That Respects Diversity

Education for Promoting DE&I

We hold annual lectures on diversity-related themes and conduct various training programs, such as harassment prevention training at construction sites with female staff and training for diversity promotion officers.

Establishment of Consultation Desks

Internal and external stakeholders affected by the corporate activities of our group can consult about various issues such as harassment or human rights violations that may conflict with our human rights policy. We have established consultation desks and posted notices at all business locations, construction offices, and dormitories to raise awareness.

Securing and Developing Human Resources

Materiality 5. Promotion of DE&I

To demonstrate our collective strength as a genuine global general contractor, we not only develop the strengths of each individual but also promote skill development that brings these strengths together through interdepartmental collaboration to enhance organizational strength.

Securing Human Resources

We place strong emphasis on securing human resources to drive sustainable corporate growth, advance globalization and take on challenges in new fields such as offshore wind power. While expanding our business, we also address the reduction of overtime work by implementing strategic recruitment initiatives and strengthening both on-site replacement staffing and back-office functions. In addition to new graduate recruitment, we aim to create a workplace where diverse talent can thrive through mid-career recruitment, employment of global talent, and support for the continued success of senior employees aged 60 and above.

● New Graduate Recruitment

For new graduate recruitment, we base our approach on “personality first,” “no academic requirements,” and “no nationality requirement,” adopting a fully open application system and focusing on dialogue with students in our recruitment activities. We aim to hire approximately 200 individuals each year.

● Mid-career Recruitment

We actively promote mid-career recruitment to leverage the skills they have gained through various external careers to enhance our organizational strength. Our goal is to hire approximately 20 professionals each year.

● Global Recruitment

We hire outstanding international students whose native language is not Japanese (from universities and graduate schools in Japan and ASEAN region nations) every year. Following employment, we provide Japanese language education and training to help them grow into human resources who can play active roles both domestically and internationally.



Global employees flourish at our company

● Internships

To help students better understand the industry and provide opportunities for work experience necessary for future career decisions, we accept approximately 200–300 interns each year.



Introductory briefing for interns

● Employee Retention (Turnover Prevention)

We strive to communicate our company's strengths and working environments clearly during the recruitment process to prevent post-hire mismatches among both new graduates and mid-career hires. After joining, young employees are supported through OJT and a mentor system that fosters open communications and helps ease their professional concerns. Additionally, we hold opinion exchange meetings (training and social gatherings) at headquarters and each branch to foster connections among young employees, reduce turnover and enhance their engagement.

● Promotion of Reemployment (Job Return System)

We offer opportunities for former employees who left due to career changes or family circumstances to return to Penta-Ocean Construction through the Job Return system. To encourage more former employees to rejoin POC and contribute as immediate assets, we removed the previous eligibility criteria in FY 3/26, which had been limited to individuals who had left POC due to childcare, family caregiving and a spouse's job transfer.

Human Resources Development

● Personnel System

Our personnel system presents a clear vision of the qualities we value in our employees, encouraging them to pursue higher-level roles and actions. By continuously developing and cultivating professional talent, we aim to enhance both corporate performance and employee self-fulfillment.

● Performance Evaluation, Evaluator Development and Fair Compensation

We emphasize goal setting and follow-up to achieve both employee self-fulfillment and corporate performance improvement.

To promote understanding of the purpose of performance evaluation and ensure consistency and clarity in evaluations, newly appointed evaluators receive annual training on an ongoing basis. Furthermore, evaluators hold one-on-one meetings with employees who they are evaluating to facilitate mutual communication. All evaluations are conducted in accordance with our publicly available human resources evaluation standards, which are linked to compensation decisions, including salary, bonuses, and promotions.

● On the Job Training (OJT) & Off the Job Training

Since professional growth through work (OJT) is imperative in the construction industry, we appoint a senior employee as the OJT supervisor for each new employee to provide guidance and support. At the same time, we conduct Off the Job Training (Off-JT) to acquire knowledge, skills, perspectives, and ways of thinking that cannot be gained through experience alone. We conduct rank-based training according to the growth stage of job competency, as well as job-specific training organized by each division to acquire specialized knowledge. For younger employees, we also provide communication training to foster autonomy by improving foundational business knowledge and strengthening trust-based relationships.



