

## Initiatives for Our DX Vision

By promoting operational reforms and DX in pursuit of the happiness of our colleagues as a key materiality of the Sanki Engineering Group, we intend to further boost productivity and ultimately ensure our own sustainable growth. To kick off these initiatives in fiscal 2023, we established the DX Promotion Division and announced the SANKI DX Vision of becoming an organization which connects all Group employees through a Co-Creation Cycle of knowledge. We subsequently obtained certification as a DX Certified Business Operator by Japan's Ministry of Economy, Trade and Industry in January 2024.

In fiscal 2024, we integrated the DX Promotion Division with the Information Systems Office to establish the DX Promotion Office, completing the framework for executing IT operational management and promotion. From this point on, we will proceed with concrete initiatives in conjunction with the execution plans of each division to implement the three key initiatives of business process reform, establishment of a digital infrastructure, and development and enhancement of digital human resources, as our first milestones.

Special Feature

02



### Key Initiative: Business Process Reform

We sought to optimize and streamline our business processes by conducting an organizational structure review of workflows and roles from the ground up, beginning with the Facilities Construction Business, where we took stock of and organized current operations into a business process map. We also examined current documents to revise, eliminate, and standardize content for consistency. In addition, we held an "ideathon" at each worksite and division to identify operational issues they needed to address.

#### Initiatives Planned for FY2024

- Begin trial operation based on the business process map (Facilities Construction Business division)
- Reorganize business processes in divisions other than the Facilities Construction Business division
- Promote operational reform in the management support division
- Eliminate unnecessary documents, unify and standardize forms
- Begin applying business data storage standards

- Business process reform
- Establishment of a digital infrastructure
- Development and enhancement of digital human resources

2023 » 2025

STEP 02

### Roadmap for Realizing the SANKI DX Vision

»2022

STEP 01

- Establishment of organization dedicated to DX
- Formulation of the DX Vision

### Key Initiative: Establishment of a Digital Infrastructure

We re-inspected current internal systems and reorganized their respective roles while at the same time rolling out new accounting and sales support systems. We also verified the construction of BIM-based operational workflows and business processes and developed the BIM Calculation Linkage Platform as a new solution for significantly improving the process efficiency of technical calculations.

We opened the DX Portal as an in-house desk to promote the use of ICT and began disseminating the latest information on DX and encouraging internal collaboration. We also set to work on providing support for more actively using standard in-house tools such as Microsoft 365 and assigned a DX Manager to each division to ensure that these digital measures become firmly rooted Company-wide. Furthermore, we initiated collaboration across divisions with the help of volunteer Digital Influencers\* and introduced digital contests for recognizing and broadly sharing the results of outstanding initiatives throughout the Company.

\*A group of volunteers who convey and spread the use of digital technology in their respective worksites.

#### Initiatives Planned for FY2024

- Renew the site documentation support system
- Promote data linkage between internal systems
- Disseminate ICT-related information and promote support for use of ICT
- Start Company-wide use of generative AI
- Renew system for managing and promoting the use of Company-wide IT assets



Poster for recruiting Digital Influencers

2030 »

NEXT STAGE

2026 » 2030

STEP 03

- Realization of DX
- Further growth

- Utilization of new infrastructure
- Active roles played by digital human resources
- Transformation of business style

### Key Initiative: Development and Enhancement of Digital Human Resources

To implement DX-based reforms continuously and effectively, we began developing a framework based on cultivating and strengthening digital human resources to lead these reforms. After clarifying their positioning within the Company and the level of required skills, we will incorporate them into concrete action.

#### Initiatives Planned for FY2024

- Add DX training to the curriculum for new employee training
- Conduct e-learning for all employees (Sanki IT Pass-port)
- Distribute learning tools for those who wish to continue self-learning
- Create practical learning opportunities such as in-house seminars and hands-on training



SANKI DX Vision

SANKI DX Vision (in Japanese)  
[https://www.sanki.co.jp/pdf/SANKI\\_DX\\_VISION.pdf](https://www.sanki.co.jp/pdf/SANKI_DX_VISION.pdf)



Roundtable  
Discussion with  
External Director and  
Female Employees

## Women's Challenges as a Force for Corporate Growth

The Sanki Engineering Group steadfastly promotes the appointment and advancement of women as a force for driving its own sustainable growth. Eight female employees representing various fields of Sanki Engineering joined with Tamami Umeda, an external director appointed in 2022, in a roundtable discussion to talk about the empowerment of women, respect for diversity, the appeal of the construction industry, and job satisfaction.



### ■ While change in mindset is still necessary, improvements in the workplace environment are progressing

#### — How do you view the current state of the working environment and the status of women as an aspect of a diverse workforce?

**Kaneda:** Ten years ago, after returning to the Company following childcare leave, I moved from the Sales Department to the CSR Department. While it was common at that time for women at Sanki Engineering to leave the Company after getting married, now with the constant evolution of employee programs and evaluation systems, all women return to work after childcare leave. In this environment, I believe that we are in the process of exploring and creating better work styles for the future

through trial and error.

**Kawano:** In terms of the prevailing understandings of workforce diversity, which includes women, I feel that Sanki Engineering is a little behind. I don't think we are using diversity as a weapon; I believe that we are covering for each other to do our best.

**Kaneko:** In fact, there are persistent gaps in the balance of male and female employees. For example, less than 20% of Chubu Branch employees are women. And there are particularly few women in technical positions.

**Ohashi:** When I joined the Company, there were no systems such as special leaves for childcare or nursing care, or sliding work hours, and I strongly feel that improvements have been made to the systems supporting childcare and returning to work. I hope that female managers will be selected purely for the content and results of their work, and not just for having more of

● **Tamami Umeda**  
External Director

● **Rie Ohashi**  
2nd Field Engineering Planning Section, Field Engineering Planning Department, Tokyo Branch

● **Mayumi Kaneko**  
Administration Section Manager, M&E Contracting Administration Department, Chubu Branch

them. It is often said that we need to serve as role models for encouraging the professional development of women, but I think they should grow freely at their own pace without feeling pressured.

**Kozawa:** The construction industry is facing a difficult time for hiring, regardless of gender, and is entering a period in which securing human resources will be harder than ever. The scarcity of female engineers was mentioned earlier, and I recognize that the challenge is greater than simply supporting women's opportunities to work on construction sites. We also have to essentially change the way construction is done, regardless of gender.

**Sakamoto:** Traditionally, construction sites entailed hard work with long hours, making it difficult for women to hold down a job. In recent years, however, work-style reform has made considerable progress even at construction sites. Now that work has become easier, regardless of gender, due to worksite improvements, I anticipate that women will have more opportunities to actively participate in the industry.

**Fujino:** When my first child was born, the general expectation was that I would then quit. Now, when I see my junior colleagues confidently saying that they are going to take childcare leave, I feel that we have shifted into a better period of time. Most of the younger generation, regardless of gender, fully understand that they have an obligation to work and the right to take time off. On the other hand, only some older workers grasp the concept of how things have changed but still follow the deeply rooted traditional ways of doing things, so I think that the reform of awareness still needs to be addressed.

**Mugitani:** While I felt it was difficult to take leave several years ago, it's easier now to do so at one's own discretion. Although we still work overtime, I feel that employees in general are becoming aware of working efficiently.

**Umeda:** I feel the overall direction of empowering women in the workplace has become clear, as systems have been established to balance work and childcare and a target has been set for the ratio of female managers. On the other hand, women still tend to hesitate in pursuing promotions. Part of this may be an unconscious bias affecting men's best intentions, causing women

to lose opportunities for growth and taking the next step to becoming a manager. Even though the need for women's advancement is generally understood, women themselves may need to speak up more to further instill this awareness throughout the workplace.

### ■ An Environment Where Women Can Thrive Benefits Everyone

#### — What do you think about the impact of women's active engagement in the Company?

**Fujino:** Women account for less than 20% of employees in the Facility Systems Division where I work. As the number of women in the division and those at partner companies has increased in recent years, it has become easier for women to be heard, and I feel that the atmosphere has been changing. Suggestions and requests for improvement originating from women are now being adopted, so the Company as a whole seems to be becoming more open.

**Ohashi:** I'm currently in the Field Engineering Planning Department, but when I used to work at construction sites, women were still in the minority. That type of work is physically demanding, and sometimes men are needed, for example, to carry heavy materials. It's also true that some men aren't suited for heavy labor, so gender differences are only one aspect in addition to personal aptitude. But I personally believe that men tend to be better at planning, while women are generally better at getting things done.

**Kozawa:** I think that men today have an advantage in construction site work styles. When I hear in the course of contract work that workers are sometimes asked in the evening to finish up by the next morning, it seems that men with physical advantages and more experience on construction sites are more capable of handling the request. Nevertheless, an environment that requires workers to overexert themselves must be improved first, and there are significant benefits to having more female leaders on-site. The increasing number of women working for prime contractors is evidence of gradual change.





● **Sayuri Kaneda**  
Sustainability Promotion Department  
Sustainability Promotion Office, Corporate Division

● **Yuko Kawano**  
2nd Procurement Section, Procurement  
Department, Procurement Division

● **Tomoko Kozawa**  
Deputy General Manager, General Affairs  
and Human Resources Division

● **Hiroko Sakamoto**  
Accounting Section Manager,  
Administration Department, Tokyo Branch

● **Mina Fujino**  
1st Engineering Section, 1st Project Management  
Department, Facility Systems Division

● **Kanae Mugitani**  
2nd Design & Engineering Section, 2nd Design  
& Engineering Department, Kansai Branch

**Kaneda:** Modern leadership styles emphasize dialogue and listening and require a collaborative approach that respects the opinions of team members. This approach is highly compatible with the way many women communicate. Therefore, I think the emerging trends are making it easier for women to demonstrate leadership.

**Kawano:** I think it's easier to approach female managers than males. Currently, only 2.4% of managers are women, and this situation tends to make women hesitate before seeking management positions. I myself once turned down such an opportunity before finally becoming a manager, although I decided to accept the position in the hope that I could open the way for others. I feel that the Company as a whole needs to become more supportive in this regard.

**Kaneko:** Although I wasn't a manager at the time, I was once directly acknowledged for the accuracy and care I had demonstrated for documents submitted in response to a construction work order, which led to winning the job. While that made me happy, I also realized that attention to detail is a strength too, as many women around me are just as meticulous in their work.

