

Human Resources

Through development and utilization of human resources, Taikisha Group exploits the capabilities of each employee as an individual for the Group's sustainable growth.

Initiatives for Industrial Health and Safety

Based on the annual Corporate Health & Safety Policy announced by the President, Taikisha aims to build a more comfortable working environment by placing the utmost priority on safety.

Basic Principles of Industrial Health and Safety

Based on an understanding of the importance of human life as its basic principle, Taikisha thoroughly implements safety-first planning and construction and fulfills its social responsibilities as a company in the construction industry out of respect for the law. Taikisha aims to protect the health and lives of employees and workers and makes efforts to build a more comfortable working environment.



Corporate Health & Safety Policy

Basic Principles

Based on an understanding of the importance of human life as its basic principle, Taikisha thoroughly implements safety-first planning and construction and fulfills its social responsibilities as a company in the construction industry out of respect for the law. Taikisha aims to protect the health and lives of employees and workers and makes efforts to build a more comfortable working environment. Taikisha also aims to establish the business foundation where trusted sustainable business activities can be carried out through contributions to the society.

FY2021 Policy

- 1 Critical/public disaster prevention
 - 1) Increased disaster prevention activities through risk assessment and implementation of health and safety plan formulated based on the past disasters
 - 2) Prevention of critical/public disaster through organizational health and safety management activities
- 2 Development of a comfortable working environment
 - 1) Prevention of occupational disease and health disorders, and improvement and maintenance of mental and physical health
 - 2) Appropriate placement of elderly, minors, female workers, unskilled workers
- 3 Improvement of the level of industrial health and safety management
 - 1) Provide employees with safety education and guidance to improve health and safety management capabilities through education programs
 - 2) Provide and enhance health and safety management education and guidance to the owner and the staff of the business partners
 - 3) Raise awareness on general management in every construction work
- 4 Improvement of level of industrial health and safety management at overseas group companies
 - 1) Conduct audit and give guidance on conformity to occupational health and safety management systems
 - 2) Strengthen education for national staff on prevention of similar accidents by using safety information

April 1, 2021
President and Representative Director, Taikisha Ltd.

Koji Kato

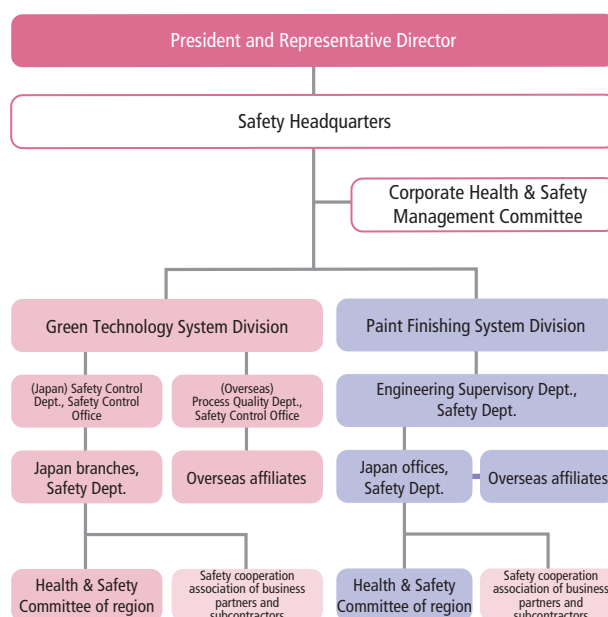
Health and Safety Management System and Activities

Taikisha has established its own Taikisha Occupational Health & Safety Management System with respect for human lives and a law-abiding spirit as its basic principle.

Taikisha has established the Safety Headquarters in its Headquarters and the Safety Control Department in each of its business divisions, and they support safety activities of Branch Offices and Offices while supervising and managing industrial safety of the entire group.