Customized OJT education

● Support System for Obtaining Qualifications and Support Grant System for Self-development

We encourage our employees to obtain the official qualifications and licenses required for work in the construction industry, and provide a comprehensive backup as part of our Self-Development System, such as organizing in-house training sessions, covering exam fees and other costs, as well as offering achievement-based incentives aligned with the significance of each qualification. In addition, to support employees engaged in self-development, we established the Support Grant System for Self-development in FY 3/24.

● “Nanaichi Plan,” a Job-specific Young Talent Development Program

In the Civil Engineering Divisions Group, we implement the “Nanaichi Plan,” a young talent development program where employees acquire essential job-specific knowledge over seven years. The curriculum systematically covers key areas required for a fully qualified civil engineer, such as construction, design, and cost estimation. In addition to in-person courses, content is available anytime via YouTube and e-learning platforms. Some courses are also available in English, making them accessible to global career-track employees and other global employees.



“Task Support Center”

In the Building Construction Divisions Group, we established the “Task Support Center” in 2020 as a department where specialized instructors individually guide and educate construction staff in their first eight years, aiming to enhance technical skills and ensure optimal placement of personnel. For M&E and design positions, we also strive to improve the technical skills of young employees based on each respective development program.



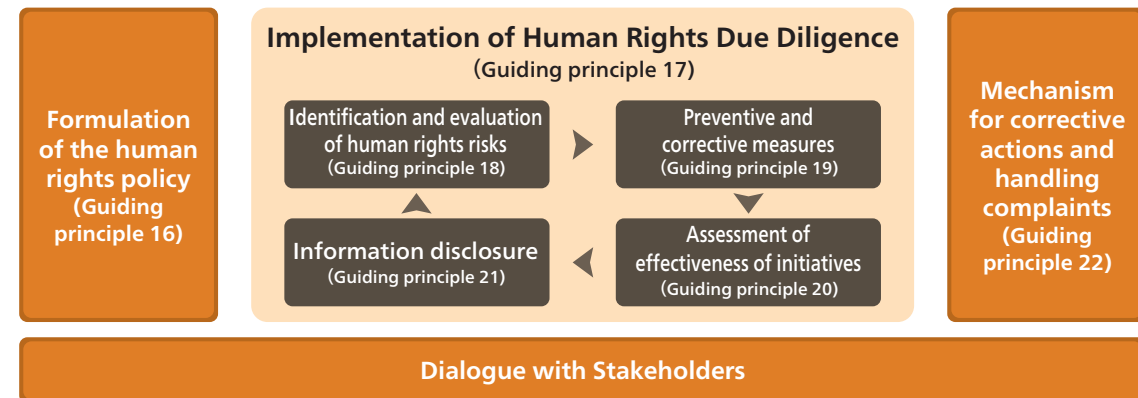
Fundamental skills training for new construction employees

Respect for Human Rights

Materiality

6. Respecting Human Rights and Building Sustainable Supply Chain

As a signatory company of the UN Global Compact (UNGC), POC undertakes initiatives for embracing respect of human rights in accordance with the framework of the UN Guiding Principles on Business and Human Rights, in addition to supporting and respecting international norms such as the International Bill of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work.



Framework of the UN Guiding Principles on Business and Human Rights

Human Rights Policy

To fulfill our corporate responsibility to respect human rights, we have established the "Penta-Ocean Construction Group Human Rights Policy" and we are practicing corporate activities based on this policy. This policy was drafted after consultation with external experts and issued by a resolution of the Board of Directors dated June 27, 2023.



Scan the QR code for the Human Rights Policy

Promotion System

In May 2023, we established the Human Rights Committee, chaired by the President, CEO and Representative Director. We are promoting human rights due diligence, including the formulation of our group's human rights policy, identification of significant human rights risks through regular human rights impact evaluation, and monitoring the effectiveness of remedy and corrective measures.



