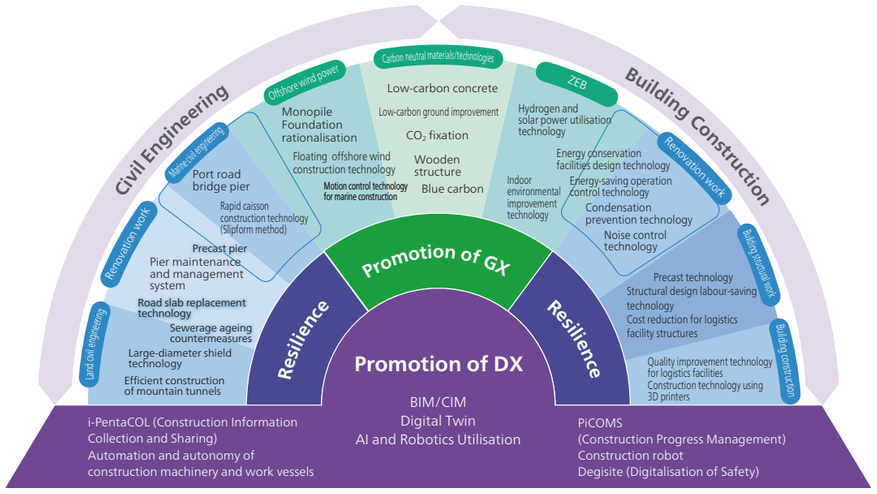
Technology Development

Materiality
Enhancing Technology Development and Technical Capabilities

With the aim of contributing to society by providing high-quality social infrastructure and buildings, we are promoting technology development focusing on three areas: promoting digital transformation (DX), such as through the utilisation of AI and robotics; promoting green transformation (GX); and enhancing infrastructure resilience.
In the area of DX, we will leverage rapidly advancing AI and robotics to develop technologies that further enhance productivity, such as the automation of construction and construction management, with a view to the next 10 years ahead.
In the area of GX, we will work on the development of technologies that contribute to expanding offshore wind power, the achievement of carbon neutrality, and the conversion of buildings to ZEB (Net Zero Energy Buildings). Furthermore, targeting important projects such as the strengthening of infrastructure and buildings and countermeasures for ageing structures, we will also focus on developing survey, design, and construction technologies that enhance resilience.
Guided by the pioneering spirit that has been part of our DNA since our founding, we will promote the development of new technologies that serve as a source of competitiveness, while boldly taking on technically challenging construction projects. We will also strengthen our technical capabilities by having our Domestic Civil Engineering, Domestic Building Construction, and International Business Units collaborate across organisational boundaries to leverage our collective strengths. By leveraging our high level of technical capabilities that differentiate us from competitors, and by rigorously implementing a front-loading approach and risk management that integrate sales, design/engineering, and construction, we aim to translate growth in business volume into growth in profits.



Case Example

External Awards

Received the JSCE Technology Award

Establishment of Construction Technology for a Large-Overburden Tunnel Adjacent to the Median Tectonic Line (San-en Nanshin Expressway Aokuzure Pass Tunnel (Tentative Name) Main Tunnel Construction), undertaken by the Company and Hazama Ando Corporation, received the Technology Award in the 2024 JSCE (Japan Society of Civil Engineers) Awards. To cope with extremely difficult construction conditions—the presence of fragile rock known as a fault fracture zone adjacent to the Median Tectonic Line and the action of immense earth pressure—a double support structure was adopted, consisting of two layers of steel arch supports and shotcrete. By optimising the construction method for the support structure and applying ultra-high-strength shotcrete, the project was completed safely.



Received the Special Award at the 9th Infrastructure Maintenance Grand Award

The Company's "Hammering Sound Inspection System for the Undersides of Piers Using a Sphere Launching and Recovery Device" (jointly developed with Kyowa Giken Co., Ltd. and Tokyo Metropolitan University) received the Special Award (Ministry of Land, Infrastructure, Transport and Tourism; Technology Development Category; Ports and Coasts) at the 9th Infrastructure Maintenance Grand Award. The system launches metal spheres with compressed air from an unmanned small boat at the underside of a pier and analyses the resulting hammering sound to detect delamination in the concrete of existing piers. This eliminates the physical burden on workers and significantly reduces the risks associated with inspections.



web Technology Development

Quality Management

Materiality
Construction of High-quality Social Infrastructure and Buildings

The 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, promote productivity enhancement, and strive to ensure reliable construction and quality

web Safety, Health, Quality and Environment Policy

Promotion System

Quality and Environment Management Committee

The quality management system is overseen by the Quality and Environment Management Committees of the Headquarters and each branch office, and is applied to all of our business activities (construction production activities and office activities).