Diagram of the System for Health & Safety Management



Monitoring of Safety Activity Results

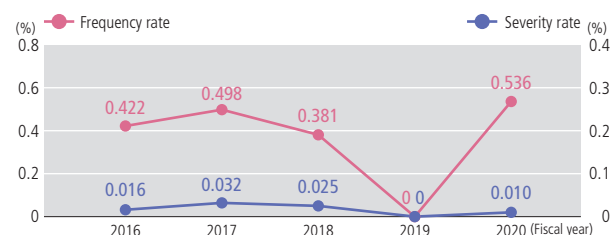
Taikisha measures and monitors the effects of safety activities by using a frequency rate that indicates the frequency of industrial accidents and a severity rate that indicates the severity of accidents as safety indicators. The transition of these indicators is as follows.

Frequency rate: This indicates the frequency of occurrence of industrial accidents, which is calculated based on the number of deaths and injuries due to industrial accidents (accidents involving at least four days of lost work time according to the criteria of the Ministry of Health, Labour and Welfare) per 1,000,000 cumulative hours worked.

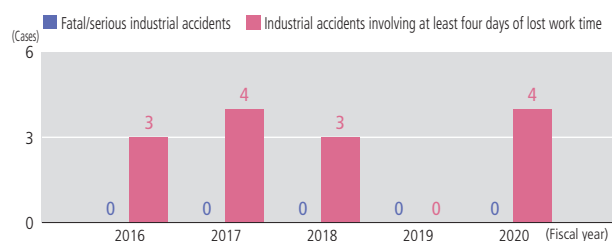
Severity rate: This indicates the degree of seriousness of the accident, which is calculated based on the number of work-days lost per 1,000 cumulative hours worked.

Scope: Taikisha's construction sites (employees on a non-consolidated basis and subcontractors)

Frequency and severity rate indicators for the past five years in Japan



Number of industrial accidents occurred



Efforts for Improvement of Industrial Health and Safety Management at Overseas Affiliates

The Safety Headquarters audits each overseas affiliate once every two years to check whether its offices and workplaces conform to industrial health and safety management activities based on its OHSAS*.



*OHSAS: Abbreviation of Occupational Health and Safety Assessment Series. OHSAS refers to a standard for occupational health and safety management systems. It serves as a standard for building a management system for protecting the physical and mental health of people working in companies; its implementation enables an organization to continually improve its level of occupational health and safety.

Conferences and Safety Training by Inviting Overseas Local Staff

On an annual basis, engineering and safety staff of overseas affiliates are assembled in Japan to be provided with safety education in an effort to improve their safety management skills. In FY2020, the training was provided online.

(Safety education items for staff members of overseas affiliates)

- (1) Safety activity guidance
- (2) Presentation of safety activities of each country
- (3) Group discussion
- (4) Inspection of sites in Japan
- (5) Crisis experience training
- (6) Education on various safety management capabilities
- (7) Opinion exchange meeting, etc.



Development of Human Resources for Industrial Safety and Health

Taikisha implements the following initiatives with the aim to develop safety staff in Japan and overseas.

- **Establishment of information-sharing website for all the safety staff.**
An information-sharing website was launched for all the safety staff including overseas staff. Safety information and manuals are available in Japanese, English and Chinese.
- **Staff training on safety**
E-learning is provided twice a year for 1,000 eligible staff in Japan. The Company plans to introduce similar e-learning for about 500 eligible national staff overseas from FY2021.
- **Implementation of general training including safety**
The Company set a rule that requires each office, etc. to provide education to its staff and partners about the systems and other matters in accordance with the "education manual for employee preparatory training, business partner training, staff preparatory training and site staff training," and planned or conducted about 15 different safety trainings at various offices including Safety Headquarters. The Safety Headquarters also conducts training for new staff and new managers once a year.

Voice



Taikisha (Thailand) Co., Ltd.
General Manager, Construction Unit,
Paint Finishing Div.

Chayan Piyawat

Safety Initiatives at Taikisha (Thailand) Co., Ltd.

At Taikisha (Thailand) Co., Ltd., a leading company of installation of paint finishing systems, the Paint Finishing System Division provides a safe and sound working environment to all employees, employees of business partners and other related personnel at the facilities in accordance with the following policy.

