

Social

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

[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

- Respect for basic human rights and maintenance of sound workplace environment
 - 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.
 - 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		FY2019	FY2020	FY2021	
Number of employees (persons) (as of March 31)	Non-consolidated	Male	1,302	1,356	1,350
		Female	181	188	205
		Total	1,483	1,544	1,555
	Consolidated	Domestic	1,685	1,740	1,760
		Overseas	3,098	3,302	3,319
		Total	4,783	5,042	5,079
Average length of service (years)		17.8	17.4	16.3	
Number of nonregular employees (as of March 31)	Fixed-time employees	84	85	79	
	Ratio of fixed-time employees (%)	5.7	5.5	5.1	
	Contract employees	89	75	70	
	Ratio of contract employees (%)	6.0	4.9	4.5	
	Total	173	160	149	
Number of newly employed employees (from April 1 of the previous year to March 31 of the relevant year)	New graduates	Male	60	92	71
		Female	6	9	16
		Total	66	101	87
	Mid-career employment	Male	13	7	11
		Female	5	6	3
		Total	18	13	14
Number of new graduates retained		54 (newly employed in 2017)	54 (newly employed in 2018)	66 (newly employed in 2019)	
		48 (as of 2020)	48 (as of 2021)	54 (as of 2022)	
Retention rate of new graduates (%)		88.9	88.9	86.4	
Number of employees who left their job (from April 1 of the previous year to March 31 of the relevant year)	Mandatory retirement	23	32	22	
	Left for personal reasons	29	22	45	
	Total	52	54	67	
Rate of turnover (%)		3.5	3.5	4.3	
Number of re-employed employees after mandatory retirement		82	82	78	
Rate of re-employment after mandatory retirement (%)		89.5	95	100	
Employment rate of persons with disabilities (%)		2.27	2.26	2.31	

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. Securing and developing human resource is positioned as one of the most important management challenges.

In addition to enhancing the expertise of each and every employee, Taikisha provides curriculums that aim to improve project and team management skills and communication skills with customers, business partners, supervisors, colleagues, and team members. We also provide training that helps employees acquire the necessary knowledge and skills.

In the future, we will continue to strive to create a system that enables people to achieve their potential to grow, with the aim of creating workplaces where people are encouraged to take on challenges, enhancing career development systems with which employees appreciate growth, promoting health management, and systematically developing managerial and professional personnel.

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 2022.

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 3,319 employees of various nationalities, while its domestic organization also has 18 foreign employees from six countries including China and South Korea as of April 1, 2022.

In the recruitment of new graduates in April 2022, 84 newly hired employees included 11 female employees and three foreign employees. Going forward, Taikisha will continue to engage in hiring activities without prejudice against any nationality, gender, or disability.

For the employment of persons with disability, 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. Persons with disability 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.

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.

Re-employment after Mandatory Retirement

Taikisha promotes the active participation of diverse human resources regardless of age and has introduced a post-retirement re-employment system. Across the Group, there are 80 employees in total who were re-employed after mandatory retirement.

In FY2021, all of the 16 persons who reached mandatory retirement age opted for re-employment. Work and personnel treatment plans tailored to the individual employees' life cycles are made available to them at Taikisha.

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. Last year, a woman was appointed as our outside director.

The plan for general employers under the Act on the Promotion of Female Participation and Career Advancement in the Workplace was revised with its action plan renewed in April 2022, and a target was set for the ratio of female workers in managerial positions, using the average value in the construction industry as a benchmark.

In the future, we will actively recruit and train women, and work to create an environment in which all employees can play an active role and fully demonstrate their individuality and abilities, in order to create an attractive company for employees.

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)	Until the child enrolls in elementary school
	Use of expired paid leave	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)	Up to five days per year
	Use of expired paid leave	The employee may receive no pay

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

Item	FY2018	FY2019	FY2020	FY2021
Number of employees on maternity leave	3	4	2	3
Number of employees on childcare leave	4 (including 0 male employees)	10 (including 3 male employees)	15 (including 7 male employees)	16 (including 10 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	23	21	22	20
Average paid leave taken by all employees (days)	9.1	10.3	9.8	10.1

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 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"—and promote efforts towards health management.

Promotion System

The President is responsible for health management and the Chief Executive of the Administrative Management Headquarters is responsible for promoting health management measures. The Personnel Administration Department of the Company plays a central role. In cooperation with occupational physicians, public health nurses, each district health committee, the Taikisha Group Health Insurance Association, and the Corporate Culture Committee, the Company formulates and implements various health management measures to maintain the sound mind and body of employees and to enhance their motivation, and verifies the effects of such measures and makes continuous improvements.

Efforts to Promote Health Management

- **Collaboration with the Taikisha Group Health Insurance Association**
The registered nurses from the Taikisha Group Health Insurance Association and the Personnel Administration Department of the Company jointly plan and take measures to address life-style diseases of employees
- **Mental Health Survey**
The Company is working to prevent long-term leaves of absence and turnover due to mental illness through interviews with employees who responded to the survey, interviews with industrial physicians specializing in mental health, etc.
- **Group Long Term Disability (GLTD) System**
The Company will cover the full cost of insurance premiums and compensate regular employees and contract employees under the age of 60 who take long-term leaves of absence for treatment of illness or injury for their income in order to create an environment in which they can concentrate on their recovery and support their early return to work.

● Establishing Various Consultation Services Free of Charge

A number of free counseling services by professional counseling staff have been set up to help employees and their families deal with their mental and physical anxieties and concerns, such as the Mental and Physical Health Counseling Services established by the Taikisha Group Health Insurance Association and the Free Counseling Service outsourced to outside companies. These support services are available 24 hours a day, 7 days a week.

Taikisha was recognized under the "2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500)" by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi for two consecutive years. The Company believes that maintaining a sound mind and body for employees is in line with its Corporate Philosophy of "Establish a company which can continuously grow and contribute to society," and "Establish an attractive company," 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.

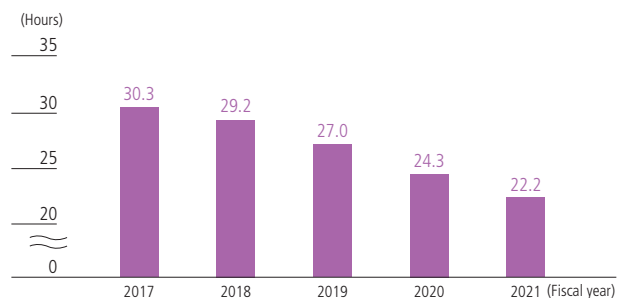
Prevention 2 Measures to find problems at an early stage and take prompt and appropriate actions.

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)