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 utilising it as a means to promote continuous system improvement and efficient, effective operations.

web List of ISO and Other Certifications

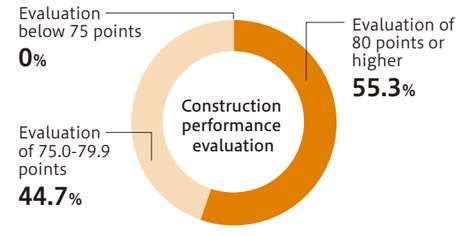
Quality Patrols

To ensure reliable quality that meets client requirements, a quality plan, outlining 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 ensure that non-conformity prevention measures function properly. The Headquarters also conducts patrols of key construction sites.

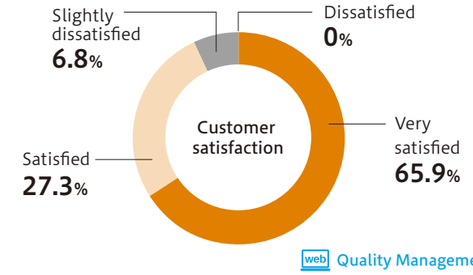
Commitment to Customer Satisfaction

We conduct customer satisfaction surveys every year in accordance with our quality management system. We collect and analyse 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 and Building Construction Division Managers' Meeting and the Construction Site Managers' 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 3/26 survey of domestic projects, for public civil engineering works, 100% of our work received very high client evaluations of 75 points or higher. 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 3/26 Construction Performance Evaluation (Civil Engineering Projects, Public Sector, Domestic)



FY 3/26 Handover Project Customer Satisfaction Survey (Building Construction Projects, Private Sector, Domestic)



web Quality Management

Promotion of DE&I

Materiality
Promotion of DE&I

In accordance with our Diversity, Equity and Inclusion (DE&I) Promotion Policy, we seek to empower diverse human resources, develop a comfortable and rewarding workplace environment by promoting work-life balance, and foster a culture that respects diversity.

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

At the 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 maximising the potential of each individual enables us to respond flexibly to social challenges and changes, while creating new value. Guided by this belief, we formulated our DE&I Promotion Policy in August 2025.

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

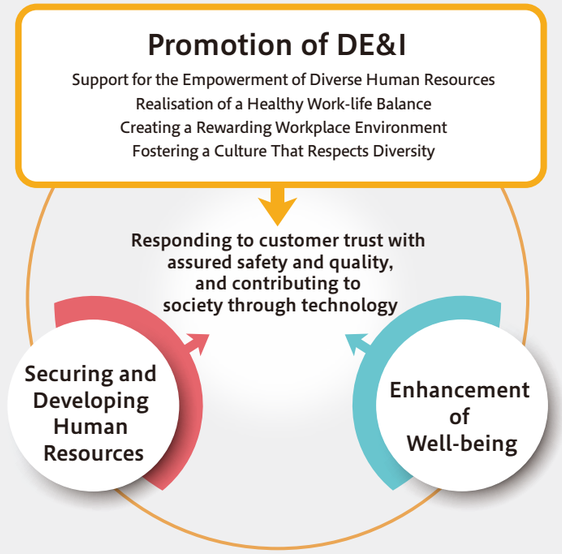
Penta-Ocean Construction Group Human Capital Strategy

Ideal Vision

An organisation where diverse human resources respect one another, thrive in their work and grow personally and professionally

Ideal Talent Profile

- **Individuals who practise sustainability management and play a key role at a Genuine Global General Contractor**
- **Individuals who respond to customer needs and social expectations with foresight, courage, and speed**



Promotion System

The DE&I Promotion Committee has been established at the Headquarters, branch offices, the International Business Unit and Group companies so that relevant departments, management and employees can work together in close collaboration to formulate measures for resolving issues and to monitor their implementation.
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 devise tailored solutions to individual issues.




Visit by the DE&I Promotion Committee (Southern Kyushu Construction Office)

web Promotion of DE&I

Securing and Developing Diverse Human Resources

Materiality
Promotion of DE&I

To demonstrate our collective strengths as a Genuine Global General Contractor, we work to secure and develop human resources with the aim of developing the strengths of each individual and bringing them together through inter-departmental collaboration to strengthen the organisation as a whole.

Securing Human Resources

Recruitment and Retention of Diverse Human Resources

Securing and developing human resources is a key management priority for us as we seek to achieve sustainable growth, advance globalisation, and take on challenges in new fields such as offshore wind power. To achieve both business expansion and a reduction in overtime work, we are implementing strategic recruitment initiatives and reinforcing both backup staffing at worksites and back-office support functions. We aim to create a workplace where diverse talent can thrive through new graduate recruitment as well as mid-career recruitment, employment of global talent, and support for the continued success of senior employees aged 60 and above.
As measures to prevent turnover, we use on-the-job training (OJT) and a mentor system to ease the concerns of young employees after they join the Company and create an environment where they can readily seek advice. We have also introduced a job return system for former employees who have left the Company.