1. Comply with national and local laws and regulations related to occupational health and safety.
2. Occupational health and safety in the workplace is addressed as a top priority for employees and those under the company's control.
3. Promote awareness on and off-site for industrial health and safety among employees and those under the company's control.
4. Treat Incident and Accident Reports as the company's important and irreplaceable asset.
5. Respect opinions from all the workers and employees as well as proposals for working condition improvement, and reflect them in operations.
6. Support and promote the targets set by the management team and provide appropriate resources, information and training to achieve them.
7. Carry out regular performance assessments aimed at improving operations and continuously achieving zero accidents and zero occupational injuries, and make ceaseless efforts to upgrade the process and the quality of such assessments.

[Respect for Human Rights and Development of Human Resources] Labor Practices

Taikisha is striving to build an attractive company that provides job satisfaction to its employees.

Basic Policy on Human Rights

For Taikisha, respect for human rights is one of the top priorities as a company operating globally. In line with this policy, the Taikisha Ltd. Code of Conduct stipulates respect for basic human rights and says Taikisha shall not engage in behavior that would undermine individual dignity, such as discriminatory treatment and harassment. Taikisha respects international codes, such as the Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and Guiding Principles on Business and Human Rights. Taikisha endeavors to conduct business activities with consideration to human rights of all stakeholders, including employees and business partners.

Taikisha makes its policy regarding human rights known to all employees. In addition, it makes efforts to grasp conduct that goes against human rights through internal audits and the whistleblowing hotline, and promptly takes appropriate responses.

Taikisha Ltd. Code of Conduct (abstract)

I. Principles of behavior

3. We act prioritizing contribution to customers, business partners, stockholders, communities/societies and global environment; and give proper consideration to employee rights.

II. Standards of ethical conduct

1. Respect for basic human rights and maintenance of sound workplace environment
- (1) We respect basic human rights in corporate activities and do not discriminate against any employee based on her/his race, religion, creed, origin, sex, disability, physical characteristics, age or other attributes that are not related to the business of our company.
- (2) At the workplace, we prohibit sexual and other harassment using hierarchical relationships or superiority of position, regardless of whether such harassment is intentional or not.

Corporate Culture Committee

The Corporate Culture Committee was set up in 1975 with the aim of creating an organizational culture that provides material and spiritual job satisfaction based on the spirit of mutual trust and cooperation among all employees. In this committee, employees broadly exchange opinions about operational improvements or organizational revisions while researching, discussing, and planning in cooperation with related departments. It is engaged in activities to proactively incorporate employees' opinions and thoughts; for example, a person in charge of planning can request opinions from the committee if any important changes are made in the schemes related to employment treatment, such as labor regulations and others. In labor-management agreements, etc., the Chairman of the Group Culture Committee serves as the labor side's party entering into the agreement as a representative of the majority of employees.

Employee data (scope: non-consolidated)

| Item | | | FY2018 | FY2019 | FY2020 |
|--|-----------------------------------|----------|--------------------------------|--------------------------------|--------------------------------|
| Number of employees (as of March 31) | Non-consolidated | Male | 1,297 | 1,302 | 1,356 |
| | | Female | 175 | 181 | 188 |
| | | Total | 1,472 | 1,483 | 1,544 |
| | Consolidated | Domestic | 1,669 | 1,685 | 1,740 |
| | | Overseas | 3,160 | 3,098 | 3,302 |
| | | Total | 4,829 | 4,783 | 5,042 |
| Average length of service (years) | | | 18.1 | 17.8 | 17.4 |
| Number of nonregular employees (as of March 31) | Fixed-time employees | | 89 | 84 | 85 |
| | Ratio of fixed-time employees (%) | | 6.0 | 5.7 | 5.5 |
| | Contract employees | | 92 | 89 | 75 |
| | Ratio of contract employees (%) | | 6.3 | 6.0 | 4.9 |
| | Total | | 181 | 173 | 160 |
| Number of newly employed employees (from April 1 of the previous year to March 31 of the relevant year) | New graduates | Male | 47 | 60 | 92 |
| | | Female | 7 | 6 | 9 |
| | | Total | 54 | 66 | 101 |
| | Mid-career employment | Male | 17 | 13 | 7 |
| | | Female | 6 | 5 | 6 |
| | | Total | 23 | 18 | 13 |
| Number of new graduates retained | | | 44 (newly employed in 2016) | 54 (newly employed in 2017) | 54 (newly employed in 2018) |
| | | | 40 (as of 2019) | 48 (as of 2020) | 48 (as of 2021) |
| Retention rate of new graduates (%) | | | 90.9 | 88.9 | 88.9 |
| Number of employees who left their job (from April 1 of the previous year to March 31 of the relevant year) | Mandatory retirement | | 27 | 23 | 32 |
| | Left for personal reasons | | 38 | 29 | 22 |
| | Total | | 65 | 52 | 54 |
| Rate of turnover (%) | | | 4.4 | 3.5 | 3.5 |
| Number of re-employed employees after mandatory retirement | | | 88 | 82 | 82 |
| Rate of re-employment after mandatory retirement (%) | | | 91.3 | 89.5 | 95 |
| Employment rate of persons with disabilities (%) | | | 2.14 | 2.27 | 2.26 |

