

Presentation I

Creation of workplace full of satisfaction and attractiveness

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Mid-Term Business Plan <2024-2026>

In order to developing talent and organizational capabilities, we will secure, develop, and support “diverse talent willing to take on challenges and co-create.”

A Stronger Business Foundation



1-1 Talent Development and Organizational Capabilities Improvement

Supporting employee growth to nurture diverse talent willing to take on challenges and co-create



KPI Targets for FY2026

Employee engagement score*14
≥ 4.0

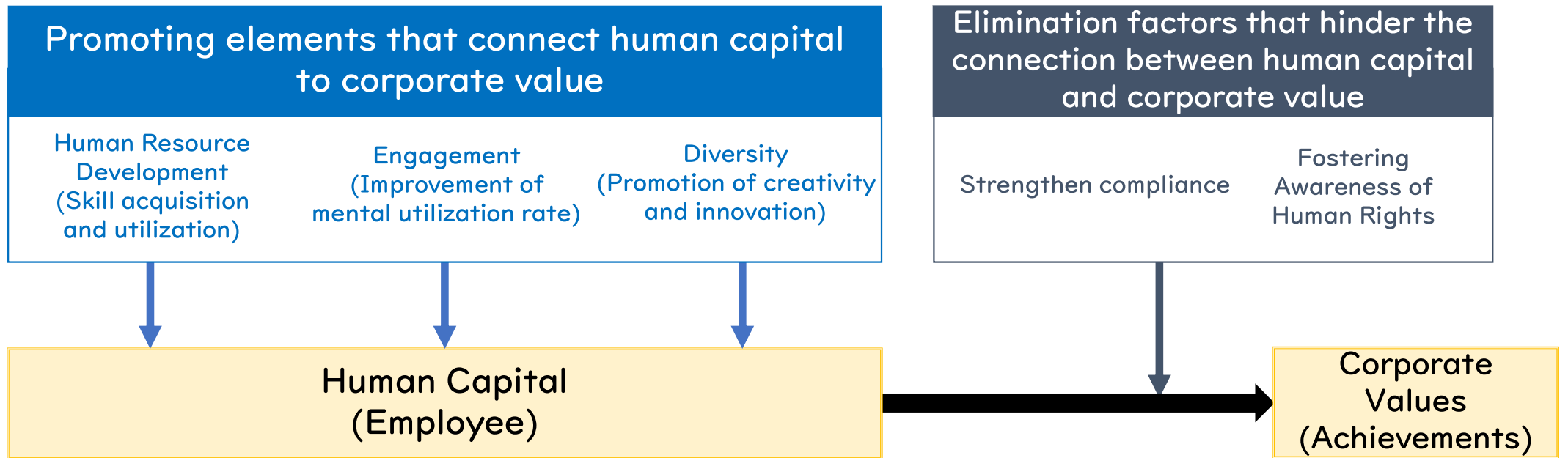
Percentage of industry-qualified engineers*15
Maintain 80% or more

Percentage of women in managerial positions
≥ 6% (≥10% by 2030)

Percentage of employees with disabilities
≥ 2.7%

Nurturing DX Specialists*16
120 specialists trained and assigned to all divisions

Framework of Human Capital and Corporate Value



Our Approach to Engagement

Defined as "a willingness to find value and pride in one's own job, workplace or company, and to proactively contribute to the company."