In addition, while promoting mid-career recruitment, we provide onboarding training to help mid-career hires adapt quickly to the workplace and their duties and remain with the Company. Recruitment targets and results by category are shown in the table below.


Global Employees Flourish at Our Company

Recruitment Targets and Results
(Non-consolidated, domestic)

	FY 3/25 Results	**FY 3/26 Results**	FY 3/27 Target
Number of interns accepted	243	**379**	482 (result)
Number of new graduate hires	165	**202**	230 (result)
Number of mid-career hires	43	**39**	Approx. 50
Number of global career-track hires	8	**3**	Approx. 5
Turnover rate within 3 years of joining	14.9%	**11.2%**	5% or lower

Human Resources Development

Overview of Training Programmes

We provide all executives and employees with the necessary education according to their job category, grade, and other attributes.

	New employees	20s	30s–40s	50s and above
Grade-specific training	New employee training	Grade-specific training		
	Follow-up training	OJT		Training for newly appointed Executive Officers
			Training for newly appointed evaluators	
				Training for newly appointed line division heads
	Global career-track employee training			
Job-specific training	Nanaichi Plan (civil engineering)			
	Task Support Centre (building construction)			
	Training for other job categories (building services, mechanical & electrical, design)			
	Intensive training for administrative staff			
	Sales staff training			
	Networking sessions for female career-track employees (by job category)			
	Safety and Quality Control Education Office training ("First-Timers" series training, one-on-one training)			
	Young engineer development programmes			
	Training for non-managerial staff (basic, intermediate, advanced)			
Company-wide training	e-learning (sustainability training, compliance training, harassment prevention training, information security education, phishing email drills, etc.)			
	Language training			
	Onboarding training (mid-career hires)			
	Recruiter training / Interviewer training			
			Special compliance training (for managers)	
				Future life planning seminars
	Communication training (young employees)		Communication training (site managers)	
Self-development	Self-development			
	Japanese language training (global career-track employees)			

Young Engineer Development Programmes

We have established development programmes in each business unit to help young employees build essential technical competencies from an early stage.

・Civil Engineering: "Nanaichi Plan"
Since 2019, the Civil Engineering Divisions Group has implemented the "Nanaichi Plan," a young talent development programme in which 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. Some courses are also available in English, making them accessible to global career-track employees and other global employees.

・Building Construction: "Task Support Centre"
In the Building Construction Divisions Group, we established the Task Support Centre in 2020, a forum where specialised instructors individually guide and educate construction staff in their first eight years, aiming to enhance technical skills and ensure optimal placement of personnel.

web Securing and Developing Diverse Human Resources

Development of a Comfortable and Rewarding Workplace Environment

Materiality Promotion of DE&I

We actively promote various initiatives and build systems to improve work-life balance enabling employees to maintain career continuity through major life events, including childcare and family caregiving. We also implement targeted measures to create a workplace environment that enhances employee engagement.

Empowerment of Diverse Human Resources	Achievement of a Healthy Work-Life Balance	Creation of a Rewarding Workplace Environment
Gender equality	Childcare	Enhancement of work style reform
Employment of people with disabilities	Family caregiving	Advancing subcontractor work style reform
Global employees	Childbirth support	Health and productivity management
Promoting understanding of LGBTQ+	Support for unaccompanied job transfers	Workplace tours for families, etc.

Main Initiatives in FY 3/26

Initiatives to Achieve Work-Life Balance

・Establishment of special paid leave for employees on unaccompanied job transfers

To support diverse work styles, we established a new special paid leave system for employees living away from their families due to job transfers. By allowing up to 24 days of leave a year for family visits, the system helps employees maintain strong family ties creating a workplace that supports employee well-being and personal fulfilment.

・Establishment of a work-location transfer system for employees accompanying spousal relocation

We established a new work-location transfer system to enable employees accompanying their spouse's job relocation to maintain career continuity. By keeping families together while retaining valued skills and experience within the Company, the system supports diverse work styles across every life stage.

・Establishment of a childbirth support (infertility treatment) system

We established a new support system to help employees undergoing infertility treatment maintain career continuity while building their families. By offering initiatives including up to 12 days of special leave per year, a leave of absence of up to 365 days (which may be split into up to three periods), and an interest-free financial support, we alleviate employees' emotional burdens of balancing treatment with work. By respecting each employee's personal choices, we cultivate a supportive environment where everyone can thrive.