Establishment of the Human Rights Consultation Desk and Harassment Consultation Desk

To enable early detection and correction of negative impact on human rights, we have established the Human Rights Consultation Desk and Harassment Consultation Desk that are available to all individuals affected by our Group's corporate activities. In addition to internal contact points, we have established external contact points (law firms), allowing for anonymous consultations and ensuring that those seeking advice are not subject to any disadvantageous treatment. The total number of consultations received at both contact points (domestic and overseas) in FY 3/25 was 41 (harassment consultations: 41, human rights consultations: 0)*.

* Counted at each contact point based on the consultation content

Dialogue with Stakeholders

To ensure the effectiveness of our business and human rights initiatives, in March 2024, we held an opinion exchange with experts from the Japan Platform for Migrant Workers towards Responsible and Inclusive Society (JP-MIRAI) regarding the human rights of foreign workers. In June 2024, we also participated in individual guidance sessions at the UNDP (United Nations Development Programme) Business and Human Rights Academy, where we received expert advice on our business and human rights initiatives.

In the Global Compact Network Japan (GCNJ), which we have joined since 2022, we participate in the Human Rights Education Subcommittee and the Human Rights Due Diligence Subcommittee, obtaining information from experts and others to promote our initiatives.

Human Rights Due Diligence (DD)

Identification/Evaluation of Human Rights Risks, and Preventive/Corrective Measures

In FY 3/23, with guidance from external experts, we identified human rights risks and priority issues in the construction industry. Based on these findings, we conducted monitoring within POC group in FY 3/24, followed by assessments in subcontractors, etc. in FY 3/25. To address human rights issues that change in response to social demands and corporate activities, we will regularly review human rights risks based on human rights impact evaluations.

[FY 3/23] Identifying Human Rights Risks in the Construction Industry

- Based on reports issued from international organizations, industry groups, NGOs, etc. and cases of human rights abuses, we identified human rights risks in the construction industry
- We performed mapping of stakeholders on the value chain that are susceptible to each anticipated risk

[FY 3/24] Determining the State of Human Rights Risk Control in Penta-Ocean Construction Group

- We held internal dialogue meetings to promote the understanding of identified human rights risks among relevant parties. Additionally, we conducted hearing and monitoring surveys for our branch offices, overseas offices and companies of the Group to confirm "presence or absence of rules", "grasping the current state", etc
- The Human Rights Committee deliberates on how to implement preventive and corrective measures that should be prioritized, and continues to monitor their progress

[FY 3/25] Implementation of Measures Based on the Results of Human Rights Monitoring Surveys, and Extending Initiatives for Respecting Human Rights to Subcontractors

- Implementation of specific measures by responsible departments such as safety and human resources departments, and extension of these measures to include group companies
- Overseas, with input from experts, we created checklists based on human rights-related laws and social norms in each country
- Conducted monitoring surveys targeting major subcontractors and others (Monitoring using the self-assessment questionnaire (SAQ) based on the Sustainable Supply Chain Policy and Guidelines)

[FY 3/26] Continued Implementation of Human Rights Due Diligence

- Implementation of human rights monitoring in Japan and overseas

Human Rights Risk	Issues to be Discussed Preferentially	People to Whom Special Attention Should be Paid among Stakeholders Susceptible to Negative Impacts			
		POC Employees	Employees at Subcontractors	Workers at Material Suppliers (Sites/Factories)	Local Residents
Malfunction of complaint handling mechanism			●	●	
Occupational Health and Safety	●	●	●	●	
Prohibition of discrimination		●	●	●	
Inhumane treatment and harassment	●	●	●	●	
Working hours	●	●	●	●	
Wages and working conditions	●	●	●	●	
Forced labor	●		●	●	
Child labor			●	●	
Freedom of association and collective bargaining rights			●	●	
Human rights abuses against foreign migrant workers (foreign technical intern trainees, etc)	●	●	●	●	
Rights of indigenous people and local residents					●

Education and Awareness

As part of our human rights policy, we conducted in-house training (e-learning) for all executives and employees in October 2023 to promote deep understanding and awareness. We also provide our major subcontractors with clear explanations of our initiatives regarding respect for human rights during briefing sessions on the Sustainable Supply Chain Guidelines. Furthermore, we conduct annual training sessions on topics such as discrimination issues, harassment, persons with disabilities, and mental health. We hold a Training Workshop for Executives to Raise Awareness for Human Rights targeted for executives and management-level employees every year. In February 2025, we held and panel discussion led by an external speaker on the theme of diversity. Additionally, aiming to respect the human rights of each individual and create a comfortable and positive workplace, we strive to enhance understanding of human rights by soliciting human rights awareness slogans from employees and their families, and by creating human rights posters and leaflets.