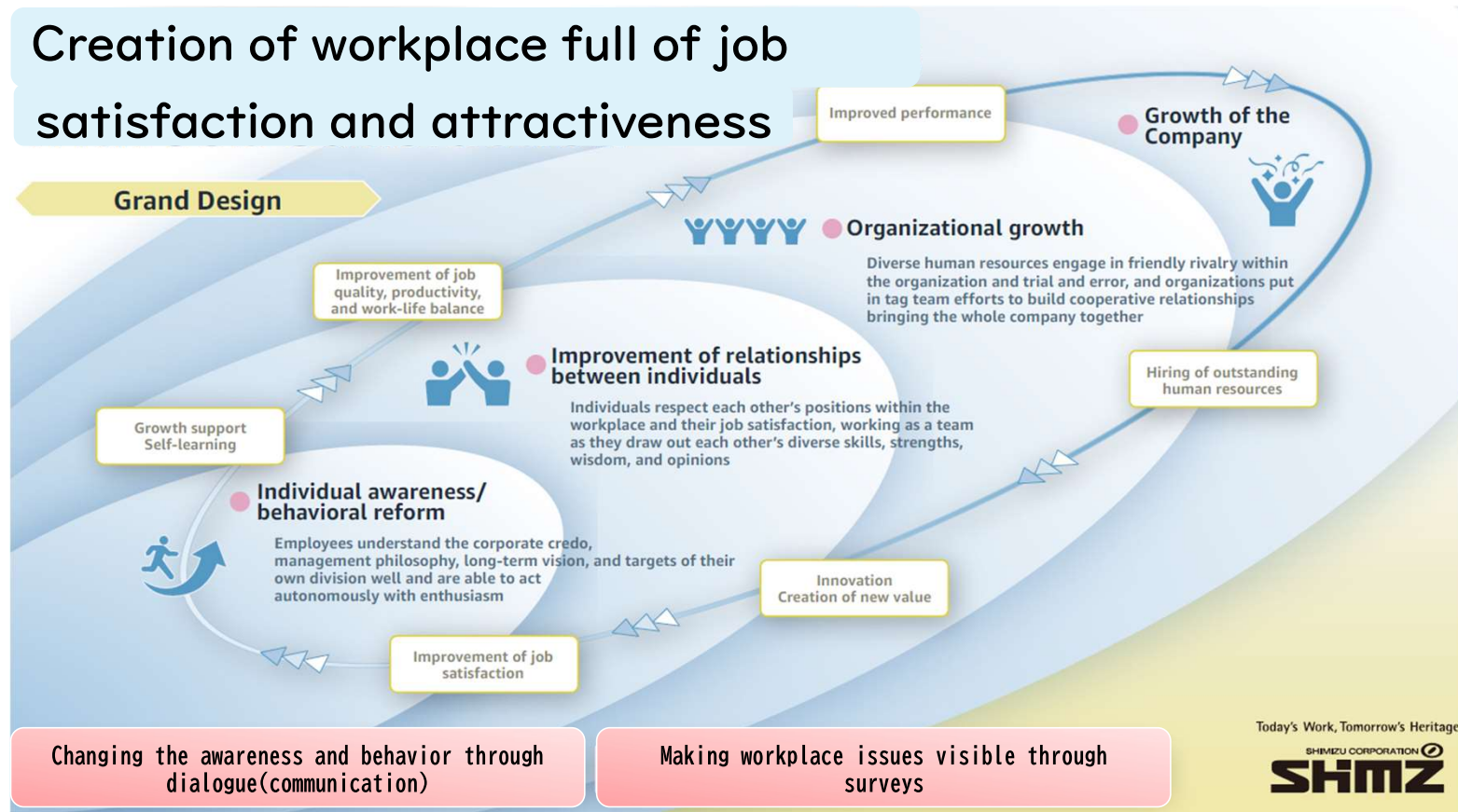
Purpose to increase engagement

By promoting changes in individual behavior, strengthening cooperation within the workplace, and strengthening functional coordination between organizations, we aim to improve productivity and create corporate value (business performance)



Creation of workplace full of job satisfaction and attractiveness

Formulate and disseminate a grand design aimed at "creating a workplace where all people are mentally and physically healthy, where mutual recognition flourishes, and where everyone can maximize their unique characteristics and strengths."



Background to the start of the initiative

Trigger (2018)

With the enactment of the “Act on the Arrangement of Related Acts to Promote Work Style Reform,” the upper limit on overtime work were applied from April 2019.

For the construction industry, there was a five-year grace period for the summary due to industry characteristics and trade practice issues.(Effective from April 2024)

Our issues based on the above

Toward April 2024, there is a need to **promote work style reforms** that go beyond simply reducing working hours.