Initiatives for a Workplace Environment that Enhances Work Engagement

・Site visit for employees with disabilities

We held a site visit for employees with disabilities working at the Headquarters and Tokyo Building Construction Branch. Fifteen employees who provide essential day support for the Company's internal operations took part, and by experiencing a front-line construction site firsthand, they were able to deepen their sense of commitment and alignment as indispensable members of the Company. Participants shared positive feedback, such as “Experiencing the site firsthand inspired me to contribute even more to the Company” and “The atmosphere was warm and welcoming.”

web Promotion of DE&I

・Family Visit Days

As part of our efforts to nurture the next generation, we held Family Visit Days at three branches, with 51 people from 17 families taking part. This initiative is designed to help families' understanding of our business and to enhance employee motivation. On the day, activities included exchanging business cards, craft-making, and site tours. We received positive feedback, with children commenting “I learnt that construction work supports people’s everyday lives” and employees saying “It was a great opportunity to show my workplace to my family.”



Site Visit Employees with Disabilities



Hokuriku Branch Family Visit

Supporting Subcontractors in Advancing Work Style Reform

We support work style reform at subcontractors and among skilled workers through targeted initiatives, such as providing financial incentives for taking leave to help establish a two days off per week system. We are also improving payment terms for subcontractors (abolishing payment by promissory notes and making payment in cash), encouraging and supporting registration in the Construction Career Up System (CCUS)*, and offering performance allowances under the Excellent Foreman System (for CCUS registrants).

* Construction Career Up System: The system registers the work records and qualifications of each skilled worker, enabling fair evaluation of their skills, improvement in construction quality, and enhanced efficiency of on-site operations.

web Sustainable Supply Chain

Enhancement of Well-being

Materiality Promotion of DE&I

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

Main Initiatives for Mental and Physical Health

Declaration of Health and Productivity Management

We formulated the "Declaration of Health and Productivity Management" in November 2024.

web Declaration of Health and Productivity Management

Comprehensive Above-statutory Health Checkups and Specialised Screenings and Early Intervention to Health Risks

We provide all employees with enhanced regular health checkups that include examination items equivalent to a full-scale medical screening to the regular health checkups required under the Industrial Safety and Health Act. To enable early detection and treatment of diseases, we also subsidise the cost of specialised screenings such as brain checkups (MRI screening), screenings for cancers specific to women (uterine and breast cancer), and prostate cancer screening. To help prevent lifestyle-related diseases, we are also implementing measures to address metabolic syndrome.
We have lowered the target age for health guidance from the statutory age of 40 and above to cover employees aged 35 and above.

(Non-consolidated, Domestic)	FY 3/25 results	**FY 3/26 results**	FY 3/27 targets
General regular health checkup uptake rate	99.8%	**99.9%**	100%
Follow-up examination uptake rate	27.3%	**68.6%**	80%
Specific health guidance uptake rate	37.2%	**—**	70%

Integrated Monitoring of Stress Levels and Engagement, and Support for Improvement

Going beyond statutory requirements, we conduct annual stress checks and engagement surveys for all employees. By simultaneously identifying early-stage mental health risks (stress checks) and measuring employees' vitality and enthusiasm for their work as well as their sense of alignment with and commitment to the Company (engagement), we gain a comprehensive understanding of employee well-being. We also feed the results of organisational analysis from the surveys back into individual departments, providing targeted support to high health-risk workplaces and fostering engagement, thereby fostering an environment where all employees thrive and achieve their full potential. Consequently, employee engagement has been rising year-on-year both in Japan and overseas.

(Non-consolidated)	FY 3/25 results	**FY 3/26 results**	FY 3/27 targets
Stress check participation rate (Domestic)	99.8%	**99.8%**	100%
Employee engagement*1 (Domestic)	49.2	**50.1**	—
Employee engagement*2 "intent to stay over the next year" (Overseas)	80%	**82%**	—

*1: Survey by Advantage Risk Management Co., Ltd.
*2: Survey by the Company

Promotion of Comprehensive Self-Care Using the “QOLism” Healthcare App

Utilising digital technology, we have created an environment enabling employees to manage their physical fitness, nutrition, and mental well-being in an integrated manner. In addition to encouraging regular exercise through wellness walks and similar initiatives, we provide a mobile application that allows employees to monitor their calorie intake, track body weight, and even assess their stress levels by voice analysis. These tools help all executives and employees take ownership of their own physical well-being and foster higher health awareness.



Implementation of Health Measures Encompassing the Supply Chain

In our Declaration of Partnership Building, revised on March 31, 2026, we set out our commitment to extending Health and Productivity Management initiatives throughout our supply chain. We are working to improve the occupational health environment at construction sites (measures to prevent heatstroke, measures against passive smoking, etc.).