**Mugitani:** With the increasing participation of women, more perspectives have been available than ever before. Women notice things that men have a hard time seeing because of their different perspectives, and I think that women can also contribute to revitalizing communication. On the other hand, when I examine my own career, I sometimes feel I still have hurdles to overcome as an engineer. I work with CAD in the Design & Engineering Department, but I originally came from a humanities background. It's not uncommon for women in design to have a background similar to mine at our company, though I sometimes think that presents a rather high hurdle to becoming a site manager or to being in a senior position.

**Ohashi:** Many women have experienced similar challenges as Ms. Mugitani in pursuing their careers. But I think people require management skills and don't necessarily have to be well versed in everything.

**Sakamoto:** I was transferred to the Tokyo Branch as an accounting section manager this year, after having worked at the Corporate Communications Department

for over a decade. There are many things I don't know anything about, but I am able to get by with the help of my supervisors and section staff. Even in areas in which I lack competence, I can get through with teamwork. I think it is important to communicate with those around me.

**Umeda:** An environment in which it is easy for women to actively participate will also enable everyone to work comfortably. With the ongoing decline in population, sustainability requires changing the system itself so that everyone, regardless of their personal attributes, can easily and naturally play active roles. Men will also come to realize the hard work women are doing in their jobs, housework, childcare, and nursing care. I believe that your daily efforts and ingenuity will establish you as the key to promoting diversity and securing diverse human resources at Sanki Engineering.

## ■ The Appeal of the Construction Industry: It Produces Visible Results

### — What makes your work rewarding?

**Ohashi:** I was in charge of on-site construction management, so when a building was completed, I felt a great sense of satisfaction and accomplishment because the results were quite visible.

**Fujino:** I was also recently involved in the management of a project with a short deadline, and upon its completion, I also experienced a deep relief that defied description. The client's expression of gratitude for meeting an extremely challenging request made me feel it was all worth it. In retrospect, I think I've always been working for the joy of such moments.

**Kaneda:** During a time when women were rarely involved in proposal-based sales, I took part in a project to renovate surveillance camera equipment in a large building. My inclusion as a woman on the team brought about an unexpected change in the hierarchical structure unique to the construction industry. There was a sense of unity that transcended traditional barriers, allowing me to experience new perspectives and the power of

cooperation due to diversity. I felt that I may have been able to change the conventional concept of construction projects a little, and that's what motivates me now.

**Mugitani:** In my 20s and 30s, I was stationed on-site drafting construction drawings. I felt a sense of accomplishment when my drawings were used for construction for the first time. This experience helped me grow, thanks to those around me. I currently work on a variety of projects using CAD and find satisfaction in contributing to the sense of completeness within the group.

**Kaneko:** I think being directly thanked by clients reinforces the sense of contributing to the Company, but back-office employees do not have many opportunities to interact with clients. I happened to be blessed with such an opportunity, but I think words of encouragement and appreciation from supervisors and executives make you feel that you're in some way contributing to the Company.

**Kawano:** The Procurement Division, where I work, handles materials and equipment as well as specialized construction work for our sites nationwide. It is always nice to receive their appreciation for our efforts to reduce procurement costs at appropriate prices. It's very rewarding to hear the field side of our business operations express their thanks and tell us how helpful we've been since they are essentially our customers.

**Kozawa:** When the General Affairs and Human Resources Division revises the personnel system, employees are naturally confused about how to respond to the changes, and not everyone is happy. Even so, I'm very happy when I hear people say thank you or how glad they are for not quitting. Since taking on my current position, I've become more aware of how stakeholders view Sanki Engineering, and I feel rewarded by being entrusted with important work.

**Sakamoto:** In the course of working with many employees in my previous department, I have noticed many attractive aspects of Sanki Engineering, such as the kindness of its employees, how they value connections with people and sincerely deal with customers, and how proud they are as engineers. I strongly feel that I want to convey this both within and outside the Company, and

that has been a source of my motivation.

**Umeda:** In my long years in government, I experienced that even when new policies are introduced, issues remain with no end in sight. So what I appreciate about the construction industry is that you can see the results within a set period. I was impressed by how you all feel great about achieving goals as a team while exchanging opinions with stakeholders inside and outside the Company. Furthermore, even if you feel like you are in a sense biting off more than you can chew by pursuing a higher position, you will gain a fresh point of view and broaden your perspective even in the same workplace, and I'm sure that you'll all find the experience rewarding.

**Kawano:** In terms of empowering women in the workplace, there is a need to increase the number of women in managerial positions and immediately below that level. At the same time, we should not feel too pressured to serve as role models. We should simply be steadfast in doing what we can and should do. I felt this again through this dialogue with all of you.

**Mugitani:** I gained many insights from this discussion, and I was stimulated and reassured by the fact that each of us is struggling in different positions. The concerns of younger women must be different, so why not create more communication opportunities, such as setting up a mentor program on women's advancement? I hope awareness of women's advancement at Sanki Engineering will increase through a variety of actions, including trial and error.

**Umeda:** From today's discussion, I feel that everyone here is sincerely facing work challenges while closely monitoring their respective situations as well as and those around them, which seems to be associated with a strong awareness of work styles. I could also sense everyone's love for the Company. Now that the need for women to play an active role has become widely recognized, I think there is no reason to give up on the challenge as long as you have the ability and the opportunity. I want to view today as an opportunity to share experiences and insights, and to think together about how we can create an environment that makes it easy for women, and ultimately everyone, to play active roles at Sanki Engineering.

# Quality Control



## Basic Philosophy

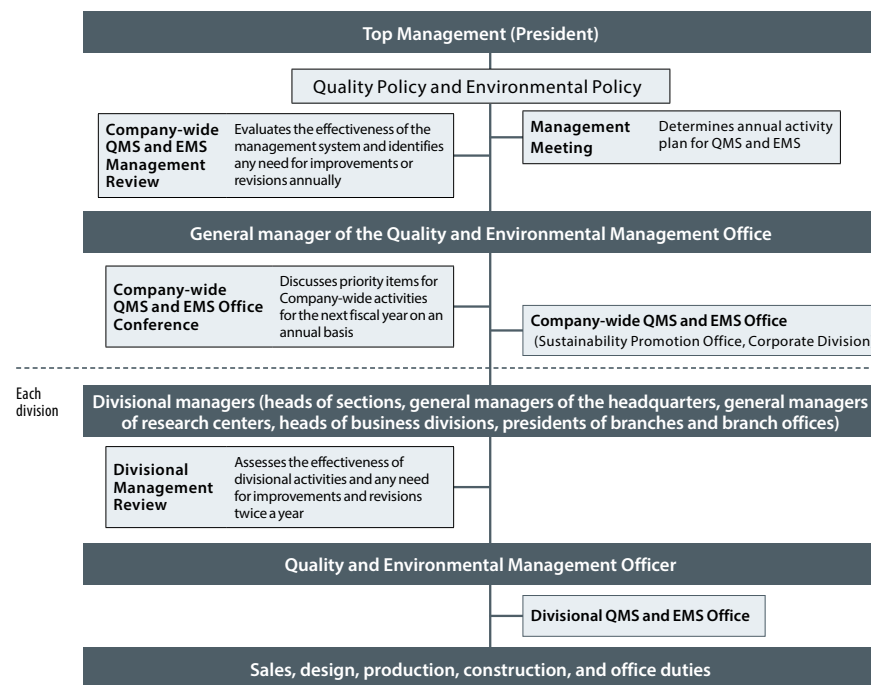
We will raise customer satisfaction and deliver new value for society through our products and high-quality systems that best meet customer needs and by demonstrating the Sanki Engineering Group's technological capabilities and proposal skills. Additionally, to maintain and improve quality, we have established a quality management system (QMS).

## Initiatives for Ensuring Quality Management System

We have integrated and implemented a QMS and EMS at each division in the Facilities Construction Business, Machinery Systems Business, and Environmental Systems Business. As of fiscal 2024, quality management across all domestic Group companies has been standardized, and we are promoting unified quality control throughout the Group.

Risk management is conducted in advance of the actual work for construction and production to maintain and enhance quality. We also recognize that responding to problems and complaints promptly and appropriately is a fundamental aspect of quality management. In addition, taking into account past instances of non-conformities in quality control, we are continuously working to raise the level of our management system.

### Quality and Environmental Management System



## Sharing Information and Preventing the Occurrence of Problems and Complaints

We accumulate and share our quality-related experiences across the Company by means of technical documents in order to prevent the occurrence of problems and complaints or, in the event they do occur, to handle them quickly and effectively. In



**Scope of ISO 9001 Certification**  
<https://www.sanki.co.jp/en/csr/social/quality/>

### Major Management System Strengthened in Fiscal 2023

- **Facilities Construction Business**
  - Enhanced design reviews
- **Machinery Systems Business**
  - Assessed preliminary quality risks, planned and implemented countermeasures through JOB patrols
  - Investigated the causes of incidents at complaint elimination meetings and formulated and implemented plans to prevent recurrence
- **Environmental Systems Business**
  - Further enhanced discussions at kick-off meetings



**P. 48**  
Environmental Management System

### Sharing Information and Preventing the Occurrence of Problems and Complaints

1. Flash report
2. Weekly report: A weekly trouble and complaint (TC) confirmation meeting is held with the participation of Group companies including overseas sites.
3. Monthly report: Incident reports and other information, including causes, corrective actions, and preventive measures, are distributed to construction engineers to ensure Company-wide knowledge in an effort to prevent the recurrence of problems.

addition to efforts to share information, quality risk assessments are conducted by the Quality Risk Subcommittee set up under the Risk Management Committee. We also endeavor to prevent problems and complaints by identifying risks that may affect quality and quickly taking action. In fiscal 2023, we identified and investigated the root causes of problems and the substance of complaints and notified all worksites nationwide of the results. In addition, technical experts provide specific guidance to worksites with problems that continue to arise.

The Group set a target of zero problems and complaints that are attributable to us during construction. However, in fiscal 2023, the number of problems and complaints increased by about 25% (28 cases) compared to the previous fiscal year, and we are working to prevent recurrence by analyzing the trends and root causes of the problems and substance of complaints. In fiscal 2024, in order to ensure high quality regardless of the construction period or workload, we will require line managers to attend problem prevention meetings, strengthen management systems, and prevent the repeated incidence of problems and reporting of similar complaints by further spreading awareness at worksites.