Harassment Prevention

Taikisha has a specialized consultation counter for workplace harassment (i.e., sexual, maternity, power and other types of harassment) at the Administrative Management Headquarters.

Consulters are protected under Taikisha's Harassment Prevention Rules, and as soon as a consultation is received, a prompt response is taken to resolve the issue. Furthermore, Taikisha has a Whistleblowing Contact Window in the Corporate Compliance Department and a law firm. When harassment matter is reported, Taikisha takes appropriate measures under the Whistleblowing Rules.

In training, Taikisha also engages in enlightenment activities to make its employees aware of the need for dialogue, the significance of prevention and resolution of issues, etc.

Basic Policy for Human Resource Development

Taikisha is an engineering company, and its best asset is its human resources. Human resource development and education is positioned as one of the most important management challenges.

There is a lineup of training schemes available in Taikisha to enhance its members' skills in managing projects and teams and communicating with clients, business partners, supervisors, colleagues and subordinates in addition to improving the expertise of individual employees. Training programs continue to be improved and developed so that they can help employees acquire the knowledge and skills they think they need, thereby providing target-oriented education.

With the aim of developing self-motivated human resources, Taikisha provides education to accelerate the development of professionals and leaders.

Human Development Vision

1. Develop human resources with high morals

- They are able to conduct fair and just business activities using global perspectives while observing the norms of society, regulations and laws, and rules

2. Develop human resources who are capable of achieving goals and realizing the visions of organizations and individuals through their work

- They are highly creative
- They are cooperative and rational, and take action based on mutual trust

3. Develop human resources that can flexibly adapt to market changes

- They are able to handle operations on a global scale
- They are able to take on challenges to expand business fields

Support for Career Advancement and Acquisition of Certifications

Taikisha has introduced a career-planning scheme as a framework to assist employees in pursuing medium- to long-term growth and upskilling. Based on our Corporate Philosophy of "aiming to be a motivation-oriented company where employees can demonstrate creativity and vitality through their work responsibilities," Taikisha will encourage employees to develop their abilities in a proactive manner.

Just and Fair Assessment

Taikisha's personnel assessment is conducted based on the philosophies of fair and transparent operations.

In performance evaluation, employees are assessed based on their abilities, motivation and conduct required for each employee and the degree of contribution to business performance. The results are given to employees as feedback, and this is expected to lead to enhanced human resource development. In particular, the evaluation of skills, which is one area of ability evaluation, is based on a clear and transparent definition of skills according to the grade and type of job.

At the beginning of the fiscal year, employees and their supervisors set job targets and individual growth targets through interviews and have a monthly dialogue, while being mindful of a monthly PDCA cycle to achieve the targets. By doing so, Taikisha nurtures employees and gives them guidance.

Evaluations at the end of the fiscal year are not limited to assessing employees based on numerical performance results alone, which an excessive achievement-based system tends to do. Instead, employees are evaluated not only in view of how much they have boosted their capabilities relative to their individual long-term growth targets but also by placing importance on how much they have contributed to the creation of added value that Taikisha seeks to generate for society, such as making efforts and demonstrating creativity repeatedly in tackling matters beyond their knowledge as a challenger with enthusiasm while getting others involved as well.