External Evaluation

In recognition of our efforts to enhance employee well-being, we were certified for the sixth time as an Outstanding Organisation of KENKO Investment for Health 2026 (Large Enterprise Category) under the certification programme jointly administered by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi.

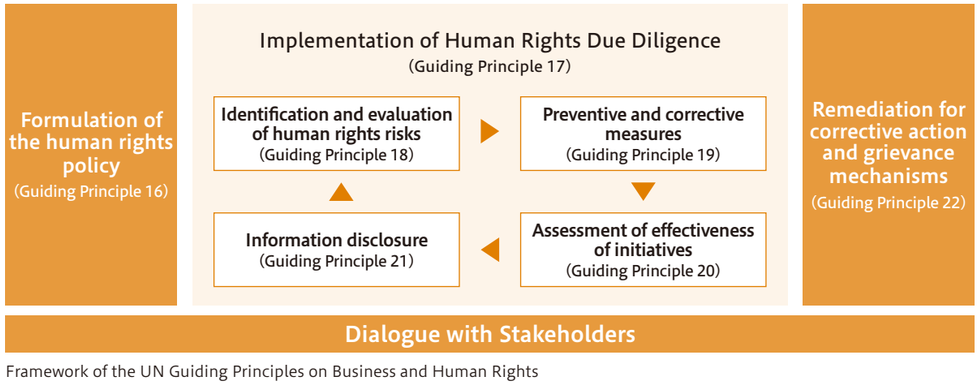
2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門

web Enhancement of Well-being

Respect for Human Rights

Materiality
Respecting Human Rights and Building Sustainable Supply Chain

As a signatory company of the UN Global Compact (UNGC), POC upholds the Ten Principles in the four areas of human rights, labour, environment, and anti-corruption; supports and respects international human rights norms such as the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work; and undertakes initiatives to promote respect for human rights in line with the framework of the UN Guiding Principles on Business and Human Rights.



Framework of the UN Guiding Principles on Business and Human Rights

Human Rights Policy

To fulfil our corporate responsibility to respect human rights, we have established the Penta-Ocean Construction Group Human Rights Policy and are practising 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.

web Human Rights Policy

Promotion System

In May 2023, we established the Human Rights Committee, chaired by the President, CEO and Representative Director. The Committee formulates the Group's human rights policy, identifies significant human rights risks through regular human rights impact assessments, monitors the effectiveness of remedial and corrective measures, and promotes human rights due diligence. Important matters are reported to the Board of Directors.

Sustainability Management Governance Structure ▶P33

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 the 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 3/26 was 37 (harassment consultations: 37, human rights consultations: 0)*. There were no cases of serious human rights violations.

* Consultations are classified and counted under the applicable contact point based on their content.

web Human Rights Consultation Desk and Harassment Consultation Desk

Dialogue with Stakeholders

Since June 2024, we have participated in the Business and Human Rights Academy, organised by the UNDP (United Nations Development Programme), deepening our understanding of business and human rights issues through lectures by human rights experts and discussions with other participating companies, and applying these insights to improve our own initiatives.
In the Global Compact Network Japan (GCNJ), of which we have been a member since 2022, we participate in the Human Rights Due Diligence Working Group, obtaining information from experts and others to promote our initiatives.

Education and Awareness

We conduct human rights training globally for all executives and employees of the Group, and we also hold a "Human Rights Awareness Trainings for executives" for executives and management-level employees, both on an annual basis. In February 2026, we held a lecture by an external speaker on the theme of "Practising Human Rights Due Diligence in the Construction Industry." Additionally, we strive to broadly enhance understanding of human rights by soliciting human rights awareness slogans from employees and their families, and by creating human rights posters and leaflets. We also provide our major business partners with clear explanations of our specific initiatives regarding respect for human rights when presenting the Sustainable Supply Chain Guidelines.

Human Rights Due Diligence (HRDD)

Implementation of Human Rights Monitoring

We conduct monitoring based on the human rights risks and priority issues in the construction industry that we identified in FY 3/23 with guidance from external experts.
Responsible departments, such as those in charge of safety, human resources, and general affairs, monitor the implementation status of specific measures and report regularly to the Human Rights Committee. In FY 3/26, we conducted human rights monitoring covering 10 domestic branches, nine Group companies, and overseas offices in seven countries and regions. After explaining human rights issues to each of these sites, we asked them to conduct self-checks and confirmed the results.
For major subcontractors and material suppliers, we also conducted human rights monitoring in FY 3/26 covering 1,075 companies (in Japan and overseas) as part of the self-assessment questionnaire (SAQ) based on the Sustainable Supply Chain Policy and Guidelines. We take action on items requiring improvement and report the results to the Human Rights Committee.