## Understanding Customer Satisfaction and Reflecting Feedback

In our work to improve construction quality, we conduct a customer satisfaction survey at the completion of construction work and reflect the feedback in our operations. In fiscal 2023, we received highly positive feedback from about 91%\* of the 768 respondents. Looking ahead, we will continue to incorporate customer opinions into our operations to enhance construction quality.

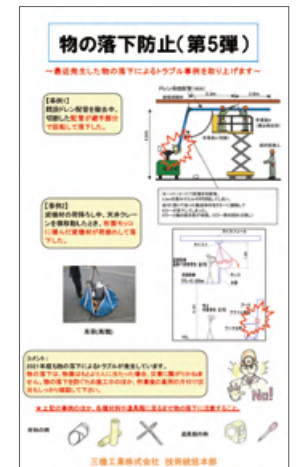
## Initiatives for Ensuring Quality at Facilities Construction Sites

We are implementing a comprehensive approach that extends from design to construction to maintain and improve quality at construction sites. We are also seeking to reduce workload and rework, which often accumulates at construction sites, by providing operational support and promoting DX. This will boost productivity from both design and engineering perspectives.

## Operational Support to Improve Productivity and Maintain High Quality

We believe it is important to reduce workloads that often accumulate at construction sites, create effective working environments, and improve conditions that encourage on-site staff to focus on their tasks while maintaining high quality. To achieve these goals, Sanki Engineering implements the Smile Site Plan, intended to create a rewarding workplace that satisfies both customers and the Company.

Under the Smile Site Plan, we are leveling operations by establishing and effectively implementing an operational support system for the processes of sales, design, procurement, construction management, and quality management to improve productivity while maintaining high quality. In fiscal 2023, we also reviewed the division of labor to establish an environment where field personnel can concentrate on their work. As a means for simultaneously improving productivity and maintaining high quality, we particularly emphasize design verification and pre-construction reviews before starting construction work, to raise productivity and avoid quality risks and to prevent rework, problems, and complaints. Going forward, we plan to standardize operations across all sites in accordance with the process map to further improve operational efficiency.



A poster for raising awareness of preventing problems and complaints is created monthly and displayed at worksites.

\*Calculated by regarding the following responses as "highly positive feedback."  
**Facilities Construction Business**  
Score of 4 ("Somewhat satisfied") or higher out of 5  
**Machinery Systems Business**  
Score of 3 ("High") out of 3  
**Environmental Systems Business**  
Score of 70 points or higher out of 100



**P. 78**  
Promoting the Smile Project



Initiatives for Improving Quality by Promoting DX

The BIM Promotion Center leads BIM efforts within the Company and subcontractors and in improving the usage rate of BIM-linked software as well as the participation rate in BIM education. In fiscal 2023, we conducted training for each branch, branch office, and subcontractor to encourage the use of BIM. BIM has already been successfully integrated into construction sites, and we will continue to increase its utilization.

In addition, we have developed the BIM Calculation Linkage Platform as a new solution for supporting processes from design to construction. Advanced technical calculations, which used to be time-consuming and labor-intensive, are now automated, allowing for prompt calculation results as well as high-quality design and construction.

The DX Promotion Office, established in fiscal 2023, is advancing the application of digital tools for design, construction, and completion operations. We are also bolstering the application of DX to operations across the Company, including construction sites, to save labor in construction work while improving construction quality by alleviating the burden of operations for establishing more comfortable workplace environments.

Initiatives for Design and Technical Operations

We are working on improving quality throughout the construction process from planning and design to completion. In design, we identify and resolve issues at an early stage to ensure quality early by enhancing design reviews and improving the design accuracy to prevent and reduce design-related problems.

In regard to construction, we facilitate onsite operations after the start of construction work by holding commencement discussions to decide on construction methods, procedures, and policies that result in higher quality and productivity. Moreover, we avoid falsifications and deficiencies in quality across all processes by having line staff and the Quality Control Center conduct stringent checks and follow-ups. To further improve quality and hand down technical expertise, highly skilled quality assurance administrators and technical experts conduct audits during and after construction and confirm quality and corrective measures while also mentoring junior employees. In fiscal 2023, we established a system that allows us to work alongside and receive guidance from highly skilled senior experts with a wealth of experience.

In fiscal 2023, 189 design reviews were implemented, an increase from the previous year, covering all target properties. These efforts have led to fewer corrections after construction and have helped prevent profitability from deteriorating.

Initiatives on Design and Technical Operations at Construction Sites

Before or Upon Receiving Orders	At Start of Construction	During Construction
<div>Design Review</div> <p>The Design Division, Design &amp; Engineering Division, and Quality Control Center lead the design reviews to confirm whether the required level of quality is met, by scrutinizing construction operations from the aspects of quality and cost. Also, design drawings will be more accurate.</p> <div>Quality Risk Assessment</div> <p>The Quality Risk Subcommittee of the Risk Management Committee assesses quality risk. Divisions related to technology and the Quality Control Center set the quality targets and identify and address quality risks.</p>	<div>Commencement Discussions</div> <p>Divisions related to technology, onsite managers, and divisions related to branches and branch offices determine the construction method (procedures) and quality targets. The Quality Control Center checks aspects concerning quality, construction work, costs, processes, and safety; identifies items requiring changes in specifications and plans; and instructs on concrete measures.</p>	<div>Construction Audits</div> <p>Confirmation of construction work, including design changes, is led by divisions related to technology, onsite managers, divisions related to branches including branch offices, and the Quality Control Center.</p> <div>Completion Audits</div> <p>Check whether quality targets for the design are being achieved and offer instructions for corrections as needed.</p>

Digital Tools Developed by the Sanki Engineering Group

- Automated robotic air flow meter
  - Automatically measures the air flow at the air conditioner vent.
  - Expected to reduce manhours by 75% compared to the conventional process.



Air-flow measurement by an automated robot



Quality check by a quality assurance administrator

Enhancing Our Technologies

Technical Awards for Improving Construction Methods and Operational Processes

We have been presenting awards for excellent ideas that improve operational processes, such as raising efficiency, in addition to ideas that improve construction work. We received 2,078 applications in fiscal 2023.

Fostering Human Resources to Sustain Our Technological Competence

The Sanki Techno Center provides training to help employees acquire basic skills, brush up on their skills, and attain qualifications.

We also conduct training for construction managers every three years, with content corresponding to number of years of experience. We develop the skills of our engineers through hands-on practice and drills using actual machinery and facilities at the Sanki Techno Center.

Number of Personnel with Quality-Related Qualifications (as of April 1, 2024)

Qualification	FY2024	
	Non-consolidated	Consolidated
Professional engineers	84	101
Construction managing engineers (civil works, construction, electrical construction, pipe-laying works)	1,089	1,253
Architect	39	45
Facilities construction architect	180	190
Electrical engineers	160	237
Chief electrical engineers	27	36
First class instrument engineers	284	295
Fire protection engineers	675	733
Qualified managing engineers	1,537	1,821



Training for new employees



The 22nd Conference on Electrical Construction Quality

Note: Cumulative figures are shown for all qualifications.

Major Skill Development Activities for Fiscal 2023

Initiatives	Training	Description of Training	Results
Initiatives at the Sanki Techno Center	Training for new employees	•Seminar for new employees, basic skills training	68 participants
	Correspondence course for attaining qualifications	•Preparation for qualification exams for construction managing engineers and fire protection engineers	165 participants
	Training based on operational experience Third year in construction work Sixth year in construction work Ninth year in construction work	•3- to 5-day training sessions that are held 2 to 5 times per year at 3-year intervals •Standardized group-based training according to operational experience •Technical training using actual equipment and mock-ups •Drills for preventing problems and complaints required in construction management	Held 8 times  123 participants
Initiatives for passing on technology	On-the-job training by technical experts	•Practical on-the-job training offered by technical experts selected from all branches who participate in onsite commencement discussions and construction audits	24 technical experts made 1,187 site visits (cumulative total)
Initiatives for Group companies and subcontractors	Conference on electrical construction quality	•Test of practical skills for electrical technicians from subcontractors of all branches, written exam based on past cases. Participants receive the Sanki Engineering-certified Class A Electrical Engineer qualification	19 participating technicians from 17 subcontractors
	Explanation of problems and complaints	•Case studies at liaison meetings held at branches and branch offices	Number of sessions Tokyo branch: 67, Kansai branch: 26, Chubu branch: 11, Kyushu branch office: 81, Hokkaido branch office: 4, Chugoku branch office: 12, Tohoku branch office: 12, Hokuriku branch office: 11
	Training for subcontractors	•Safety and quality training for new employees of subcontractors •Safety and quality training for mid-level employees of subcontractors •Hazard experience training for foremen	13 times 158 participants

# Occupational Health and Safety



## Basic Philosophy

Occupational health and safety are the foundation for the Sanki Engineering Group. Our construction site operation relies on the organic connection of the many people working there. Under the Sanki Engineering Group Basic Health and Safety Principles, we partner with subcontractors in a range of health and safety activities.



Basic Health and Safety Principles  
<https://www.sanki.co.jp/en/csr/social/safety/>

## Initiatives for Ensuring Occupational Health and Safety

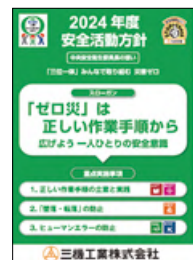
### Management System

We conduct risk assessment and analysis that correspond to the specific circumstances of accidents that occurred in the previous fiscal year, as well as to social and industrial trends, in order to formulate annual guidelines for safety and health activities. By formulating a Company-wide health and safety activities plan based on these guidelines, we seek to visualize our PDCA cycles, including the analysis of risk factors and implementation of remedial and preventive actions.

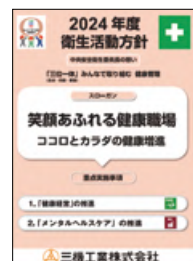
### Key Items Implemented in Fiscal 2023

In fiscal 2023, the number of accidents involving collisions and falls that could lead to serious injuries increased. To further reduce the number of such accidents, we expanded our collection of accident cases in fiscal 2023 and revised our procedures for hazardous situations to make them easier to understand. In fiscal 2024, we will focus on preventing accidents involving collisions or falls by developing video tools that can be viewed multiple times to reinforce learning.