Global Human Resources System

Taikisha is promoting the introduction of a global human resource system that will allow the transfer of staff between countries in the future, in order to facilitate the career advancement of overseas local staff across national boundaries.

This system defines the roles expected of employees to realize the Corporate Philosophy and enables just and fair evaluations and the appropriate level of compensation that reflects such evaluations.

The global human resource system has been introduced step by step since FY2014 and is operational in India, Indonesia, and Thailand as of April 2021.

Going forward, Taikisha will promote overseas local staff to key positions and transfer authority to them so that human resources of overseas affiliates will be sourced locally.

[Diversity of Human Resources and Work-Life Balance] Labor Practices

Taikisha is striving to build an attractive company that provides job satisfaction to its employees.

Basic Policy for Achievement of Diversity

For corporations, making efforts for diversity has become more important. Taikisha believes that sharing diverse perspectives and values helps an organization to respond to the changing environment and needs while creating a more attractive and pleasant work environment.

Taikisha's overseas affiliates have 3,302 employees of various nationalities, while its domestic organization also has 20 foreign employees from eight countries including China and South Korea as of April 1, 2021.

In the recruitment of new graduates in April 2021, 87 newly hired employees included 16 female employees and one foreign employee. Going forward, Taikisha will continue to engage in hiring activities without prejudice against any nationality, gender, or disability.

For the employment of disabled persons, Taikisha has been working on remote employment in collaboration with an Operator of a Designated Welfare Service Business for Persons with Disabilities in Kofu City, Yamanashi Prefecture, since May 2019. Disabled persons are hired by Taikisha directly and provided with a workplace and support by the Operator, realizing an environment in which they can work with peace of mind. Taikisha believes that its initiatives for diversity help secure superior human resources and increase its employees' motivation to work.

Promoting Women's Career Advancement

As part of Taikisha's efforts for promoting diversity at the workplace, Taikisha is working hard for career advancement for its female employees. It is indispensable to develop an environment in which all employees can pursue career advancement and fully demonstrate their individuality and abilities to make Taikisha an attractive company to its employees.

In 2016, Taikisha set its aim at increasing the ratio of female employees in managerial positions in the plan of action for general employers pursuant to the Act on the Promotion of Female Participation and Career Advancement in the Workplace, and has since been making gradual progress. In April 2019, Taikisha formulated a new action plan and announced its aim to double the number of female employees among new graduates hired compared with each of the past three years.

Taikisha also appointed a female director in the current fiscal year. Taikisha is committed to reinforcing the support system for women's career advancement and motivating them by sharing experience and knowledge in the Company and reflecting them in the systems.

Re-employment after Mandatory Retirement

Taikisha is working on the active participation of diverse human resources also in terms of age, having introduced a post-retirement re-employment system. In FY2020, 19 out of 20 persons who reached mandatory retirement age opted for re-employment. Work and personnel treatment plans tailored to their life cycles are made available to them at Taikisha.

Basic Policy for Improvement of the Work-Life Balance

Taikisha believes that work supports our livelihood and gives a sense of fulfillment and joy, but it is equally important to enrich our lives; a good balance between them doubles our sense of fulfillment and joy in life. Taikisha also believes that a good work-life balance increases the likelihood of securing, developing and retaining capable human resources.

To improve work-life balance, Taikisha introduced a telework scheme, work-interval scheme and hourly paid leave. The Company will promote the use of various systems to realize flexible and diverse work styles.

System to Support a Good Balance Between Work and Childcare/Nursing Care

Taikisha has introduced various systems to help employees strike a balance between work and childcare/nursing care. Many of its systems offer more than what is required by law, and in 2019, Taikisha took out nursing care leave compensation insurance entirely at its expense and introduced a system that provides income protection covering approximately 80% of the salary of employees who take nursing care leave.

Furthermore, Taikisha has formulated a "plan of action for general employers" relating to employees' work and child-raising pursuant to the Act on Advancement of Measures to Support Raising Next-Generation Children.

Going forward, Taikisha will work on creating a workplace in which everyone can work with vigor and enthusiasm and advance their career by developing an environment in which male employees can participate in childcare and enhancing the nursing care support system.