Monitoring Based on the Sustainable Supply Chain Guidelines ▶P54



Briefing Session on Human Rights Issues in Singapore

Major Human Rights Risks and Priority Issues in the Construction Industry

Human Rights Risks	Priority Issues	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
Dysfunctional grievance mechanisms			●	●	
Occupational health and safety	●	●	●	●	
Prohibition of discrimination		●	●	●	
Inhumane treatment and harassment	●	●	●	●	
Working hours	●	●	●	●	
Wages and working conditions	●	●	●	●	
Forced labour	●		●	●	
Child labour			●	●	
Freedom of association and collective bargaining rights			●	●	
Human rights abuses against foreign migrant workers (foreign technical intern trainees, etc.)	●	●	●	●	
Rights of indigenous peoples and local residents					●

Major Initiatives of the Penta-Ocean Construction Group

	FY 3/23	FY 3/24	FY 3/25	FY 3/26
Human Rights Committee		Establishment of Committee (May)	Regular meetings (four times a year)	
Human Rights Policy		Formulation and disclosure of Policy (June)		
Human Rights Consultation Desk		Establishment of Consultation Desk (Aug.)	Operation	
Human rights risks	Identification of risks			Review of risks (through FY 3/27)
Human rights monitoring, preventive, and corrective measures		POC Group: Education and monitoring (Sept.–Dec.)	Business partners: Briefing sessions and monitoring (June–Mar.)	POC Group: Briefing sessions and monitoring (Sept.–Jan.) Business partners: Briefing sessions and monitoring (June–Mar.)
Dialogue with stakeholders		Human rights dialogue (JP-Mirai)	Participation in the UNDP Business and Human Rights (B+HR) Academy	
		Participation in GCNJ human rights-related working groups		
Education and awareness	In-house training (e-learning) for all Group executives and employees, "Human Rights Awareness Trainings for executives" and management-level employees (held annually)			
		Awareness-raising for business partners		

web Respect for Human Rights

Sustainable Supply Chain

Materiality
Respecting Human Rights and Building Sustainable Supply Chain

At the Penta-Ocean Construction Group, we conduct fair transactions with our business partners, including subcontractors and material suppliers, on an equal footing, and foster partnerships aimed at collaboration, coexistence, and co-prosperity. Together with our business partners, we 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 strive to foster strong partnerships with business partners and build a Sustainable Supply Chain (SSC), aiming to contribute to the sustainable development of society and achieve continued growth together with them. To advance this initiative with our business partners, we formulated and disclosed the Sustainable Supply Chain Policy and the Sustainable Supply Chain Guidelines following a resolution by the Board of Directors on November 21, 2023.

web Sustainable Supply Chain Policy and Guidelines

Declaration of Partnership Building

To support partner companies in advancing their work style reform and securing future human resources, Penta-Ocean Construction has published a Declaration of Partnership Building. Through this declaration, we commit to collaboration, coexistence, and co-prosperity with our supply chain business partners and other value-creating enterprises.



web Declaration of Partnership Building (Japanese)

Promotion System

Since May 2023, the Sustainability Promotion Committee (chaired by the President, CEO and Representative Director) has been responsible for formulating and promoting sustainable supply chain strategies, actively driving related initiatives forward.

Sustainability Management Governance Structure ▶P33

Education and Awareness

Internally, since FY 3/24 we have conducted briefings based on the Sustainable Supply Chain Guidelines for domestic branches, overseas offices, and Group companies. We also conduct annual e-learning training globally on sustainable supply chains for all executives and employees of the Group. For business partners, we also brief them on the Policy and Guidelines and share case studies on our initiatives along with explanatory documents.

Promotion of Fair Transactions

The Penta-Ocean Construction Group promotes fair transactions in line with its Sustainable Supply Chain Guidelines, which set out key principles such as "conducting fair transactions with business partners on an equal footing" and "not engaging in unfair practices such as abuse of a superior bargaining position towards business partners." Specifically, all executives and employees are fully briefed on fair transactions through training programmes. In addition, we carry out an annual survey using our proprietary Fair Transactions Questionnaire for our business partners to verify whether price negotiations and price pass-through are executed appropriately and to ensure no unfair burdens are imposed. In the Small and Medium Enterprise Agency's Price Negotiation Promotion Month Follow-up Survey (March 2026), we received an "A" rating for price negotiations and payment terms and a "B" rating for price pass-through (A: the highest of four levels; B: the second highest).

Supporting Subcontractors in Advancing Work Style Reform and Securing Human Resources

In addition to supporting work style reform at subcontractors and among skilled workers and encouraging and supporting registration in the Construction Career Up System (CCUS), we pay performance allowances under the Excellent Foreman System (for CCUS registrants) and have improved payment terms for subcontractors (abolishing promissory notes and making payment in cash).