In addition, we have been striving to reduce long working hours through the ongoing Smile Project, which has led to a decrease in average monthly overtime and an increase in the number of paid leave days taken. In fiscal 2024, we aim to further cut down on long working hours by, for example, implementing the checklist for Article 36 of the Labour Standards Law on Overtime Work and Work on Days Off.



Workplace safety poster



Workplace health poster

## Outline of Activities in Fiscal 2023: Policies on Health and Safety Activities

### Safety

**Slogan: Achieving zero accidents begins with correct work procedures. Let's foster the safety awareness of every employee.**


#### Key Actions

1. Plan and implement correct work procedures
  - Ensure appropriate risk assessment using work notifications and procedure manuals
  - Use hazard prediction tools
2. Prevent two categories of major accidents (collisions and falling, and being caught or entangled)
  - Use disaster prevention leaflets
  - Use hazard prediction tools
  - Perform priority checks during safety patrols by branch offices and subcontractors
3. Eliminate shortcuts
  - Cooperate with employers for training and guidance
  - Conduct training using videos of accident case studies
  - Conduct training on revisions to laws and regulations

### Health

**Slogan: Self-care for everyone—Let's improve your mental and physical health.**

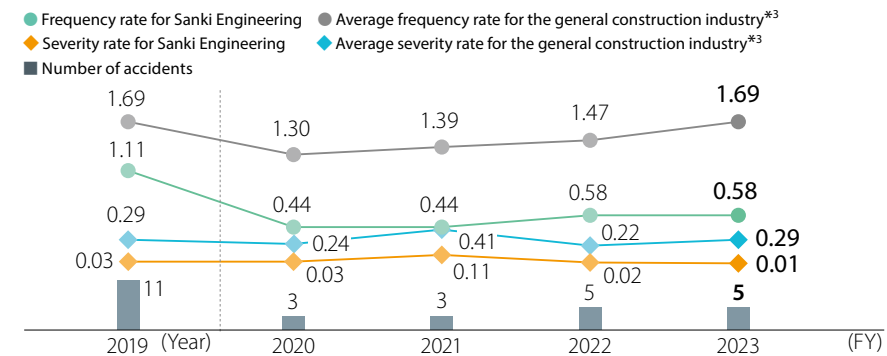
#### Key Actions

1. Promote health and productivity management  **P. 79**
  - Promote the reduction of long working hours in response to the fiscal 2024 overtime regulations
  - Promote measures to combat lifestyle-related diseases, with an emphasis on improving dietary habits
2. Promote mental health
  - Create a system for providing mental health care

## Accidents in Fiscal 2023

In fiscal 2023, five accidents were reported. We are visualizing and widely sharing information on the frequency and severity of such incidents by department in order to alert employees, and will continue these efforts to raise safety awareness.

### Number of Accidents, Frequency Rate\*, and Severity Rate\*2



## Safety Conventions and Safety Patrols

Every fiscal year, each Sanki Engineering branch, branch office, and division holds safety conventions at ten domestic sites and two overseas sites in June, the preparatory month for National Safety Week. Executive officers from Japan, including our president, and subcontractors from domestic and overseas sites, as well as representatives from the Sanki Health and Safety Cooperative Association, attend these conventions. In fiscal 2023, we strengthened the safety patrols conducted by each department and enhanced patrol content, such as pre-work checks and the review of work procedures and reports. Furthermore, during the summer and year-end periods, we conduct special joint safety patrols, joined by the president and directors, at 26 construction sites.

## Health and Safety Training

For Group employees and for staff employed by subcontractors, Sanki Engineering provides training led by in-house instructors or at designated training institutes. On top of our various health and safety training programs, in fiscal 2023 we disseminated additional information on the actions that should be taken when an employee shows signs of heat stroke. We also distributed safety-related videos via a portal that subcontractors can also view. Furthermore, we arranged for an external organization to conduct three asbestos-related seminars in association with the revision of the law, in order to raise the level of knowledge of on-site personnel. When accepting new foreign national technical intern trainees from their employers, we use standardized criteria for ensuring safety at all sites and interview them to make sure they comply with these criteria. We also organize joint training sessions with the Sanki Health and Safety Cooperative Association. In fiscal 2023, we created and distributed Safety and Health Handbooks translated into six languages\*1 for use in safety and health education and other activities.

### Number of Participants in Health and Safety Training (Fiscal 2023)\*2

Type	Number of Participants (including employees of partner companies)
Special education and other courses	1,512 (1,213)
Health and safety training for foremen	133 (103)
In-house health and safety training	498 (24)
Position-based training for young and mid-career employees	151 (2)
Other client-focused training	1,351 (1,247)
Total	3,645 (2,589)

Scope: Sanki Engineering construction sites (Sanki Engineering Co., Ltd. and business partners)

Number of accidents: interrupted work for one day or longer

Period: The data compilation period was changed from the calendar year to the fiscal year starting with fiscal 2020 results

\*1 Frequency rate: Calculated as the number of deaths and injuries caused by accidents in the construction site per one million working hours, this figure indicates the frequency with which accidents occur.

\*2 Severity rate: Calculated as the number of lost workdays caused by accidents in the construction site per one thousand working hours, this figure indicates the severity of the accidents.

\*3 Source: Survey on Industrial Accidents, Ministry of Health, Labor and Welfare.

### Safety Convention (Fiscal 2023)

- Spread awareness of standardized and correct work procedures
- Presented safety awards for employees and subcontractors who have demonstrated outstanding safety management efforts and results
- Participants received towels made from unworn uniforms of the previous design



Safety patrol by the president



Safety and Health Handbook translated into six languages



VR-assisted health and safety training

\*1 Vietnamese, Chinese, Indonesian, Tagalog, Portuguese, and English

\*2 Limited to training by in-house instructors, not including training at designated educational institutions



# Supply Chain



## Basic Philosophy

The Sanki Engineering Group Code of Conduct and Action Guidelines stipulate that we promote free market competition and engage in fair, equitable, and transparent transactions with all business partners. Moreover, under the Procurement Policy, Human Rights Policy, Multi-Stakeholder Policy, and Environmental Policy, we endeavor to build trust with our business partners to jointly provide high-quality systems and services to customers.



Sanki Engineering Group Procurement Policy  
<https://www.sanki.co.jp/en/csr/social/scm/>



Multi-Stakeholder Policy  
<https://www.sanki.co.jp/en/csr/governance/multistakeholder/>



Sanki Engineering Group Human Rights Policy  
<https://www.sanki.co.jp/en/csr/social/human-rights/>



Sanki Engineering Group Environmental Policy  
<https://www.sanki.co.jp/en/csr/environment/management/>

## Building Fair, Equal, and Transparent Business Relationships

### Procurement Management System and Response to Procurement Risks

The procurement cost of materials and equipment used by Sanki Engineering for construction work is approximately 49 billion yen, with domestic suppliers representing the source for nearly all procurement.

The role of the procurement department includes contributing to profit by reducing costs and supporting orders, building and managing procurement databases, and collecting and disclosing information on material and equipment price trends and delivery dates. The international situation has led to rising prices for materials and crude oil, and the shortage of semiconductors has further increased equipment and material prices and caused delays in delivery. In response to these challenges, we continue to strengthen cooperation with onsite staff and take action to avoid or mitigate procurement risks, such as placing orders in advance and promptly disseminating information on delivery dates across the company. We will also take necessary measures to address future procurement risks, such as rising logistics costs.

### Thoroughly Ensuring Fair and Equitable Transactions

We engage in fair, equitable, and transparent transactions with all business partners in accordance with the Sanki Engineering Group Procurement Policy. Moreover, in the Multi-Stakeholder Policy, the representative director and president declares his commitment to the Partnership Building Declaration. Furthermore, we include provisions on product safety, quality control, intellectual property, legal compliance, and the exclusion of antisocial forces in our basic agreement and ask our business partners to understand and consent to these provisions.

### Reporting and Consultation Desk

In order to prevent fraudulent activities and improper transactions, we operate a Corporate Ethics Hotline that is available for anyone to use. Information is provided on the Company website. In addition, we have set up and operated a portal site that can be accessed by our business partners. In fiscal 2023, there were four reports from our business partners, and all cases were handled appropriately.

### Promoting Green Procurement

As part of our environmental management, Sanki Engineering procures goods that comply with Japan's Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Green Purchasing Act) and confirms the aggregate result.

### Raising the Efficiency of Procurement Operations

As part of our work-style reform initiatives, the Procurement Division is focusing on

#### Procurement Policies (excerpt)

1. Fair Market Competition and Trading
2. Protection of the Global Environment
3. Contribution to Society through Business Activity
4. Respect for Human Rights
5. Information Security Risk Management
6. Development of Partnerships

#### Major Components of the Partnership Building Declaration

- **Co-existence and co-prosperity across the entire supply chain and collaborations beyond scale and affiliation**
  - Strengthening of relationship via the Health and Safety Cooperative Association
  - Opening of the training facility for public use and support for human resource development
- **Compliance with the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises**
  - Appropriate determination of price, and negotiations
  - Considerations for payment terms
  - Not demanding the free transfer of intellectual property rights
  - Preventing any negative impact associated with work-style reform or other factors



P. 95  
Whistleblowing System

#### Major Regulation-Compliant Goods Procured by Sanki Engineering

- Lighting equipment
- Transformers and condensers
- HVAC equipment

raising the efficiency of procurement operations in the procurement and technical departments at each site of the Facility Construction Business by encouraging the adoption of a centralized ordering method based on exchanging data with major business partners and with a one-stop procurement system\* that handles everything from price negotiations to ordering operations.

In addition, we are effectively implementing DX to further improve the efficiency of procurement operations. We digitized some operations by introducing online systems in our Group for placing orders to suppliers and allowing them to issue progress billings. In fiscal 2023, we developed additional features for the online price review system and began its operation in fiscal 2024. We also sought to enhance the system's convenience for business partners by moving it to the cloud, and 99% of total orders (non-consolidated) in fiscal 2023 were processed electronically. Moreover, in response to feedback from employees who wanted to place urgent orders while out of the office, we made it possible to issue orders from iPads. We will continue to reflect employee feedback and strive to improve operational efficiency.