In addition to changing the mindset of employees in how they perceive company policies and how they approach their work, it is even more necessary to encourage them to take proactive action.



Focusing not only on "work style" but also on "job satisfaction",
we define the ideal workplace we aim for as a **“Workplace full of job satisfaction and attractiveness”**

Main Initiatives

First of all, we started with work style reform (ease of working), including improving the working environment, gradually develop initiatives that lead to individual awareness and behavior reform (job satisfaction) such as diversity and dialogue.

Work Style Reform
(Ease of working)

Awareness and behavior reform
(Job satisfaction)

Efforts	2019	2020	2021	2022	2023
Awareness Survey	Job Satisfaction Awareness Survey (Employee Awareness Survey)				
				Pulse Survey	
Improvement of the working environment	Systems to support ease of working (telecommuting, sliding shift, flextime etc.)				
	Promotion of two days off per week				
	Work Style Reform Award				
Diversity	Improvement of the working environment (prayer rooms, all-gender restrooms, multilingualization of site signs)				
		Support for male employees taking childcare leave			
Dialogue				Shin Diversity	
				I-on-I meetings	

Employee Satisfaction Scores

We have set a "Employee Satisfaction Scores" consisting of "Work Fulfillment," "mental and physical health," and "relationship of trust in the workplace" and as a **Non-financial KPI in the Medium-Term Business Plan(2019-2023)**, we have set a target of achieving an average of 4.0 or higher.

Trends in Decent Work Indicators

Employee Satisfaction Scores	FY2019	FY2020	FY2021	FY2022	FY2023
Work Fulfillment	3.80	3.76	3.73	3.63	3.62
Mental and physical health	3.80	3.80	3.74	3.72	3.78
Relationships of trust in the Workplace	3.67	3.69	3.69	3.66	3.74
3 indicators averaged	3.76	3.75	3.72	3.67	3.71

Indications for score interpretation

Average 4 points or more	[Good] A state in which many employees are positively aware and acting	Average 3.5 points or more	[Passing score] A target value for improving the evaluation
Average 3 points or more	[Caution] The need to carefully examine the content and determine whether it will be an issue	Average Less than 3 points	[Problem] Very bad condition and needs improvement

Results and Issues of Initiatives (I) (Based on Trends in the Job Satisfaction Awareness Survey)

Since there are certain effects in the categories of workload and work styles, it is important to focus on initiatives that will give employees **a sense of their own growth, attachment to the company, and sympathy for the company's policies.**

