

CSR Goals

I – Construction and Customers

Vision for 2027

- Providing the highest level of construction work and maximizing the quality of services
- Ensuring that satisfaction is maximized for all customers

KPIs	Fiscal 2018 Targets	Results	Self-Evaluation
1. Civil Engineering Division: Average annual construction performance evaluation scores for public works projects	78 points or more	80.2 points	◎
2. Building Division: Percentage of "A" ratings in customer questionnaires	80% or higher	90.4%	◎
3. International Division: Number of technical training seminars held	Twice a year or more per year	10 times a year	◎
	Action Plan	Actions Taken	
	1. Systematically conduct quality inspections with a view to promptly identify and resolve any problems that occur at construction sites 2. Carry out construction with an accurate understanding of customer demands and requests. 3. Hold training sessions for young construction workers in Japan and technical training courses for workers in other countries	1. Quality inspections were made more effective, resulting in zero accidents at construction sites. 2. Shared customer demands and requests with construction departments and received high evaluations. 3. Basic skills were improved through technical training courses.	

Self-Evaluation: ◎ = Achieved, ○ = Mostly achieved, △ = Not achieved

Planned Measures

1. Communication between branch office management and construction site personnel will be enhanced in an effort to quickly identify and resolve any problems at construction sites.
2. Employees will be retrained to improve their ability to respond to customer requests and ensure that construction work is conducted safely and positively.
3. In addition to continuing training overseas, we will conduct training in Japan for local overseas staff and continually hold seminars for junior Japanese employees.



II – Safety and Health

Vision for 2027

- Achieving the goal of zero occupational injuries
- Eliminating long working hours and creating comfortable workplaces

KPIs	Fiscal 2018 Targets	Results	Self-Evaluation
1. Rate of injuries requiring 4 or more days of absence from work	0.6 or lower	1.02	△
2. Rate of injuries requiring 1 or more days of absence from work	1.0 or lower	1.81	△
3. Percentage of employees working less than 80 hours of overtime per month	100%	95.9% (土木) ,95.1% (建築)	○
4. Percentage of vacation days actually used by employees posted overseas	95% or higher	94%	○
	Action Plan <ol style="list-style-type: none"> To raise awareness of safety among employees, share information on exemplary safety-related initiatives Increase the percentage of foremen and health and safety managers participating in retraining Utilize ICT, improve productivity, and close workplaces on Saturdays to reduce long working hours Encourage overseas employees to take planned vacation days. 	Actions Taken <ol style="list-style-type: none"> Information on exemplary safety-related initiatives was shared internally and through training programs. Skills training courses for foremen (conducted every five years) were fully implemented. Tablet computers were distributed to employees, facilitating the use of ICT at construction sites. Employees stationed overseas became increasingly aware of the need to use paid vacation days. 	

Self-Evaluation: ◎ = Achieved, ○ = Mostly achieved, △ = Not achieved

Planned Measures

- Management recognizes that safety measures must be improved since the target rate for injuries was not achieved. Accordingly, more than one round of “pointing and calling” will be required at construction sites and routine inspections will be conducted to ensure that the pointing-and-calling method is always used.
- Project management training will be provided to managers of subcontractors during safety meetings to ensure that they understand their obligations as construction project managers.
- Although the percentage of vacation days taken by employees increased, more needs to be done to reduce long working hours. ICT will be further applied for that purpose, including the use of apps designed to raise productivity.
- To increase the percentage of vacation days taken by employees posted overseas, we revised Company regulations in line with actual work conditions to make it easier to use vacation days. We will continue using education programs to promote their use.



III – Employment and Human Rights

Vision for 2027

- Proactively invest in human resources to ensure sustainability
- Increase employee satisfaction to retain personnel

KPIs	Fiscal 2018 Targets	Results	Self-Evaluation
1. Turnover rate	1.5% or lower	1.7%	△
2. Percentage of female employees on a career track	4.5% or higher	4.6%	◎
	Action Plan 1. Reduce the turnover rate by analyzing reasons why employees quit and studying countermeasures 2. Continue proactively hiring female college graduates in accordance with Japan's Act on Promotion of Women's Participation and Advancement in the Workplace	Actions Taken 1. Long working hours were determined to be the main reason why employees quit, and measures were taken to reduce working hours in every business division. 2. Increased the representation of women among college graduates recruited as general staff (ratio of women among college graduates recruited: 4.3%)	

Self-Evaluation: ◎ = Achieved, ○ = Mostly achieved, △ = Not achieved

Planned Measures

1. To make workplaces more motivating for all employees, management created and executed new human resources systems that are designed to be more satisfying to employees. Training sessions will be carried out to raise employees' awareness of this new approach.
2. To promote more flexible working conditions for employees, management will consider the adoption, initially on a trial basis, of flextime, telecommuting, and paid leave permissible in hourly units.



IV – Governance

Vision for 2027

- Establishing corporate governance to achieve accountability
 - Earning trust by visualizing operations and organization
 - Ensuring thorough compliance
- Securing business sustainability and becoming a trustworthy company through complete risk control

KPIs	Fiscal 2018 Targets	Results	Self-Evaluation
1. Evaluations and specific indicators from auditors	No item indicated	No item indicated	⊙
2. Risk management The number of the items related to high risk	No item ranked as high risk (A) 0	1	△
	Action Plan 1. Maintain the soundness and effectiveness of the Company's RN21 system 2. Use risk management checklists and conduct deliberations and evaluations of the effectiveness of countermeasures	Actions Taken 1. No items designated by the RN21 system were identified. 2. Measures for reducing risks were implemented in every department.	