### Training for Procurement Staff

We provide monthly online learning and presentation opportunities for procurement staff to promote appropriate procurement activities and enhance their purchasing, negotiating, and management skills. Furthermore, we requested relevant departments within the Company to conduct training to raise awareness of compliance and sustainability, covering areas such as fair trade and respect for human rights. We also strive to develop the competence and knowledge of procurement staff through support as needed for the obtaining of registered qualifications for certified procurement professionals, construction business accountants, and fundamental information technology engineers, apart from education on fair trading and respect for human rights among other compliance and sustainability issues. Additionally, we plan to introduce training aimed at improving profitability in fiscal 2024.

## Strengthening Cooperation with Business Partners

### Exchange of Views with Business Partners

We visit our major business partners and hold meetings to exchange opinions. We select the partners we visit each year according to their relative importance to our business and the monetary value of transactions. In fiscal 2023, we visited 26 equipment and materials manufacturers and specialized construction companies to exchange opinions. The discussions covered a wide range of topics, including sustainability initiatives, price and delivery date information, and their requests to Sanki Engineering, which will be shared within the company at meetings attended by procurement-related personnel and incorporated into daily procurement activities.

### Initiatives to Assess Business Partners

To raise quality and improve operations across the supply chain, we annually survey the status of our business partners and, as part of this initiative, assess their safety management. We pay visits to provide them with feedback on the assessment results and exchange information on improvements as needed to enhance their safety management capabilities. For new partners, we conduct a comprehensive assessment at the start of the business, using a checklist commonly adopted by all locations, which covers their financial situation, quality management, and environmental management to ensure there are no issues.



**Procurement WEB (in Japanese)**  
<https://cwmc.sanki.azurewebsites.net/TEN100/TEN10020>

\*A system in which a procurement department handles everything from price negotiations to ordering operations

Participation Rate of Online Course for Procurement Staff Training in FY2023

**98%**  
(304 participants)

#### Additional Training Planned for FY2024

- Negotiation skills development through on-the-job training
- Training for all branch negotiators at each base

#### Main Topics in the Opinion Exchange Meeting (FY2023)

- Sustainability initiatives
- Work-style reform
- Trends in prices and project delivery schedules
- Requests to distributors
- Transactions with Sanki Engineering
- Ordering environment, etc.

## Joint Improvement Activities with Subcontractor Groups

Sanki Engineering has established subcontractor groups at each branch, branch office, and division as part of our effort to bolster our construction system. In addition to monthly liaison meetings, we implement joint labor-saving projects and hold seminars to enhance technical skills and thoroughly enforce quality management and supervision of safety and health at construction sites. Moreover, we review the status of safety and health management and offer guidance by dispatching employees to provide safety and health education as well as courses on obtaining qualifications and by conducting joint patrols.

In July 2023, the Sanki Health and Safety Cooperative Association held block meetings, with the association divided into eastern (seven cooperatives) and western (four cooperatives) blocks. It also held a national conference in March 2024. These were attended by a total of 61 employees from the Group and 52 from subcontractor groups. Sanki Engineering directors, including our chairman and president, also attended the meetings and stressed the importance of maintaining and improving safety awareness throughout the Group, including business partners. Led by subcontractors directly involved in construction, such as by organizing voluntary site tours by the subcontractors, the meeting is expected to raise awareness about disaster prevention.

## Awards Programs

We established the Sanki Super Meister System to certify and commend foremen of Group subcontractors whose superior construction techniques have significantly contributed to elevating the quality of our construction work and also the Sanki Best Partner Program to commend subcontractors who have significantly contributed through their superior levels of management and construction skills, and for having consecutive years of zero accidents. We provide subsidies designed to encourage further quality improvements to subcontractors to which the certified foremen belong, from the standpoint of promoting consistent contributions to quality improvements at construction sites.

## Initiatives for Maintaining and Upgrading the Technical Skills of Subcontractors

We offer a subsidy program for subcontractors, which is being appropriately implemented by each department. We are also promoting the creation of a mechanism for enhancing technical skills based on collaboration between Sanki Engineering and subcontractors, in which the Sanki Techno Center is also used to train new hires and mid-career employees of subcontractors. Furthermore, new hires at Sanki Engineering receive guidance from employees of subcontractors through our technical training program.

## Providing Support to Stabilize the Management of Subcontractors

In fiscal 2019, we revised the terms of payment to subcontractors with capital of under 40 million yen to make all payments in cash. Additionally, we have shortened the payment site for electronically documented payables for suppliers, including subcontractors with capital of at least 40 million yen from 120 days to 60 days starting in fiscal 2022. This is one of the financial and capital policies in the Medium-Term Management Plan "Century 2025" Phase 3.

### P. 69 Health and Safety Training



Sanki Super Meister Awards ceremony

#### Number of Sanki Super Meister Award Recipients

- FY2022: 8
- FY2023: 10

#### Number of Sanki Best Partner Recipients

- FY2022: 164
- FY2023: 188



Technical skills training by a subcontractor

#### Subsidy Program for Subcontractors

- Support for obtaining qualifications
- Half of training expenses covered at Sanki Techno Center (starting in fiscal 2024)

# Human Rights



## Basic Philosophy

Under the Sanki Engineering Group Human Rights Policy, established in April 2022, we will respect the human rights of all people in all our business activities, including throughout the supply chain, eliminate discrimination and acts that undermine individual dignity, and conduct human rights due diligence (identifying, preventing, and addressing impacts on human rights).

Sanki Engineering Group Human Rights Policy  
<https://www.sanki.co.jp/en/csr/social/human-rights/>

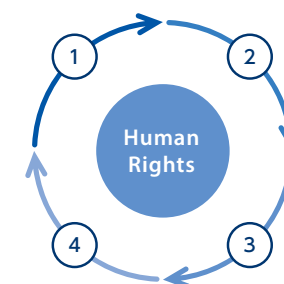
Sanki Engineering Group Code of Conduct and Action Guidelines  
<https://www.sanki.co.jp/en/csr/policy/conduct-code.html>

## Human Rights Promotion System

The Risk Management Committee (Compliance Risk Subcommittee), chaired by the president, identifies human rights issues within the Group and works to prevent and correct them. Progress in its efforts and other matters are reported to the Risk Management Committee.

## Human Rights Due Diligence

We are committed to respecting human rights by conducting human rights due diligence based on identified risks related to the Group's business throughout the supply chain, upstream to downstream. In fiscal 2023, we identified human rights risks related to the Group's business\*1. Going forward, we will promote our efforts by regularly conducting surveys of human rights risks among all Group employees.



- 1 Assessment of negative impacts**
  - Assess the impact of the Sanki Engineering Group's business activities on human rights based on the survey results of each department, and select human rights issues
- 2 Prevention and mitigation of negative impacts**
  - Inform employees of future measures to deal with human rights issues through corporate ethics training
  - Starting in fiscal 2024, enhance internal awareness of human rights issues and strengthen measures to prevent and mitigate negative impacts
- 3 Assessment of effectiveness**
  - Regular monitoring through workplace surveys
  - Distribute questionnaire to major subcontractors to prevent and correct human rights risks in the supply chain starting in fiscal 2024
- 4 Disclosure to stakeholders**
  - Report on the implementation status of human rights due diligence and efforts on human rights issues through integrated reports and other channels

### Selected Human Rights Issues\*2

1. Respect for individual dignity	2. Respect for workers' rights	3. Respect for privacy
<ul style="list-style-type: none"> <li>• Discrimination based on gender, age, place of origin, nationality, race, ethnicity, creed, religion, physical characteristics, disability and disease, sexual orientation, and employment status</li> <li>• Human rights issues in advertisements, including web-sites, commercials, and pamphlets</li> <li>• Discrimination caused by unconscious bias (unconscious assumptions and prejudices)</li> </ul>	<ul style="list-style-type: none"> <li>• Harassment</li> <li>• Long working hours and excessive overtime</li> <li>• Inadequate measures for employee physical and mental health</li> <li>• Non-payment of premium wages</li> </ul>	<ul style="list-style-type: none"> <li>• Violation of the rights of foreign national employees (technical intern trainees)</li> <li>• Human rights violations to consider in the supply chain, such as forced labor and child labor, including the use of overseas products</li> </ul>

\*2 Selected human rights issues will be reviewed in a timely and appropriate manner based on changes in the Group's business and social situation.

## Whistleblower Hotline and Consultation Service for Human Rights Issues

A whistleblower hotline and consultation service for human rights issues are made available for use by all employees of the Group as well as those at its subcontractors and supply chain members, with the information posted on the Company's website. Reporters will not be placed at a disadvantage for consulting or reporting issues, and any personally identifiable information will be protected.

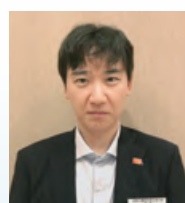
### P. 95 Whistleblowing System

## VOICE »

### Working Together for Future-Oriented Activities

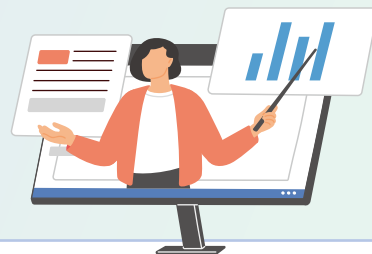
The Hokuriku region was severely impacted by the Noto earthquake at the beginning of this year. Sanki Engineering has supported reconstruction efforts and carried forward the activities of the Sanki Health and Safety Cooperative Association, which assists with disaster prevention activities suited to the region in eastern and western blocks. The association has also been working to raise safety awareness through activities such as lectures on heatstroke and factory tours. We aim to further our collaborative efforts to ensure that the association's activities endure well into the future.

Mr. Manabu Sugino, Chairman of Hokuriku Sanki Health and Safety Cooperative Association, and President of Aero K.K.





# Human Resources



## Basic Philosophy

We are actively investing in human resources and prioritizing the recruitment and development of diverse human resources to maximize their power as the source of corporate value. With the “pursuit of happiness for colleagues” identified as one of our material issues and under the management philosophy of “placing significance on communication and mutual respect,” we endeavor to create workplace programs and environments in which all employees can succeed and thrive.