Sustainable Supply Chain

Materiality

6. Respecting Human Rights and Building Sustainable Supply Chain

At Penta-Ocean Construction Group, we will conduct fair and equal transactions with our business partners including subcontractors and material suppliers on an equal footing and promote partnerships aiming for cooperation, coexistence and co-prosperity. Together with our business partners, we will strive to comply with laws and regulations, respect human rights, and incorporate environmental considerations to build a sustainable supply chain.

Sustainable Supply Chain Policy and Guidelines

As specified in the Penta-Ocean Construction Group Code of Conduct, we will promote the building of partnerships with business partners and establish a Sustainable Supply Chain (SSC), aiming to continue to grow while contributing to the sustainable development of society together with business partners. To promote this idea with our business partners, we formulated and disclosed the Sustainable Supply Chain Policy and the Sustainable Supply Chain Guidelines by a resolution of the Board of Directors dated November 21, 2023.



Scan the QR code for the Sustainable Supply Policy and Guidelines

Declaration of Partnership Building

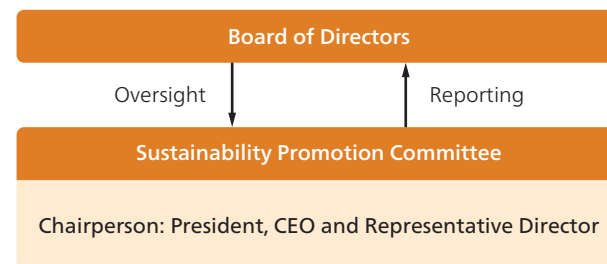
To support partner companies in advancing their work style reforms and securing future human resources, Penta-Ocean Construction has announced a declaration to build new partnerships by promoting collaboration and mutual prosperity with supply chain business partners and value-driven business operators.



Scan the QR code for Declaration of Partnership Building (Japanese)

Promotion System

In May 2023, we added the formulation and promotion of strategies related to the Sustainable Supply Chain as new duties of the Sustainability Promotion Committee (Chairman: President, CEO and Representative Director), thereby clarifying the structure of our initiatives.



Supporting Subcontractors in Advancing Work Style Reform and Securing Human Resources

We support work style reforms of subcontractors and skilled workers by providing incentives for proper holiday acquisition, etc. in order to achieve two days off per week. We also improve payment conditions for subcontractors (termination of payments by promissory notes, payment in 100% cash), promote and support enrollment in the Construction Career Up System (CCUS*), and provide allowances under the Excellent Foreman System (for CCUS members).

* Construction Career Up System: The system registers working record and qualifications of each skilled worker, enabling fair evaluation, quality improvement as well as productivity improvement at construction sites.

Providing Incentives to Skilled Workers for Holiday Acquisition

To help stabilize the income of skilled workers whose wages fluctuate based on the number of working days, and to raise awareness among skilled workers and subcontractors, we have implemented an initiative to provide premium compensation for labor costs to skilled workers who take more days off than the site-closure targets set at each site. This initiative was launched in July 2019 and has applied to all new orders received since then. Additionally, starting with the project that we newly received in July 2020, we have revised correction factors, making this arrangement more manageable and rewarding.

Practice of Making Cash Payment to Subcontractors

To strengthen the management base of subcontractors, promote social insurance enrollment, and support work style reforms at sites, all payments to subcontractors are made in cash. Starting with the new contract in July 2017, we have changed our payment methods for our subcontractors (including material suppliers) from the conventional payment by promissory notes (including payment using electronically recorded monetary claims, and payment on due date) to cash payment. In FY 3/19, the transition to cash payments was fully completed.