● Childcare/Nursing Care Support System

| Item | Taikisha Ltd. | Laws and regulations |
|--|--|---|
| Childcare leave | Up to 2 weeks of use of expired paid leave | The employee may receive no pay |
| Short-working-hours system for childcare | Until the child finishes the third grade of elementary school (until March 31 of the applicable year) | Until the child reaches three years old |
| Time off for sick/injured childcare | Until the child finishes the third grade of elementary school (until March 31 of the applicable year) Use of expired paid leave | Until the child enrolls in elementary school The employee may receive no pay |
| Leave due to spouse giving birth | Up to three days of paid leave | — |
| Nursing care leave | Payment of nursing care leave benefits (approx. 67% of salary) plus approx. 13% of salary | Nursing care leave benefits (approx. 67% of salary) |
| Time off for nursing care | Up to two days per week for a maximum of one year (approx. 104 days on a single-year basis) Use of expired paid leave | Up to five days per year The employee may receive no pay |

● Status of Use of Support System and Paid Leave (Scope: non-consolidated)

| Item | FY2017 | FY2018 | FY2019 | FY2020 |
|---|-----------------------------------|-----------------------------------|------------------------------------|------------------------------------|
| Number of employees on maternity leave | 2 | 3 | 4 | 2 |
| Number of employees on childcare leave | 4 (including 2 male employees) | 4 (including 0 male employees) | 10 (including 3 male employees) | 15 (including 7 male employees) |
| Ratio of employees who returned to work after childcare leave (%) | 100 | 100 | 100 | 100 |
| Retention rate 12 months after returning to work (%) | 100 | 100 | 100 | 100 |
| Number of employees who are using the short-working-hours system | 22 | 23 | 21 | 22 |
| Average paid leave taken by all employees (days) | 7.0 | 9.1 | 10.3 | 9.8 |

Health Management

Taikisha considers employees who support the company's growth as one of the most important management resources. The Company therefore recognizes maintenance and improvement of mental and physical health of employees as one of the most important management issues and announced "Health Management Declaration" in 2020 to achieve the corporate philosophy of "Establish a company which can continuously grow and contribute to the society" and "Establish an attractive company."

To maintain and improve the mental and physical health of employees, in the light of the nature of the business and employees' working patterns, the Company specifically focuses on four health-promoting measures—"reduction of long working hours," "improvement of lifestyle habits," "improvement of mental health," and "support of work-life balance"—setting specific measures and indices, and thereby promoting continuous efforts towards health management.

Taikisha has set up the Taikisha Group Health Insurance Association and opened an online physical and mental health counseling service called Health Counseling Dial 24. It provides speedy and appropriate support to help employees and their family members eliminate any concerns and worries about physical and mental health. This is done through counseling given by specialized counseling staff who are experienced doctors, health nurses, nurses, registered dietitians, etc., 24 hours a day, 365 days a year.

From FY2021, in collaboration with the Taikisha Group Health Insurance Association, Taikisha has taken measures to address life-style diseases of employees with support from registered nurses from the Taikisha Group Health Insurance Association and the Personnel Administration Section. On top of the stress check system, the Company is planning to conduct "mental health examinations" for employees and interview those who took part in the examination, through which consultations with a mental health clinical physician, etc. will be provided to prevent long-term leave or employees leaving the company due to mental health problems.

Concurrently with the introduction of the stress check system in accordance with the revised Industrial Safety and Health Act, Taikisha has established a mechanism that can provide employees with the opportunity to monitor their mental state and cope with stresses and support employees in doing so. Taikisha will continue to create a working environment based on the results of group analysis.

Regarding the Group Long Term Disability (GLTD) insurance scheme which the Company introduced, bearing the cost of insurance premiums in full, the Company extended the eligibility to include contract employees in FY2020. Under the scheme, full-time employees and contract employees below the age of 60 who take long-term leave to undergo medical treatment are entitled to income protection covering 80% of the

standard monthly remuneration amount. Taikisha supports employees' early reinstatement to work by developing an environment in which employees can concentrate on their recovery while securing income similar to the level of take-home pay received when they were working.