Self-Evaluation: ⊙ = Achieved, ○ = Mostly achieved, △ = Not achieved

Planned Measures

1. The department and committee in charge of compliance, along with all related departments, will continue working together and sharing information. Ongoing training sessions targeting various occupational categories as well as an e-learning course will continue to be provided to raise awareness of compliance among employees.
2. Although actions to reduce risk were implemented in every department, one high-risk incident occurred at the end of fiscal 2018. Accordingly, the Company will work to reduce all risks by creating a system for continually monitoring identified risks, while continuing to take action to reduce risks in every department.



V – Environment

Vision for 2027

- Stepping up efforts to be a company with advanced environmental management
- Establishing the foundations to maintain environmental compliance and ensuring they last
- Actively engaging in the environmental solutions business

KPI	Fiscal 2018 Targets	Results	Self-Evaluation
1. CO2 emission intensity (t-CO2/100 million yen)	Reduce CO2 emissions by 2% compared with fiscal year 2016	Reduce emissions by 1,499 t-CO2 compared with fiscal year 2016	◎
2. Percentage of construction waste sent to final landfill disposal (%)	3.0% or lower	2.8% or lower	◎
3. Number of outside (field) areas where activities to preserve biodiversity have been implemented	2	4 or higher	◎
	Action Plan <ol style="list-style-type: none"> Reduce CO2 emissions <ul style="list-style-type: none"> Promote introduction of biodiesel fuel and diesel combustion improver (K-S1) Use LEDs for lighting at permanent offices Pursue zero waste emissions <ul style="list-style-type: none"> Reduce mixed waste by implementing Nishimatsu Construction's waste materials sorting rules Implement biodiversity conservation activities 	Actions Taken <ol style="list-style-type: none"> Used approximately 123,762 liters of biodiesel fuel and about 2,156 liters of K-S1. Introduced LEDs for temporary lighting at all sites that use temporary lighting. The percentage of total waste that was disposed of in landfills came to 2.08% after materials were carefully separated according to internal rules (in collaboration with a recycling company). Construction methods that accommodate biodiversity were used at construction sites. To raise awareness of biodiversity among employees, biodiversity conservation events were held in various regions of Japan, including a head office event at Mount Fuji and a Kanto Civil Engineering Regional Headquarters event at a Company-owned forest. 	
Self-Evaluation: ◎ = Achieved, ○ = Mostly achieved, △ = Not achieved			

Planned Measures

- As a company taking the lead in environmental management in Japan's construction industry, Nishimatsu Construction will work to achieve a net zero carbon footprint and contribute to worldwide efforts to decarbonize.
- The Company will aim to reduce the percentage of total waste that is disposed of in landfills by effectively handling and recycling waste materials.
- The Company's internal guidebook used for biodiversity conservation at all construction sites will be revised, and company-led biodiversity conservation initiatives will be carried out at the head office and branch offices.



VI – Local Communities and Society

Vision for 2027

- Taking an active part in society as a corporate citizen
- Making contributions by capitalizing on business skills

KPI	Fiscal 2018 Targets	Results	Self-Evaluation
1. Number of community service activities conducted during the year	80	41	△
	Action Plan 1. Conduct community service activities that lead to building positive relationships with communities.	Actions Taken 1. We undertook a variety of activities in Japan and overseas. <ul style="list-style-type: none"> • A dam tour at nighttime in Kochi Prefecture,. • Disaster relief support was provided in areas damaged by torrential rain in western Japan. • Tree planting events were held in Hokkaido. 	

Self-Evaluation: ● = Achieved, ○ = Mostly achieved, △ = Not achieved

Planned Measures

- Because there are fewer reports of community service activities, we will continue to cultivate recognition of the significance of making a social contribution among all employees and develop a plan for additional activities.



VII – Industry and Supply Chains

Vision for 2027

- Building fair CSR supply chains

KPIs	Fiscal 2018 Targets	Results	Self-Evaluation
1. Rate of orders awarded to N-NET members for each fiscal year (value basis)	Civil Engineering: 70% or higher Building Construction: Framing 90% or higher, Finishing 60% or higher Action Plan 1. Strengthen ties between N-NET members and work sites, branches, and regional headquarters.	Civil Engineering: 76.3% Building Construction: Framing 86.2%, Finishing 58.7% Actions Taken 1. Improved the rate of orders awarded to N-NET members with planned orders received and early placement of orders.	○

Self-Evaluation: ● = Achieved, ○ = Mostly achieved, △ = Not achieved

Planned Measures

- We will identify outstanding companies in regions with few N-NET members.
- We will clarify the advantages of placing orders with N-NET members, and promote a mechanism for building “win-win” relationships between the Company and corporate N-NET members.



VIII – Communication

Vision for 2027

- Actively expanding CSR activities
- Maintaining appropriate CSR activities

KPI	Fiscal 2018 Targets	Results	Self-Evaluation
1. Number of construction site tours for investors held	At least one Action Plan 1. We will consider tours of shield tunnel construction sites in response to high demand. 2. Hold IR events for overseas investor relations in Europe	At least one Actions Taken 1. Tours of shield tunnel construction sites were conducted in Yokohama. 2. IR events were held in Switzerland and England.	●

Self-Evaluation: ● = Achieved, ○ = Mostly achieved, △ = Not achieved

Planned Measures

- We will actively engage in dialogues with investors.
- Tours of large construction sites in Japan will be conducted.