Supporting Subcontractors in Advancing Work Style Reform ▶P49



Promoting Registration in the Construction Career Up System (Facial Recognition)

Safety and Environmental Initiatives in Partnership with Subcontractors

Together with our subcontractors, we strive to ensure safety and protect the environment at construction sites, and to enhance knowledge and skills through various education and training programmes.

Initiatives in Partnership with Subcontractors ▶P56

Monitoring Based on the Sustainable Supply Chain Guidelines

Monitoring of Business Partners and Feedback

We monitor the status of business partners' initiatives using a self-assessment questionnaire (SAQ) formulated from specific items based on the items of the Sustainable Supply Chain Guidelines (compliance with laws and regulations, fair transactions, respect for human rights, environmental protection, etc.). To support the monitoring process, we provide explanatory briefings at General Safety Meetings, hold briefings in each country, and distribute informational tools.
In Japan, the FY 3/25 monitoring covered 159 companies, including those serving as board member companies of the Penta-Ocean Construction Labour Safety Council, major material suppliers, and main business partners of the Group companies. In FY 3/26, the scope was expanded to all member companies of the Penta-Ocean Construction Labour Safety Council, covering 995 companies including major subcontractors and material suppliers. Overseas, briefings were held at our major locations in Singapore, Hong Kong, Thailand, Indonesia, and Vietnam, and SAQ surveys were conducted with 70 companies in FY 3/25 and 80 companies in FY 3/26.
In FY 3/26, the overall response rate for Japan and overseas was a strong 84%, and the conformity rate* was 97%, but an item-by-item comparison showed relatively lower results for "response to climate change" and "environmental protection." We will continue to enhance our efforts in this area, including providing our business partners with guidance materials to help them better understand these issues.

* Conformity rate: Number of questions for which a rating of 3 (standard level of initiative) or higher was selected / Number of questions asking about the status of initiatives for Guideline items

Status of Monitoring of Business Partners

	Item		Domestic	Overseas	Total
FY 3/25	Number of briefings held		9	7	16
	SAQ survey	Companies surveyed	159	70	229
		Companies responding	155	56	211
		Response rate	97.5%	80.0%	92.1%
		Conformity rate	95.7%	98.7%	97.2%
	Companies visited for interviews		9	—	9

	Item		Domestic	Overseas	Total
FY 3/26	Number of briefings held		**10**	**7**	**17**
	SAQ survey	Companies surveyed	**995**	**80**	**1,075**
		Companies responding	**837**	**61**	**898**
		Response rate	**84.1%**	**76.3%**	**83.5%**
		Conformity rate	**97.3%**	**97.3%**	**97.3%**
	Companies visited for interviews		**12**	**16**	**28**

Visits to Business Partners and Discussions

In addition to providing feedback on the evaluation results to all responding companies, we conducted on-site visits to nine companies in Japan in FY 3/25 and 28 companies across Japan and overseas in FY 3/26 to hold interviews and review their responses. Going forward, we will conduct follow-up interviews with business partners identified as requiring further follow-up. Where issues are identified, we will request corrective action plans and support their efforts as a Group.
In FY 3/26 in particular, we visited companies serving as chairs of the respective Penta-Ocean Construction Labour Safety Councils at all domestic branches and received valuable feedback on our Sustainable Supply Chain initiatives and future direction.
We will continue to drive further improvements and share best practices to advance initiatives in collaboration with our subcontractors and material suppliers.

Opinions Received (Excerpts)

- Some items in the SSC Guidelines cover very broad themes, making it difficult to determine the appropriate scope and depth of actions.
- The capacity to implement these initiatives varies depending on factors such as company size. We would welcome more practical explanations tailored to different levels of understanding, as well as additional support tools.
- Conducting a self-check once a year after sharing the vision we are aiming for is highly meaningful.
- A long-term perspective is essential, and we feel this is important for business continuity.
- Penta-Ocean's commitment to working together with subcontractors is clearly communicated. We feel that activities like this contribute to the positive atmosphere at construction sites.



Briefing for Subcontractors at General Safety Meeting (June 2026, Japan)



Briefing for Subcontractors (July 2026, Singapore)

web Sustainable Supply Chain

Occupational Health and Safety

Materiality
Ensuring Occupational Health and Safety

Recognising occupational health and safety as the foundation of sustainability management, we work with subcontractors to promote occupational accident prevention activities.

Principles of Health and Safety Activity

1. Make every effort to avoid all accidents, including occupational and public accidents.
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 continuously raise the standards.

web Safety, Health, Quality, and Environment Policy

Promotion System

Environment Health and Safety Committee

To effectively promote environment, health, and safety initiatives, the Environment Health and Safety Committee has been established as the central organisation under the Sustainability Promotion Committee, chaired by the President, CEO and Representative Director. The Committee deliberates and determines basic policies and measures.