Taikisha was recognized under the "2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500)" by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. The Company believes that maintaining a sound mind and body for employees is in line with its corporate philosophy, and will continue to work on health measures for employees.



● Mental Health Support

Prevention 1

Activities to protect employees from mentally unwell conditions.

Internal training, etc. to raise awareness of employees.

Prevention 2

Measures to find problems at an early stage and take prompt and appropriate actions.

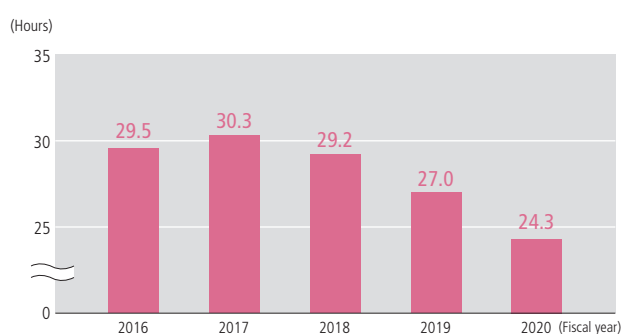
Appropriate advice and instructions are given upon consultation or communication with the supervisors or the division leader of the person who is unwell. If needed, consultation is available for employees.

Prevention 3

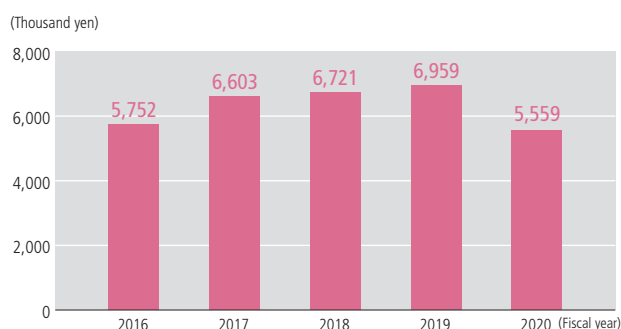
Measures to precisely learn and manage symptoms in order to prevent them from becoming worse.

If an employee becomes unwell, the Personnel Administration Department at the Administrative Management Headquarters immediately responds, follows up and provides support until the employee can return to his/her work.

● Average overtime work per month/employee (scope: non-consolidated)



● Monthly net sales of completed construction contracts per employee (scope: non-consolidated)



Procurement

Taikisha promotes procurement activities based on the principle of fairness and justice.

Basic Policy for Procurement

Taikisha conducts procurement activities in accordance with the following basic policy based on the principle of fairness and justice.

- Compliance with laws and regulations and the spirit thereof
- Reasonable selection of business partners and proper transactions therewith
- Management of confidential information
- Concern for resource protection and environmental conservation
- Promotion of trusting relationships with business partners, etc.

Business Partner Selection System

In order to conduct fair and just transactions, Taikisha has set a basic principle of asking more than one business partner to submit a quote. It then selects business partners based on the evaluation of purchase quality (specifications, performance, delivery time, price, etc.). Price negotiations are carried out based on reasonable grounds (past performance, etc.).

Management of Confidential Information

Taikisha strictly manages confidential information, personal information, and client information in accordance with the Information Security Regulations. In order to prevent information leakage, Taikisha requires business partners to make a written pledge on prevention of confidential information leakage, serving as an alert to them to handle such information carefully.

Coordination with Business Partners

In order to maintain and continue favorable relationships with business partners, Taikisha holds a liaison workshop with business partners. There, participants study to learn about revisions of laws and regulations related to business transactions, check points to keep in mind, and deepen mutual understanding about a workflow that accommodates changes in society. In FY2019, Taikisha held nine liaison workshops in total targeting approximately 300 companies consisting of equipment contractors in Tokyo, Osaka, Chubu, Sapporo, Tohoku, Kyushu, and Hiroshima. In FY2020, the Company suspended the workshop due to the COVID-19 pandemic.

