

## FY2025 PRODUCTION MANAGEMENT PLAN

*Strict implementation of "Thorough 5S" as a core discipline of \*MONOZUKURI, "Supreme Quality Assurance" to be passed on to the next generation!*

### 《PRODUCTION MANAGEMENT BASIC POLICY》

Through the combined strengths of our people and technology, we promote Supreme Quality Assurance by placing emphasis on the construction process, while preserving and passing down our culture of safety and quality.

“Supreme Quality Assurance” means that all SMCC Executives and Employees shall engage in Quality Control Activities with good faith, pride, high aspirations, and sincerity to jobsites.

Specifically,

1. Quality control activities that all SMCC staff (HQ, branch management, project managers and site staff) shall implement with the understanding of the priority that Safety, Quality first, Cost second.

2. Quality control activities that continue to do the right things in the right manner. Those activities must not be "provisional" or "temporary".

3. Quality control activities that do the right things "thoroughly", "seriously" and "without any compromises".

4. Quality control activities that SMCC staff themselves unfailingly check the process and the results of their instructions every day, and not "just leaving the work to sub-contractor" or "only instructing and not checking".

5. Quality control activities by all SMCC executives and employees, having the determination and persistence for the improvement of work quality, with patience and great care.

### 《PRODUCTION MANAGEMENT BASIC TARGETS》

○ ZERO QUALITY DEFECT

○ Cultivating "SUPREME QUALITY ASSURANCE"



\*MONOZUKURI

Monozukuri is a Japanese term that translates to "making things" or "production." However, it encompasses much more than just manufacturing. It represents a synthesis of technological prowess, technical expertise, attention to detail, and the spirit of dedication and pride in creating high-quality products. The concept emphasizes continuous improvement, innovation, and the pursuit of perfection.—it's a philosophy that values quality, precision, and a sense of responsibility

## 《PRODUCTION MANAGEMENT BASIC PLAN》

### 1. PREVENTION OF QUALITY PROBLEMS

- (1) Defect factor analysis of the past projects  
(Preventive measures for human error, material, method)
- (2) Information sharing of useful examples and findings in QSA/Safety & Quality Audits
- (3) Verification of priority quality control items in the construction process

#### PRIORITY ACTIONS

- (Common)**
- 1) Thorough implementation of 5S activities.
  - 2) Improving site capabilities by enforcing rules in the construction process and working with QSAs.
  - 3) Cultivating "Supreme Quality Assurance" by uniting SMC group.
  - 4) Passing on safety, quality culture and knowledge to future generations.
  - 5) Conducting remote and hybrid audits and patrols by using ICT and data.
  - 6) Education on the importance of ensuring quality (education on the philosophy of Supreme quality assurance and engineer ethics) ※Twice a year
- (Civil Engineering)**
- 1) Verifying the validity of construction processes and improving them continuously through the Safety & Quality Audits (safety, quality, laws and regulations, etc.).
  - 2) Reviewing risks as construction progress and making sure to use the Pre-Risk Progress Chart to visualize risks.
  - 3) Holding training courses of "True factor analysis of quality problems" and promote its use at sites and branches.
  - 4) Enhance risk assessment for quality and build up construction risk management capability (detection and countermeasures).
  - 5) Combining on-site and remote audits to improve the effectiveness of QSA/Safety & Quality Audits, share information and pass on knowledge.
  - 6) Prevent problems by checking the status of responses to points raised and guidance given at project review meetings through QSA/ safety and quality audits.

#### (Building Construction)

- 1) Focusing on process management for "Works with potential serious defects" and for "Major works" specified in the "Project Quality Plan".
- 2) Thoroughly manage the construction process in accordance with the "Construction Management Standard", "Construction Quality Control Chart", and "Site Inspection Checklist".
- 3) Construction supervisor/ consultant shall attend "Confirmation meeting of the construction management plan" to ensure thorough supervision can be conducted. In addition, Design Audit Department shall confirm through patrols, the supervision is conducted adequately.
- 4) Prevention of accidents and quality problems in on-site "audits" by HQ and QSA.
- 5) Reinforce guidance on checkpoints for each type of work before the commencement, particularly for young employees, in QSA audits to prevent quality defects.
- 6) Conducting QSA audits—including remote audits—for overseas project sites during key construction process phases, and working in cooperation with the PMS Department of the Global Business Division, the initiative is designed sessions to cultivate Supreme Quality Assurance through dedicated training.