Smile Work Guideline (Workplace Environment and Human Resource Development)  
<https://www.sanki.co.jp/en/csr/social/smile-project/>



Sanki Engineering Group Human Rights Policy  
<https://www.sanki.co.jp/en/csr/social/human-rights/>



Multi-Stakeholder Policy  
<https://www.sanki.co.jp/en/csr/governance/multistakeholder/>

## Sanki Engineering’s Human Resource Strategy

### Human Capital Strategy

In the context of Phase 3 actions with indicators and targets based on the Human Resource Development Policy and Company Environment Improvement Policy, we are accelerating work-style reform and securing, nurturing, and allocating diverse human resources in line with our business strategy.

### • Developing Human Resources

We believe that the Company’s growth is driven by the various employee viewpoints and values that reflect the rich variety of their experiences, qualifications, and attributes. We therefore promote diversity in our workplace, properly evaluate the skills of each individual employee, and provide suitable education and training.

### Human Resource Development Policy

We develop human resources that are distinctive to Sanki, individuals who understand their roles as responsible members of society and who can use engineering to create comfortable spaces that advance society at large.

### Desired Human Resources

- Human resources who possess knowledge and expertise and are capable of creating wisdom through critical thinking
- Human resources with excellent communication skills
- Human resources who are socially conscious and proactive

### • Improving Company Environment

We endeavor to create a working environment and a corporate culture in which all employees grow with the Company, respect individuality and are able to succeed and thrive. We support employee work-life balance and manage business with due consideration for employee well-being. We also seek to raise employee engagement by emphasizing communication with them.

## Ensuring Diversity in Human Resources and Promoting Careers

### Recruiting Human Resources

We actively seek to bring on board human resources that differ in gender and nationality as well as in talent and personality. Staff from the sales, design, technology, and other divisions join the Human Resources Department to recruit and select human resources based on multiple perspectives. Our hiring criteria are based on findings from interviews with the president and officers to secure the necessary human resources for achieving our medium-term management plan “Century 2025.”

As of the end of March 2024, there were 203 mid-career hires in managerial

### Measure for Phase 3: Accelerate Work-Style Reform

- Introduction of new personnel system
  - Extended retirement age to 65 in 2022
  - Defined and streamlined the organization and revised the compensation system in 2022
  - Implemented gradual wage increases at our domestic Group companies in April 2022 and 2024
- Launch of Return to Career program
  - Introduced in 2022
- Updated uniforms
  - Updated uniforms in 2022 and then revised winter uniforms in response to employee feedback



Updated winter uniform

### Indicators and Targets for Diversity Acceleration Scope: Non-consolidated

- Ratio of non-Japanese employees

Target (April 2026)	Result* (April 2024)
1.7%	1.1%

\*Aggregated on a different date from that for the Employee Data on page 80.

positions (on a consolidated basis). In fiscal 2022, we introduced an exclusive hire contract system for R&D and other jobs requiring high-level expertise to secure correspondingly high-level human resources.

### Retaining Human Resources

The Group operates a variety of systems to increase the diversity our working environment and more flexibly accommodate career development.

Since 2019, the career change system has made it possible to switch between career-track and operational positions. In addition, in fiscal 2022 we significantly revised the content of the system and established a new one by launching the Return to Career program.

In order to secure employment opportunities for older employees, we raised the retirement age from 60 to 65 in fiscal 2022 and revised our re-employment system to encourage employees to work until the age of 70.

## Developing Human Resources

### Education and Training Systems for Acquiring Skills and Experience

We maintain training systems associated with each career path, such as management training, technical training, and training by field of expertise, to strengthen the respective skills. We take advantage of the Sanki Technology Center to conduct training programs. To further reinforce these efforts, we established the Sanki Training Center, which will bring together organizations involved in education and training starting in fiscal 2024. Going forward, we will also periodically review the system in accordance with the human resources we require.

### Training Systems

	Younger Employees	Mid-Career Employees	Executives
Management Training	New employee training Second-, fourth-, and seventh-year training	Leadership position training Management candidate training Section chief training	Department manager training
Safety Training	New employee training Qualification training Safety experiential training		
Corporate Ethics Training	Corporate ethics training Mid-career staff training		
Technical Training	Facilities Construction	Qualification training Technical experiential training New employee training Third-, sixth-, and ninth-year construction work training	
	Plants & Machinery Systems	Qualification training New employee training Inspector education Training on our products and systems	
Quality & Environment System Training	ISO 9001/ISO 14001 New employee training Mid-career staff training		Education to develop internal auditors



Employees of Thai Sanki Engineering

### Number of Users of Major Systems for Retaining Human Resources Scope: Consolidated

- Career Change System
  - Enables job transfers to both career-track and operational positions in accordance with life stages
  - FY2023: 1 employee
- Return to Career program
  - Allows former employees who resigned for unavoidable personal reasons to apply for reemployment
  - FY2023: 2 employees
- Selective retirement age system
  - Retirement benefits are paid in full from age 60 to 65, even if the employee retires at their own request
  - FY2023: 2 employees

FY2023: Average training cost per employee (consolidated)

78,000 yen/year

Developing Digital Human Resources

The Group formulated the SANKI DX Vision and is working on digital reform. We have started to develop a system for fostering digital human resources to raise digital literacy Company-wide for realizing the transformation. In addition, we have recruited “digital influencers” to play a key role in each department to promote Company-wide digital transformation measures, and 40 such influencers across the Company started their activities in fiscal 2024. We will continue to develop human resources with a wide range of both business and digital skills, with a focus on digital influencers.

Supporting Self-Directed Career Development

Our personnel system ensures equal opportunity as well as fair evaluation and treatment for all employees while supporting employee initiatives for self-directed career development. Once a year, all employees fill in a Career Development Sheet and receive feedback through an interview with their supervisors. They can speak directly with the Human Resources Department depending on the content of the sheet. Individual interviews and a mentor system are introduced for younger employees.

Employee Reward System

We have several employee award programs, including the president’s commendation for boosting our technological capabilities and raising employee motivation, such as the Best Employee Award, Yano Technology Prize, and Award for Construction Method/Operation Improvement, as well as other programs including long service awards (25 and 50 years).

Diversity

In order to realize our materiality of “pursuit of happiness for colleagues,” we will foster a corporate culture where diverse human resources recognize and respect each other and can make the most of their differences to make full use of their respective abilities for maximum impact.

Promoting Women’s Careers

We formulated an action plan based on the Act of Promotion of Women’s Participation and Advancement in the Workplace to create an environment in which our female employees can continuously develop their careers and have since implemented related measures. Our wages and promotion opportunities to managerial positions are solely based on employee competence or performance as fairly evaluated free from gender-based discrimination. Looking ahead, we will increase the ratio of female managers to close the wage gap.

Action Plan Based on the Act of Promotion of Women’s Participation and Advancement in the Workplace

Goals	Results in FY2023 *2
1. Increase the average length of service for women by 10% or more from April 2021	15.0 years (11.1% increase)
2. Raise the ratio of women in managerial positions*3 to the construction industry average of 3%	2.4% (1.5 percentage point increase)

PP. 58–59 Feature 2

Indicators and Targets for Active Promotion of Younger Employees  
Scope: Non-consolidated

- Average age of those in managerial positions

	Target (April 2026)	Actual (April 2024)
Manager	45.8 years old	46.7 years old
General manager	50.2 years old	52.2 years old
Executive manager	53.5 years old	54.3 years old

Personnel Systems Designed for Younger Employees

- Individual interviews by personnel managers in the second, fourth, and seventh year of service
- Mentor system

Smile Work Guideline (Human Resource Development Guideline)  
<https://www.sanki.co.jp/en/csr/social/smile-project/>



Presentation of the Best Employee Award



Award for many years of service (25th year)

Indicators and Targets for Diversity Acceleration Scope: Non-consolidated	
• Ratio of female employees	
Target (April 2026)	Actual*1 (April 2024)
16.4%	15.4%

\*1 Aggregated on a different date from that of the number of employees referred to on page 80.

Scope: Non-consolidated  
\*2 As of April 1, 2024. In the parentheses are changes from April 1, 2021.

\*3 Aggregated on a different date from that of the number of managers referred to on page 80.

Gender Wage Gap (FY2023)\*\*

		Non-consolidated	Consolidated
Gender wage gap	All workers	61.4	62.0
	Regular workers*5	60.6	61.5
	Part-time/fixed-term workers	57.4	57.3

Support for Balancing Childcare Leave and Nursing Care

In 2015, Sanki Engineering was granted an update for the Kurumin mark, a certificate issued by the Tokyo Labor Bureau of the Ministry of Health, Labour and Welfare and based on the Act on Advancement of Measures to Support Raising Next-Generation Children, for meeting certain criteria as a company supporting childcare. In 2014, the Chubu Branch became the first construction equipment company to be recognized by the City of Nagoya as a company supporting childcare, and the certification was updated in 2017.

We have introduced our Special Childcare/Nursing Leave to support employees in balancing work and childcare. This allows for 20 days of special leave, which can be taken in installments of one day, in addition to regular paid leave. In fiscal 2023, as part of our support for employees balancing work and nursing care, every eligible employee received periodic consultations from a specialist. We also held seminars on three occasions on themes such as how to avoid resigning from a job due to nursing care as well as remote nursing care.

Creating Workplaces for Persons with Disabilities

We continue to hire persons with disabilities and are working to create an environment in which they can work comfortably over long periods. As of June 2023, the employment ratios of persons with disabilities were 2.28% and 2.06% on a non-consolidated and consolidated basis, respectively. As of June 2024, the employment ratio of persons with disabilities was 2.45% on a non-consolidated basis. In recruiting, we continue to look for new employees and at the same time matched applicants with each department and provided care upon acceptance.

Employee Engagement

Questionnaire on the Working Environment and Individual Interviews

We gather opinions from employees about their workplace through a periodic questionnaire along with another questionnaire conducted by employees union, and we refer to their comments while creating a better working environment. In fiscal 2023, we conducted an engagement survey to gain insights into employee expectations and satisfaction levels. The results will be used as an indicator for improving the internal environment starting in fiscal 2024.

Engagement Scores\*1

Participants: all Group employees	
FY2025 Target	FY2023 Actual
55.0	51.3

\*4 Calculated in accordance with a provision stipulated in the Act on the Promotion of Women’s Active Engagement in Professional Life.  
\*5 Includes operational positions.