Safety and Health Patrols

Based on the annual plan, we regularly conduct various types of patrols at construction sites of all branches.

- Environment Health and Safety Committee (headquarters and branch offices) patrols
- President's patrols
- Labour Safety Council (headquarters and branch offices) patrols
- Patrols by subcontractors' business owners



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 hazards inherent in our business, promote health 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 COHSMS*1 Certification from the Japan Construction Occupational Safety and Health Association (JCOSHA) in 2008, and have renewed it following an audit every three years since. Overseas, several of our sites and offices have also obtained certification under the international standard for occupational health and safety management systems (ISO 45001), and we strive to continuously improve our occupational health and safety performance through the operation of these systems.

*1: COHSMS (Construction Occupational Health and Safety Management System)

web List of ISO and Other Certifications

Safety Results

In FY 3/26, a total of 25 occupational accidents resulting in four or more days lost occurred in Japan and overseas combined. In addition, two fatal accidents occurred overseas. We will further raise awareness of the importance of putting safety first and ensure strict safety management.

Safety Results Data (4 or more days lost, non-consolidated)

	Penta-Ocean Construction total (Domestic and Overseas)					Domestic					Overseas				
	FY 3/22	FY 3/23	FY 3/24	FY 3/25	**FY 3/26**	FY 3/22	FY 3/23	FY 3/24	FY 3/25	**FY 3/26**	FY 3/22	FY 3/23	FY 3/24	FY 3/25	**FY 3/26**
Number of accidents	18	35	24	31	**25**	9	23	17	22	**18**	9	12	7	9	**7**
Number of fatal accidents	3	1	1	2	**2**	1	1	0	0	**0**	2	0	1	2	**2**
Number of fatalities (employees)	0	0	0	0	**1**	0	0	0	0	**0**	0	0	0	0	**1**
Number of fatalities (subcontractors)	3	1	1	2	**1**	1	1	0	0	**0**	2	0	1	2	**1**
Frequency rate*2	0.34	0.69	0.48	0.60	**0.48**	0.47	1.30	0.97	1.00	**0.81**	0.30	0.36	0.20	0.32	**0.23**
Severity rate*3	0.45	0.20	0.17	0.31	**0.31**	0.42	0.52	0.06	0.07	**0.03**	0.46	0.01	0.22	0.48	**0.51**
Total working hours (million hours)	52.20	50.98	53.79	53.25	**52.34**	19.21	17.70	19.62	22.05	**22.28**	33.00	33.28	34.17	31.21	**30.06**

*2: Frequency rate: Represents the frequency of accidents, expressed as the number of casualties from occupational accidents per one million total actual working hours.
*3: Severity rate: Represents the severity of accidents, expressed as the number of workdays lost per 1,000 total actual working hours.

Initiatives to Uphold Our Safety-First Commitment

Education and Awareness

To enhance knowledge and skills related to workplace safety and to work toward eliminating occupational and public 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.

Establishment of Special Days to Pledge Safety

・Special Safety Day (March 30)
On March 30, 2014, a major accident occurred at the Okinotorishima port construction site, taking the 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 on-site inspections are conducted to reconfirm safety.

・Fire Prevention Day (April 20)
On April 20, 1998, a major fire occurred at one of our construction sites, resulting in one fatality, 16 people seriously or slightly injured, and one building completely destroyed by fire. To ensure that the lessons of this disaster are never forgotten, we have designated April 20 as Fire Prevention Day, an occasion on which we review and reaffirm our fire prevention measures.

Safety Considerations for International Workers

The proportion of international workers has been increasing year by year, now accounting for about 12% of on-site personnel across our domestic sites. As part of our safety measures for international workers, we prepare safety signage, key construction items, and orientation/training materials in their native languages (such as Vietnamese, Indonesian, English, and Chinese), providing training accordingly.
We have also introduced an AI translation tool company-wide. It is used in safety training and other settings to enhance communication with international workers. At some sites, safety patrols led by international workers are conducted on a weekly basis. Through these measures, we aim to reduce occupational accidents and improve on-site productivity by overcoming language barriers.





Safety Training Using an AI Translation Tool

Case Example: Sustainability Awards (Japan) ▶P34

Initiatives in Partnership with Subcontractors

Safety, Health and Environment Promotion General Meeting

In June, the headquarters, branch offices, and the Penta-Ocean Construction Labour Safety Council jointly hold a Safety, Health and Environment Promotion General Meeting at each branch. 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 3/27 was held jointly with the Labour Safety Consultation Council Federation, with the President, CEO and Representative Director in attendance.



Headquarters Safety, Health and Environment Promotion General Meeting (June 2026)

Education and Training Programmes

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

Foremen's Associations

At each site, we organise a foremen's association 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

web Occupational Health and Safety