Promotion of Fair Transactions

Penta-Ocean Construction Group promotes fair transactions by stipulating in its Sustainable Supply Chain Guidelines, which include principles such as "to conduct fair and equal business transactions with business partners" and "not to engage in unjust behavior such as abuse of dominant position towards business partners". Specifically, all executives and employees are thoroughly informed about fair transactions through training programs. In addition, we carry out an annual survey using a proprietary Fair Transactions Questionnaire for our business partners to verify whether price negotiations and price pass-through are being conducted appropriately, and whether they are not subject to unfair burden shifting. In the Price Negotiation Promotion Month Follow-up Survey (March 2025) conducted by Small and Medium Enterprise Agency, we received high evaluations of rate "A" for price negotiations and payment terms, and "B" for price pass-through. (A: the highest of four levels, B: the second-highest)

Briefings Based on the Sustainable Supply Chain Guidelines and Monitoring of Business Partners

Starting in FY 3/25, initiative monitoring is conducted using a self-assessment questionnaire (SAQ) composed of specific questions based on the items of the Sustainable Supply Chain Guidelines (compliance with laws and regulations, fair transactions, respect for human rights, environmental protection, etc.).

[FY 3/24] Briefings on the Policy and Guidelines (for POC Group and Subcontractors, etc)

- Prior to extending the application of the policy and guidelines to business partners, e-learning was conducted for all executives and employees, and a total of 19 briefings were held from December to June 2024 for domestic branches, overseas offices, and group companies
- The policy and guidelines were sent in writing to all domestic business partners, and a total of 12 briefings were held for major business partners, including explanations of the background of the initiatives and introductions of case studies using guideline overview materials

[FY 3/25] Monitoring of Business Partners' Initiatives

- Monitoring using the self-assessment questionnaire (SAQ) was conducted with 159 companies, including senior executive companies of the Penta-Ocean Construction Labor Safety Council, major material suppliers, and main business partners of the Group companies. Following the analysis of questionnaire responses, nine companies were visited for interviews and discussions regarding their answers
- Briefings were held at major overseas bases in Singapore, Hong Kong, Thailand, Indonesia, and Vietnam, and surveys using the SAQ were conducted with 70 companies

[FY 3/26] Ongoing Monitoring of Initiatives with an Expanded Scope

- In Japan, the scope was expanded to include all member companies of the "Penta-Ocean Construction Labor Safety Council," and briefings were conducted at General Safety Meeting at headquarters and all branches. Requests for self-assessments were sent to 995 companies, including the group's main business partners and material suppliers. Overseas, the scope will also be expanded and monitoring surveys are planned



Lecture at General Safety Meeting in Japan



Dialogue meeting in Singapore

Occupational Health and Safety

Materiality

7. Ensuring Occupational Health and Safety

Recognizing that occupational health and safety initiatives are the foundation of sustainability management, we work with subcontractors to promote workplace accident prevention activities.

Principle of Health and Safety Activity

1. Make every effort to avoid all accidents, including occupational accidents and public ones
2. Prevent occupational diseases, infectious diseases, and personal injuries and illnesses, promote mental and physical health, and create a comfortable and reassuring working environment.
3. Build an open workplace culture, conduct safety and health activities where staff and business partners are united, and aim to improve the standards.



Scan the QR code for Safety, Health, Quality, and Environmental Policy

Promotional Structure

Environment Health and Safety Committee

To effectively promote environment, health and safety activities, the Environment Health and Safety Committee is established as the central organization under the Sustainability Promotion Committee chaired by the President, CEO and Representative Director. This committee deliberates and decides on basic policies and measures. Furthermore, based on the annual plan, the Environment Health and Safety Committee conduct patrols of construction sites at all branch offices.



Occupational Health and Safety Management System (COHSMS)

Our commitment to construction safety stems from basic respect for humanity. In order to eliminate or reduce potential disaster factors inherent in our business, promote health promotion and the creation of comfortable workplaces for workers, and improve the company's safety and health standards, we have established an occupational health and safety management system. We were one of the first in the construction industry to obtain the "COHSMS Certification" from the Japan Construction Occupational Safety and Health Association (JISHA) in 2008, and have been updating it every three years through audits.