Website on the Promotion of Women’s Active Engagement in Professional Life and Support for Their Work-Life Balance (Ministry of Health, Labour and Welfare of Japan) (in Japanese)  
<https://positive-ryouritsu.mhlw.go.jp/>

PP. 60–63  
Roundtable Discussion with External Director and Female Employees



Employment rate of persons with disabilities (non-consolidated) as of June 1, 2024:

2.45%

Improvement of Workplace Environment

- Problem-solving seminars and opinion exchange sessions for employees who are hearing impaired
- Management training to promote understanding among managers
- Installing lamps in all offices that bear evacuation instructions for hearing-impaired employees in the event of a disaster
- Providing closed captioned presentations during Web-based training and financial results briefings

Indicators and Targets for Company Environment Improvement Scope: Non-consolidated	
• Employee satisfaction survey	
Target (FY2025)	Result (FY2023)
Maintaining the ratio of respondents who want to keep working for the Group at 90% or more	Percentage of employees who responded with “I want to continue working for the Group in the future”: 91.7%

Indicators and Targets for Company Environment Improvement Scope: Non-consolidated		
• Rate of childcare leave taken		
	FY2025 Target	FY2023 Actual
Male	100%	74.0%*2
Female	100%	100%

\*1 Deviation values that measure the degree of employee understanding and alignment with the Company’s goals and direction, calculated using the Motivation Cloud by Link and Motivation Inc. Standard score is 50.0.  
\*2 Including the Company’s own leave programs: 90.0%



Century Communication Up Discussion Events

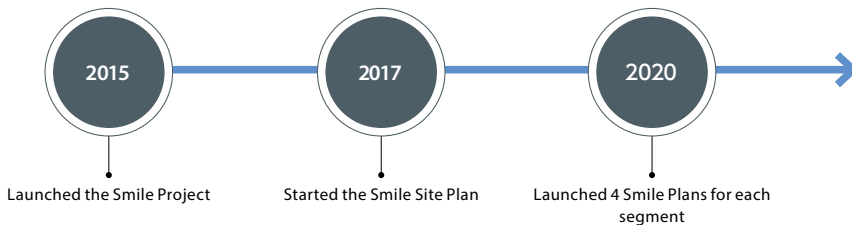
Since fiscal 2016, we have been holding Century Communication Up (CCU) discussion events in accordance with the Century 2025 long-term vision. Opinions and proposals obtained through the CCU have been applied to improving our operations and systems. In fiscal 2023, seven mid-level and young employees from three branches in Tokyo, Kansai, and Chubu participated in a two-hour dialogue with the president.

Promoting Work-Style Reform

Promoting the Smile Project

Sanki Engineering launched the Company-wide Smile Project, led by the president, in fiscal 2015 to promote work-style reform. We have been implementing initiatives across the Company to create a better working environment. In fiscal 2017, we set up the Smile Site Plan, a committee dedicated to construction sites. In fiscal 2020, we launched the Smile Plan for each segment to establish a system that enables all departments to work together as one. Moreover, under the Medium-Term Management Plan “Century 2025” Phase 3, a KPI is set up to eliminate overtime work exceeding the limit stipulated in the revised Labor Standards Act. As a result of these efforts, we were rated 3 on a scale of 5 stars in the 7th NIKKEI Smart Work Management Survey, which selects advanced companies that challenge the productivity revolution through work-style reform.

History of the Smile Project



Operation Process Reform Using Digital Technology

Our Group is implementing operation process reform based on the SANKI DX Vision. In fiscal 2023, we inventoried various workflows. Going forward, we will review the role of each operation and further optimize and streamline operation processes by visualizing and leveling them.

Promoting Work-Life Balance

We have been augmenting our programs in response to employee requests for broad support of a healthy balance of work and personal life so both male and female employees can continue to work with a sense of security while attending to various life events.



New employee CCU with executive officers



Certified as 3 stars in the NIKKEI Smart Work Management Survey

Major Initiatives of the Smile Project

- Clarify work responsibilities by reviewing the personnel system
- Follow up with employees who work long hours based on stress check results
- Raise efficiency by introducing a cloud-based accounting system

P. 65 Initiatives for Ensuring Quality at Construction Sites

PP. 58–59 Feature 2

FY2023 rate of paid leave taken (%) (consolidated):

67.2%

Average monthly overtime work (hours per person) (consolidated):

27.4 hours

Sanki Engineering's Own Major Programs Supporting Work-Life Balance\* (Non-consolidated) (as of April 2024)

Area	Program	Details
Work	Refresh leave	Five consecutive days of leave for each five- year period of employment using employee's reserved leave.
	Consecutive leave for construction managers	Three consecutive days of leave after staying at a construction site for more than six months or before moving to another site.
	Half day/hourly off	Paid leave for half a day or by the hour.
	Anniversary leave	A planned paid leave on special dates for employees or their families, requested.
	Sanki Smile Day	Employees are encouraged to take a full or half day of paid leave on monthly payday and avoid overtime.
	Reserved leave	The use of reserved days off for childcare, nursing, or volunteer activities.
	Telecommuting and telework system	Aims to improve operational efficiency and business continuity during childcare and nursing care or in the event of emergencies such as natural disasters and pandemics.
	Sliding work hours	Employees can slide the start and end times forward or back for business or non-business reasons insofar as this does not interfere with their work.
Childcare and nursing care	Return to Career program	Employees who have left the Company for unavoidable reasons can apply for reinstatement.
	Shortened work hours	Employees caring for children or other family members can apply for shortened or sliding work hours. In the case of childcare, the program applies to children up to the third grade of elementary school.
	Special childcare/nursing leave	Can be obtained multiple times and up to 20 days in total for childcare and nursing care.

Measures on Health and Productivity Management

Improving Employee Well-Being

We engage in activities for maintaining and improving employee well-being in tandem with promoting work-style reform. Apart from measures for reducing workloads and raising productivity, we carry out health improvement activities, provide employees with industrial physician advice for improving their life-style habits, and implement other projects. Moreover, a 24-hour toll-free health consultation service is in place to offer advice on health, medical, nursing, and childcare issues for employees and their families. The service was set up outside the Company, and caller privacy is strictly protected. In recognition of those efforts, we have been certified as a Health & Productivity Organization 2024 (Large Enterprise Category) by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.

Mental Health Care

We have been promoting employee mental health through regular stress checks, manager training, and mentoring programs. In fiscal 2023, a training session was held for managers of each department, which included a presentation by a certified psychologist about ways to improve the workplace environment and the early detection and response to subordinates' ill health based on the results of stress checks. We also provided information to all employees on the themes of the importance of line care and harassment as well as mental disorder.

Labor Practices

Sound Employer-Employee Relationships

We consider labor-management dialogues as a key channel to invest in human resources and continuously improve employee treatment. The Human Resources Department and employees union at Sanki Engineering meet monthly to discuss improvements in the working environment and operation of Company systems. Additionally, we provide employees with annual opportunities to exchange opinions with management. We also held labor-management exchanges in order to discuss and determine the fiscal 2024 wage increases.

\*Programs Supporting Work-Life Balance: The Group has established childcare and nursing care support programs that exceeds legal standards to provide an environment where employees can thrive.



Health & Productivity Management Organization 2024



Stretching class at Sanki Techno Center

Number of Employees on Leave and Work Hours

		FY2019			FY2020			FY2021			FY2022			FY2023		
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Childcare leave*1	Consolidated	9	27	36	7	33	40	10	32	42	7(26)	13	20(39)	38(46)	13	51(59)
	Non-consolidated	7	24	31	7	27	34	9	30	39	6(25)	12	18(37)	37(45)	12	49(57)
Rate of childcare leave taken*1 (%)	Consolidated	—	—	—	—	—	—	—	—	—	43.3	100.0	53.4	88.5	100.0	90.6
	Non-consolidated	—	—	—	—	—	—	—	—	—	44.6	100.0	54.4	90.0	100.0	91.9
Reinstatement after childcare leave (%)	Consolidated	100	96.3	97.2	100.0	100.0	100.0	100	93.8	95.2	100.0	100.0	100.0	100.0	83.3	96.0
	Non-consolidated	100	100	100	100.0	100.0	100.0	100	100	100	100.0	100.0	100.0	100.0	83.3	95.7
Nursing leave (people)	Consolidated	1	1	2	0	0	0	0	0	0	1	0	1	0	0	0
	Non-consolidated	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0
Rate of paid leave taken (%)	Consolidated	54.3	76.3	57.4	53.4	67.1	55.3	53.2	69.7	55.6	58.8	77.9	61.6	64.2	85.4	67.2
	Non-consolidated	51.9	74.4	55.1	52.5	65.8	54.5	52.4	69.5	55.0	58.2	77.9	61.4	64.0	87.1	67.5
Average monthly overtime work*2 (hours per person)	Consolidated	37.4	14.7	34.3	31.7	12.3	29.0	31.7	11.8	29.6	30.0	12.4	27.4	29.9	12.2	27.4
	Non-consolidated	34.5	13.6	31.3	33.0	13.3	29.9	33.0	12.8	29.7	31.6	13.7	28.8	31.2	13.1	28.4

Employee Data (as of March 31 of Each Fiscal Year)