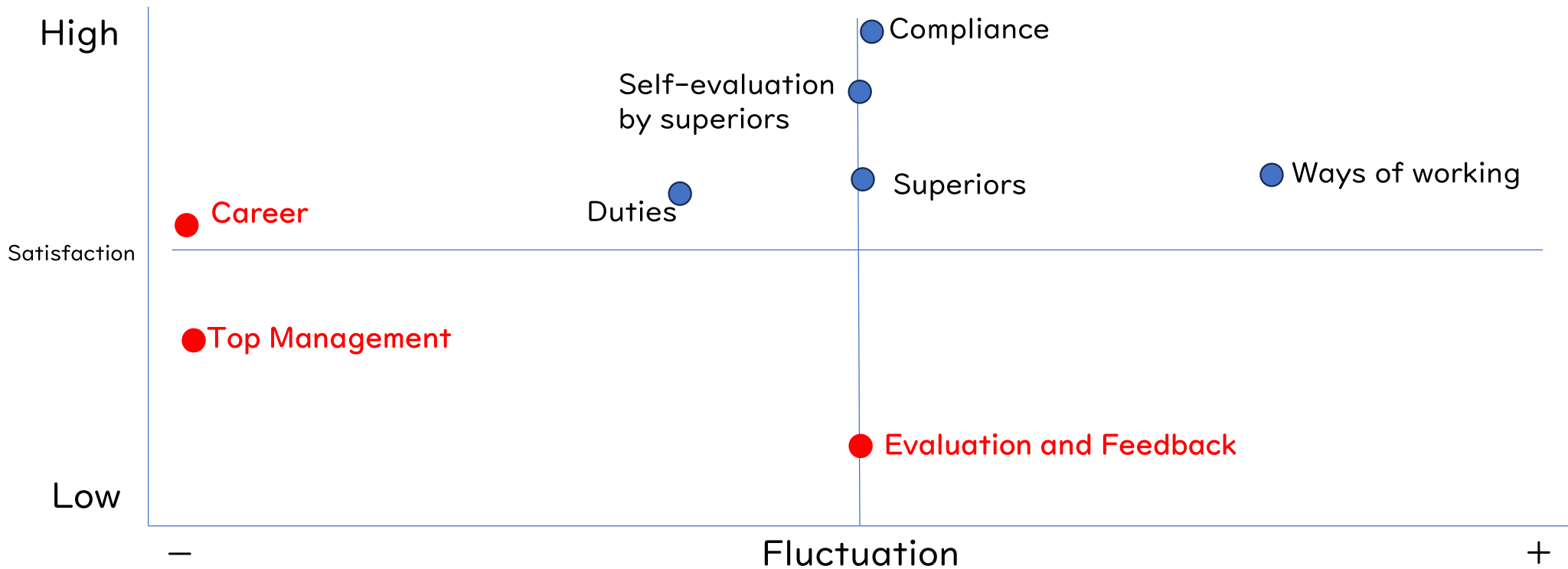
From FY2019 to FY2023, questions with large fluctuations in answer results

	Category	Question	2019	2023	Difference
Greatly improved	Work Style Reform	Requests for more work reports than necessary	3.61	3.72	+0.11
		Flexible work styles for men	3.39	3.74	+0.35
	Compliance	Reduction of harassment in the workplace	3.88	3.99	+0.11
Greatly worse	Career	Feeling of personal growth	3.94	3.73	-0.21
		Own career prospects	3.74	3.53	-0.21
		Intention to continue working at the Company	4.12	3.87	-0.25
	Top Management	Realization of improvement actions by management	3.90	3.64	-0.26
		Feeling the transformation of our company	3.65	3.42	-0.23
		Penetration of Management Policies	3.77	3.56	-0.21

Results and Issues of Initiatives (2) (Based on Trends in the Job Satisfaction Awareness Survey)

"Evaluation and feedback" also needs to be improved as satisfaction level is low over time.

Trends in the results of the "Job Satisfaction Awareness Survey" from FY2019 to FY2023



Improving the quality of 1-on-1 meetings

1-on-1 meetings are effective in improving the "Employee Satisfaction Scores", but if done incorrectly, it will be counterproductive.

In the future, we will strive to "improve quality" so that both supervisors and subordinates can practice correct operation.

FY2023 Former Engagement Survey (Job Satisfaction Awareness Survey)

"Employee satisfaction Scores" by answer result of "satisfaction of 1-on-1 meetings with superiors"

Satisfaction level	Number of Answers	Work fulfillment	Mental and physical health	Relationships of trust in the Workplace
Very satisfied	1,217	4.43	4.49	4.54
Satisfied	3,637	3.84	3.94	3.97
Neither satisfied nor dissatisfied	2,009	3.31	3.50	3.46
Dissatisfied	366	3.01	3.23	3.03
Very dissatisfied	132	2.54	2.85	2.21
Not Implemented	2,873	3.36	3.59	3.45
Overall average	10,234	3.62	3.78	3.74

Those who answered "very satisfied" have a high job satisfaction index

Those who answered "dissatisfied" or "very dissatisfied" have a lower job satisfaction index than those who "have not implemented"

Dialogue and Surveys

Initiatives aimed at reforming the culture of our organization by changes in individual awareness and behavior through dialogue and visualizing organizational challenges through surveys.