*COHSMS: Construction Occupational Health and Safety Management System

Safety Results

Domestic (4 or more days lost) (non-consolidated)

	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25
Number of accidents	11	9	23	17	22
Number of fatal accidents	0	1	1	0	0
Number of deaths (employees)	0	0	0	0	0
Number of deaths (subcontractors)	0	1	1	0	0
Frequency rate	0.59	0.47	1.30	0.97	1.00
Severity rate	0.03	0.42	0.52	0.06	0.07

Overseas (4 or more days lost) (non-consolidated)

	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25
Number of accidents	11	9	12	7	9
Number of fatal accidents	0	2	0	1	2
Number of deaths (employees)	0	0	0	0	0
Number of deaths (subcontractors)	0	2	0	1	2
Frequency rate	0.35	0.30	0.36	0.20	0.32
Severity rate	0.00	0.46	0.01	0.22	0.48

Initiatives for Putting Safety First

Education and Awareness

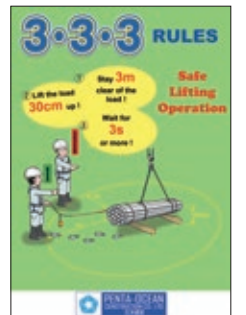
To enhance knowledge and skills related to workplace safety and to work toward eliminating accidents, we provide systematic, rank-based training for all employees from the time they join the company, as well as ongoing education such as regular training sessions for general safety and health managers.

Global Implementation of POC Standards

We have been implementing occupational accident prevention and quality management measures that prioritize safety and quality in Japan, and named it the Penta-Ocean Construction Standards. We spread these standards not only in Japan but also overseas and carry out occupational accident prevention activities in collaboration with subcontractors.

<Examples of Initiatives>

- Establishment of Special Safety Day (March 30), Fire Prevention Day (April 20)
- General Safety Meeting (1st day of every month), Safety Week (preparation period: June 1–30, period held: July 1–7)
- Implementation of Penta-Ocean Construction self-regulation and accident prevention activities (Exercise 333, etc.)



English Version
3-3-3 Campaign Poster

Special Safety Day (March 30)

On March 30, 2014, a major accident occurred in the Okinotorishima port construction site, taking precious lives of seven people. Every year on March 30, a memorial service is held with the attendance of the bereaved families and clients. In addition, to keep this disaster in mind, March 30 is designated as "Special Safety Day," when simultaneous onsite inspections are conducted to reconfirm safety.

Fire Prevention Day (April 20)

On April 20, 1998, a major fire occurred at our construction site, with one deceased, 16 people mildly/seriously injured, and one building completely burned down. Taking this accident as a lesson, we designated April 20 as Fire Prevention Day to reconfirm fire prevention measures.

Safety Considerations for International Workers

The proportion of international workers has been increasing year by year, and they account for about 10% of on-site personnel at our domestic sites. As part of our safety measures for non-Japanese personnel, we prepare safety signage, key construction items, and orientation/training materials in their native languages (such as Vietnamese, Indonesian, English, and Chinese), and provide training accordingly.



Initiatives in Partnership with Subcontractors

Safety, Health and Environment Promotion General Meeting

In June, the headquarters, branch offices, and the Labor Safety Council jointly hold a "Safety, Health and Environment Promotion General Meeting." This is in preparation for the National Safety Week, which is held every July. The Safety, Health and Environment Promotion General Meeting at headquarters in FY 3/26 was held jointly with the Labor Safety Consultation Council Federation, with the President, CEO and Representative Director in attendance.



Headquarters Safety, Health and Environment
Promotion General Meeting (June 2025)

Education and Training Programs

We hold various education and training programs, such as foreman and safety and health manager education, safety officer training, risk sensitivity education, top seminars of the Labor Safety Consultation Council Federation, and business owner education, to enhance the knowledge and skills of our members.

Foremen's Associations

At each site, we organize foremen's associations, consisting of foremen and safety and health managers from multiple subcontractors, and carry out activities to raise safety and health awareness among all workers.



Patrol carried out by foremen's association members