		FY2019			FY2020			FY2021			FY2022			FY2023		
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employees																
Number of employees	Consolidated	2,152	349	2,501	2,190	358	2,548	2,226	381	2,607	2,244	383	2,627	2,281	378	2,659
	Non-consolidated	1,705	287	1,992	1,740	308	2,048	1,770	326	2,096	1,753	320	2,073	1,782	318	2,100
Number of non-Japanese employees	Consolidated	—	—	—	91	22	113	84	25	109	101	27	128	102	25	127
	Non-consolidated	—	—	—	17	6	23	19	5	24	20	5	25	20	4	24
Number of managers*3	Consolidated	676	9	685	683	11	694	672	13	685	687	18	705	821	21	842
	Non-consolidated	556	5	561	567	7	574	567	9	576	580	14	594	690	18	708
Average age*2	Consolidated	44.7	38.3	43.8	44.7	38.8	43.8	44.7	39.0	43.9	43.8	39.2	43.1	43.6	40.0	43.7
	Non-consolidated	44.1	37.6	43.2	44.2	38.0	43.2	44.2	38.2	43.2	43.0	38.3	42.3	42.9	39.3	42.3
Average years of service*2	Consolidated	17.3	12.9	16.7	17.5	13.2	16.9	17.6	13.3	17.0	16.7	13.6	16.2	18.2	14.4	16.6
	Non-consolidated	19.3	14.1	18.5	19.4	14.0	18.6	19.5	14.2	18.6	18.5	14.7	17.9	18.3	15.6	17.9
Employment																
Number of new recruits	Consolidated	70	15	85	73	18	91	79	20	99	82	6	88	87	8	95
	Non-consolidated	67	15	82	70	18	88	76	19	95	78	5	83	81	8	89
Number of mid-career hires	Consolidated	32	13	45	26	13	39	25	12	37	30	3	33	30	9	39
	Non-consolidated	7	8	15	5	9	14	5	3	8	5	0	5	7	2	9
Number of rehired employees after retirement	Consolidated	229	11	240	212	12	224	216	10	226	165	7	172	154	8	162
	Non-consolidated	169	8	177	173	9	182	176	10	186	124	6	130	98	5	103
Rate of persons with disabilities*4 (%)	Consolidated	—	—	1.94	—	—	1.77	—	—	1.82	—	—	1.51	—	—	2.06
	Non-consolidated	—	—	1.97	—	—	1.99	—	—	2.10	—	—	2.24	—	—	2.28
Turnover rate due to personal reasons*5 (%)	Consolidated	—	—	—	1.7	2.2	1.8	2.4	3.5	2.6	2.0	3.1	2.2	2.1	3.9	2.4
	Non-consolidated	—	—	—	1.5	1.6	1.5	1.7	2.3	1.8	1.7	2.7	1.9	1.6	3.1	1.8

\*1 The numbers in parentheses for childcare leave, the male rate of childcare leave taken, and the total for childcare leave taken in fiscal 2022 and 2023 are calculated by including the Company's own leave programs.  
 \*2 The figure for FY2021 was retrospectively revised.  
 \*3 The figures for the years from FY2018 to FY2021 were retrospectively revised due to a change in the aggregation method under the revised personnel system.  
 \*4 As of June 1 of each fiscal year.  
 \*5 Ratio of retired employees to all employees in each fiscal year.

Employees by Age (as of March 31, 2024)

		10s			20s			30s			40s			50s			60s			70s			Total
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	
Consolidated		5	0	5	451	85	536	451	113	564	472	91	563	657	75	732	233	14	247	12	0	12	2,659
Non-consolidated		2	0	2	396	77	473	369	101	470	333	69	402	505	60	565	176	11	187	1	0	1	2,100

# Local Communities



## Basic Philosophy

As stated in the Sanki Engineering Group Code of Conduct and Action Guidelines, “We seek to contribute to society in order to aid in the development of local communities as a good corporate citizen and member of society,” and our activities reflect this principle. We will maintain active communication and continue to help with the development of the local communities where we operate.

## Initiatives for Co-Existing with Local Communities

### Agreement for the Provision of Facilities in Times of Disaster

Sanki Engineering has concluded an agreement with Yamato City in Kanagawa Prefecture to provide a temporary shelter for those unable to return home in the wake of a disaster. Under the agreement, Sanki Techno Center will, in the event of an earthquake or other calamity, serve as a base of operations for local disaster prevention and emergency firefighting teams, and the Company will work to restore facilities for water supply and sewage in Yamato City.

In fiscal 2023, we invited the Yamato City Fire Brigade, which participates in local firefighting activities, to use the premises of our facility and also helped them to provide training on basic firefighting skills.



Disaster-preparedness well at the Sanki Techno Center

### Cleanup and Environmental Beautification Activities

Each branch and Group company participates in cleanups in areas around their offices or construction sites as well as environmental beautification activities organized by municipal governments. On a Group-wide basis, we carried out activities in 40 local communicates in fiscal 2023. The Group's presidents also actively participate in events and encourage greater turnouts for local cleanups.



President Ishida participating in a local cleanup

### Welcoming Study Tours to the Safety Experience Area and Other Training Facilities

The Sanki Techno Center welcomes study tours from government agencies, schools, and businesses to its Safety Experience area and other training facilities at the Techno Plaza. The Safety Experience area, which opened in fiscal 2019, gives visitors a first-hand experience of hazardous construction works. In fiscal 2023, 1,204 people visited the facility for a cumulative total of 5,543.



Receiving study visitors at the Sanki Techno Center

## Supporting the Development of the Next Generation

### Opening the Sanki Environmental Garden to the Local Public

The Sanki Environmental Garden, adjacent to the Sanki Techno Center, is open round the clock to members of the local community, providing a place to play for many children from neighboring daycare centers. In March 2024, the total number of visitors reached 63,000. We expect that the Sanki Environmental Garden will continue to be used by the community as a place to relax, and to nurture the next generation over the long term.



Children visiting the Sanki Environmental Garden



### Sanki Aquatech's Community Contribution Activities

Sanki Aquatech Co., Ltd., a Group company, conducts a variety of social contribution activities throughout the year, such as hosting social studies field trips for local elementary schools at its business locations nationwide; providing elementary, junior high, and high schools with opportunities for their students to experience work at the company as a part of social studies classes; assisting the local government office with its study group on sewerage projects; and participating in community cleanups. In fiscal 2023, a total of 113 elementary, junior high, and high school students from five schools in Hokkaido visited the company.

### Sponsoring the Chikyu Kyoshitsu Environmental Education Project

In 2023, we participated as a special sponsor in Chikyu Kyoshitsu, an environmental education project hosted by The Asahi Shimbun Company for elementary and junior-high school children. In addition to serving as a teacher in the One-Day School on the Environment for some 100 elementary school children from across Japan, we visited elementary schools in Fukuoka and Aomori prefectures. Under the title "Thinking about Comfortable Living and Energy Efficiency," the visiting lessons were provided for approximately 120 students to raise awareness about global environmental conservation through examples of the everyday comforts associated with air, water, and electricity.

### Participating in the SASUGAKU Academy to Create a Sustainable Future

In November 2023, we participated in the SASUGAKU Academy, a joint project between the Mitsui Group and the Japanese Red Cross Society's Junior Red Cross, as one of eight Mitsui Group companies. The project was conducted as part of the Mitsui Group's 350th anniversary and included group work based on examples of corporate climate change initiatives and peace education for 65 high school students from Japan and overseas members of the Youth Red Cross. Two of our employees with experience as members of an Antarctic research expedition enlivened the session by describing contributions of the equipment that supports the daily lives and observations of researchers and answering the children's questions.

### Hands-on Classroom Program

The Kanagawa Institute of Industrial Science and Technology operates a project in Kanagawa Prefecture that dispatches researchers and engineers to schools. We participated by providing volunteer lecturers for the program on two occasions in fiscal 2023 for elementary school students. Under the theme of making a squishy capsule to observe a chemical reaction, we explained the procedures and supported the experiments conducted. Afterward, we explained in more detail what happened and why, providing an opportunity for the students to broaden their interests.

### Other Services to Society

#### Support for Sports Promotion and Revitalization

We are an official sponsor of Yamato Sylphid, a women's soccer team in Yamato City. We also sponsor the non-profit organization Japan Deaf Rugby Football Union and Japan Handball Association. By supporting these sports, we continue to contribute to the revitalization of local communities.



Welcoming students on social studies field trips



Chikyu Kyoshitsu



SASUGAKU Academy



Hands-on Classroom



Yamato Sylphid on Sanki Match Day

### Donations and Sponsorships

We extend donations to universities and research institutes and sponsor cultural activities, including those by the Japan Symphony Foundation and the Kokoro no Gekijo (theater of the heart) project by the Shiki Theater Company. We also support nature conservation activities in developing countries in the Asia-Pacific and other regions, collect donations for training guide dogs, and encourage our employees to donate blood on an ongoing basis. Furthermore, each branch or branch office, as well as Group companies in Japan and overseas, support local activities and donate food and supplies. And we help with Mitsui Group social contribution activities through our support for the Mitsui Volunteer Network, which promotes the voluntary efforts of former employees of Mitsui Group companies.

### Earthquake Reconstruction Project

We launched the Earthquake Reconstruction Project in May 2012, a year after the Great East Japan Earthquake, as a Company-wide action team for contributing to the early recovery of the affected areas. Since then, we have conducted various activities each year to support the reconstruction effort, prevent memories of the disaster from fading, dispel harmful rumors, and share information on disaster prevention and mitigation. We also actively support these communities through ongoing donations, including funding the construction of tsunami evacuation routes in the Nehama areas of Kamaishi City, Iwate Prefecture.

#### Activities in Fiscal 2023

- Supported and participated in the "Forest is the Lover of the Sea" Tree Planting Festival
- Sponsored the National Shamisen Festival to commemorate the recovery from the Great East Japan Earthquake
- Visited earthquake-affected areas in Fukushima Prefecture
- Organized the Great Kanto Earthquake 100th anniversary commemorative event at the company cafeteria in September and March
- Supported the purchase of catalog gifts for the earthquake-affected areas
- Created and released a video related to the Kumamoto Earthquake entitled "Sanki at that Time"



Thai Sanki Engineering donated and installed solar power generation equipment, donated stationery, and planted trees at an elementary school.



Tsunami evacuation route in the mountain behind the Houraikan building

## VOICE »

### Appreciation for Contributions to the Local Community

Since 2018, Yamato City has been invited to use Sanki Techno Center facilities to conduct quality control and safety scenarios for city hall employees. When it opened, the center planned to include local residents, and the director at that time introduced the idea to us.

For city hall employees, there are many jobs related to the management of facilities operated by local governments, as well as in the design and supervision of public works. Knowledge of safety and quality management at construction sites is not acquired solely through classroom instruction. The training provided at the center is highly practical, enabling the participants to engage all five senses through reproductions of actual facilities and VR-based experience. Employees, including us, confidently share their learnings from these sessions at our own workplaces. And I think the overall experience is very meaningful in terms of our ability to communicate the importance of safety and quality control with contractors.

We are also aware of Sanki Engineering's contributions to carbon neutrality at sewage treatment plants and other facilities, which underlines the significance of having a company with this technology deeply rooted in the local community. We expect that Sanki Engineering will continue to take part in initiatives that lead to sustainability, such as providing technologies through its business and contributing to community revitalization.



Mr. Toshiya Shigehisa  
Deputy Chief,  
City Development Facilities  
Department, Yamato City Hall



Mr. Junichi Tanaka  
Chief,  
General Affairs Department,  
Yamato City Hall



Safety experience training