Exclusion of Anti-Social Forces

Taikisha ensures that no anti-social forces are involved in its operations and refuses any request from anti-social forces according to the Taikisha Ltd. Code of Conduct. Taikisha also forbids the employees from having any involvement with anti-social forces. In order to clarify the exclusion of any relationship with anti-social forces from transactions with all business partners, Taikisha signs basic agreements and individual agreements with its business partners that include a clause to exclude anti-social forces. Taikisha signs transaction agreements with new business partners only after it has confirmed that they have no relation with anti-social forces.

Award of "Excellent Green Procurement Company"

Since FY2011, Taikisha has been granting an award annually to its business partners deemed as excellent companies for having made significant contributions to green procurement and engaged in environmental activities proactively of their own accord, in order to further promote green procurement activities. Upon the presentation of the award, Taikisha conducted an environmental activity survey on business partners, and selected an "Excellent Green Procurement Company" for FY2020 in consideration of the results of the environmental management system (EMS) assessment.



Online award ceremony

Global Procurement Activities

Taikisha has constructed a system for sharing procurement data of overseas affiliates to visualize the supply chain and optimize procurement. Taikisha periodically checks the status of execution of agreements with overseas business partners to ensure timely and appropriate fulfillment of agreements.

Initiatives for Quality Improvement

Taikisha is continuously working on quality improvement to gain high reputation and trust.

Basic Policy

The Green Technology System Division implements guiding principles for each operational process in accordance with its quality policy: "We will provide reliable building equipment and services that will satisfy customers by maintaining high levels of quality, continuously improving quality and promoting standardization."

The Paint Finishing System Division has set out the following three quality policy initiatives based on the basic principle of the quality policy: "We will continue to provide paint systems that meet customers' needs and expectations to gain trust from customers and high reputation from society." In addition, it has created a checklist of the Quality Control (QC) Follow-up Sheet according to the flow of operations in the quality assurance system and is promoting quality control projects.

- (1) Provide eco-friendly paint systems.
- (2) Strive to improve technology, maintain and improve design quality, and enhance construction quality.
- (3) Increase productivity as a result of the above to reduce costs and meet customers' quality requirements.

Design and Construction Quality Improvement Activities

In the design process, Taikisha constructs a system by applying design policies based on client needs and examines them at the Design Review Meeting and the Examination Meeting, and hands them over to the construction division.

Before the commencement of a construction project, persons responsible at each of the sales, design, safety, quality, purchase and construction divisions work together, and at the Construction Policy Meeting and the Review Meeting, they identify risks regarding defective works and legal violations, the following six important quality control issues and other project-specific risks, and reflect the findings in construction plans.

- (1) Prevention of water leakage in important functional rooms
- (2) Prevention of cross connection
- (3) Prevention of leakage of oil, chemical solutions, and waste liquid
- (4) Prevention of lack of smoke exhaust air flow
- (5) Prevention of frozen coil
- (6) Prevention of stoppage of existing production facilities

Before starting construction, on-site managers, department and section managers and the quality department work together with a focus on the following five items.

- (1) Review of design drawings
- (2) Review of construction work instructions
- (3) Preparation of the rules for creating work drawings
- (4) Review of work drawings
- (5) Review of the specifications of delivered equipment

A construction quality inspection at construction sites involves self-inspection by subcontractors at each construction milestone and self-inspection by worksite managers, as well as quality inspection by the Engineering Dept. and Quality Control Dept. prior to construction, during construction and before the completion of construction. The status of correction of defects is checked as necessary based on inspection reports, and confirmation and follow-up on the status of correction are carried out until the correction is completed.

After the completion of construction, the fulfillment of design conditions is confirmed through trial-run calibration and performance verification, followed by an assessment at a project completion report meeting and the implementation of the PDCA cycle.

In addition, efforts are made to raise the standards of engineering employees through the preparation of quality standardization materials and the enhancement of periodic employee education.

Introduction of Online Training

In regard to the trainings conventionally held at each branch/affiliate in Japan for young employees to improve their technical capabilities, Taikisha introduced online trainings utilizing online meeting system from FY2020 as part of infection prevention measures under the COVID-19 pandemic.

The introduction of online trainings was well received by the employees as it reduces the burden of commuting and allows them to participate in training at other offices. The Company will continue its initiatives geared towards improving the technical skills of young employees through upskilling training centering on online training.