Workplace full of job satisfaction and attractiveness (Engagement improvement)

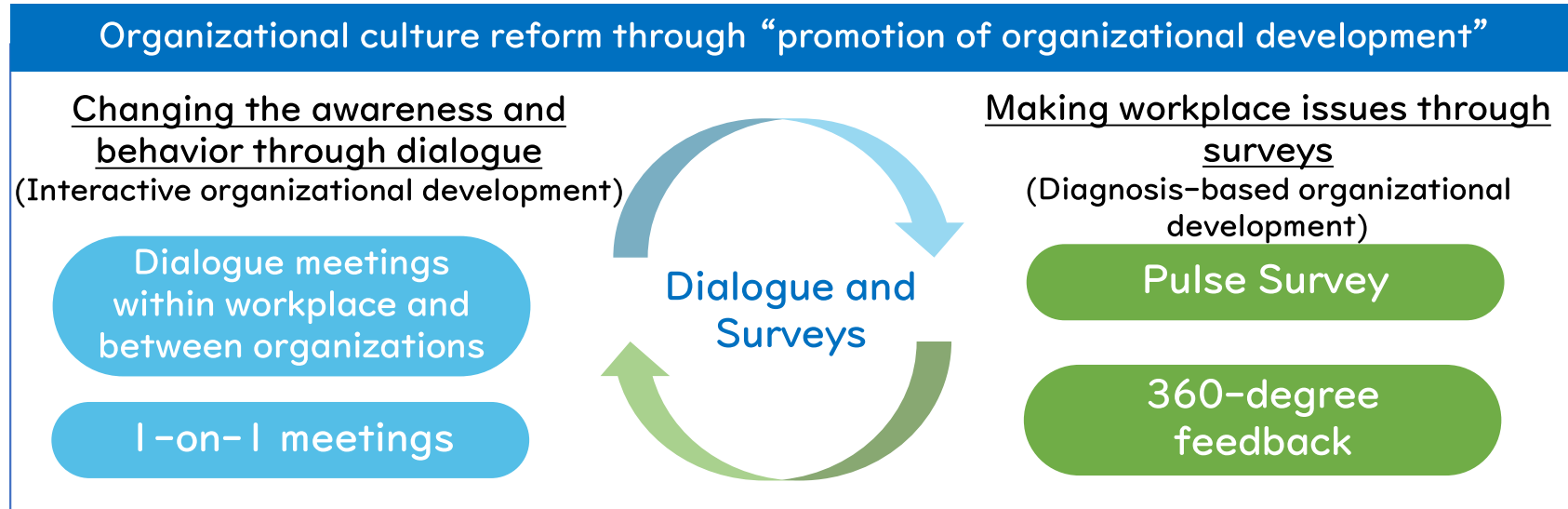
Dialogue

Engagement Surveys

Surveys

Expand initiatives based on issues

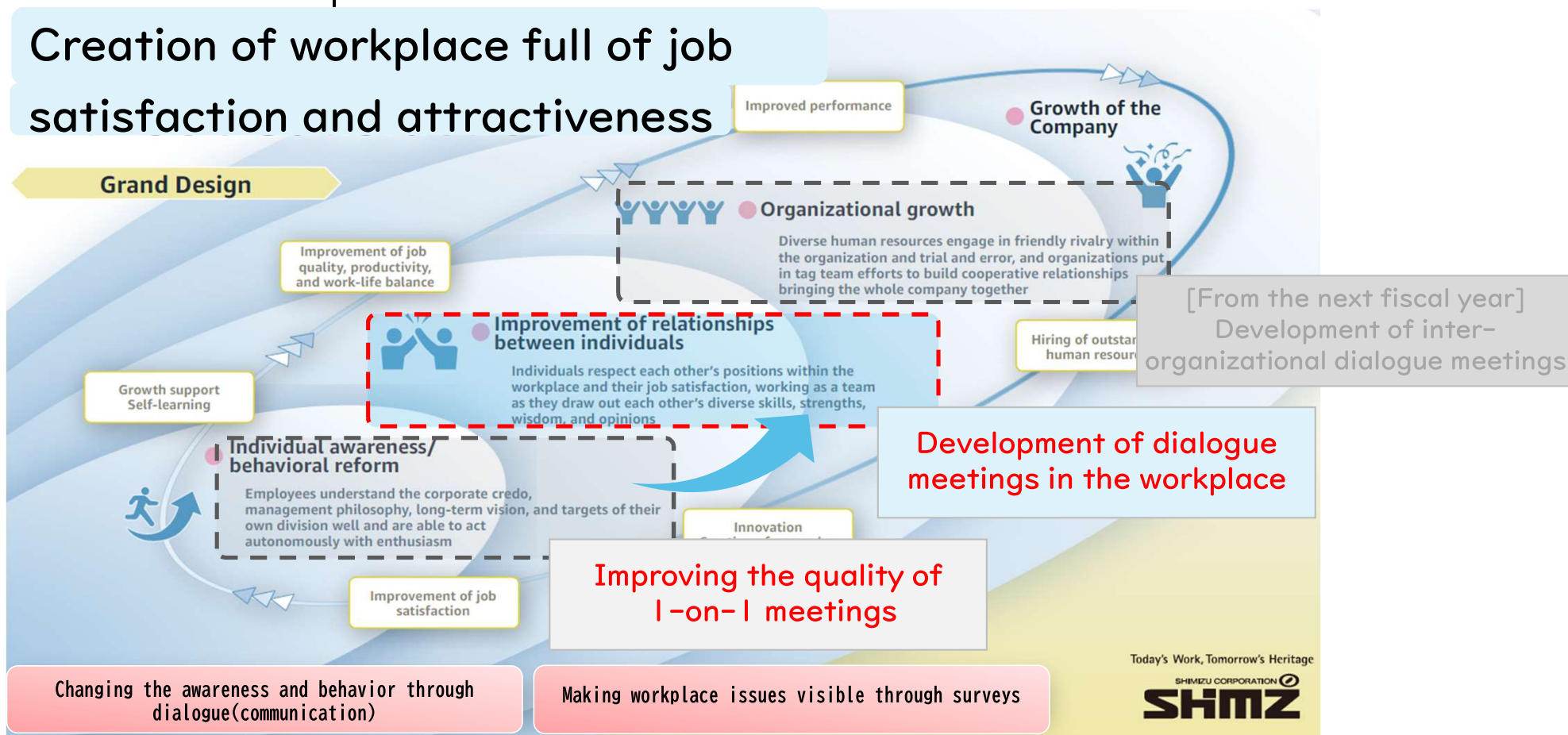
Measure effect of existing initiatives



Initiative policy for this fiscal year

While continuing our efforts to changing in individual awareness and behavior, we develop initiatives to enhance relationships between individuals and accelerate the creation of workplaces where teams can achieve results.

Creation of workplace full of job satisfaction and attractiveness



Overview of Dialogue Measures

Growth through personal learning

Organizational Learning and Growth

Objective	<p>Personal growth by helping to learn from superiors</p>	<p>Personal growth by helping to learn from seniors and colleagues</p>	<p>Growth as an organization through mutual learning among workplace members</p>	<p>Growth as a company through mutual learning across organizations</p>
Policy	<p>I-on-I Meetings Dialogue between supervisors and subordinates</p>	<p>Building a foundational relationship of trust</p> <p>Workplace Dialogue Meetings Dialogue within workplaces and groups</p>		<p>Inter-organizational dialogue meetings Dialogue across departments</p>

Development of dialogue meetings in the workplace

This is an initiative to enhance relationships of trust by regularly engaging in dialogue within the workplace and learning about each other's positions, values, and strengths, as well as to promote the growth of individuals and teams and improve productivity while drawing out wisdom and opinions



Non-Financial KPI "Engagement Scores"

It has been set as a KPI to measure the effects of new measures that promote strengthening collaboration within the workplace and between organizations, in addition to changing individual behavior