#### Major quality control items(Domestic)

- Pile  
(incl. soil improvement & spread foundation)
- Rebar (incl. joint)
- Sleeve
- Structural steel
- Structural slit
- External tile

#### Main types of work (Domestic)

- Concrete
- Pca
- Seismic isolation
- Waterproofing
- Insulation
- Designated by PM

#### Aftercare priority management items(Domestic)

- Wall cloth
- Flooring
- Water leakage  
(external fixtures) (equipment)

#### Major quality control items(International)

- Pile  
(incl. soil improvement & spread foundation)
- Rebar (incl. joint)
- Framework
- Earthwork
- Structural steel

#### Main types of work (International)

- Concrete
- Waterproofing
- Designated by PM

#### Aftercare priority management items(International)

- Floor
- Wall crack
- Floor epoxy

### 2. IMPROVING WORK EFFICIENCY & REDUCING SITE WORKLOAD

#### PRIORITY MEASURES

- (1) Establishing a next-generation safety culture centred on the synergy of people, technology, and engagement
- (2) Promotion of DX/SX in production and work processes
- (3) Compliance with laws related to working conditions

#### PRIORITY ACTIONS

##### (Common)

- 1) Thoroughly develop measures to 'reduce waste, inconsistency and inefficiencies' in business processes.
- 2) Comply with relevant laws and regulations, in particular overtime limits, by raising employee awareness, improving operations and increasing efficiency.
- 3) Utilising the flextime working system at site.  
-Operate morning and evening assemblies in shifts.
- 4) Reduce workload of site operations and utilize data more effectively through the use of Buildee and the Environmental Management System.
- 5) Continuous operation of the Construction Career Upgrade System (CCUS) and 100% utilisation of the Buildee facial recognition system.
- 6) Working on reduction of CO2 emissions, by applying green energy and environmentally friendly technologies.
- 7) Realization of "SMile production system" through "next generation production system" such as pre-casting.
- 8) Centralising key support activities—including start-up operations and documentation guidance—the Project Support Group delivers concentrated assistance to project sites.
- 9) Ensuring full compliance with legal and corporate standards in overtime work hour management by eliminating all violations.

##### (Civil Engineering)

- 1) Aiming to improve productivity by pre-casting and promoting i-Construction 2.0
  - ・ Developing productivity improvement measures for floor panel replacement work, etc.
  - ・ Advanced and remote construction management (Enken®).
- 2) Consolidating technical information that leads to operational efficiency, collaboration with DX section.
  - ・ Manpower saving and automation through surveying and inspection of completed sections (e.g. Raku Camera®).
  - ・ Promoting "Visualization" and "Dissemination" of safety & quality management.
- 3) Improving the IT infrastructure on site and introducing DX tools to increase the efficiency of on-site operations.

##### (Building Construction)

- 1) Strengthening the operation of Buildee to reduce on-site work and promote communication with subcontractors
  - ・ Accumulate progress data by inputting scheduled work based on company standards.
- 2) Promoting effective communication, including with supervisors, by leveraging digital transformation tools such as eYACHO and WowTalk
  - ・ Improvement of work efficiency by reducing the time required to search for documents and duplicate entries through the use of Wizzdom.
  - ・ Use of web conferencing systems to reduce travel time.
- 3) Improving the convenience of the construction profit & loss monitoring system "BESIPRO Costing".

### 3. COMPLIANCE WITH LAW & REGULATION

#### PRIORITY MEASURES

- (1) Compliance with Construction Business Act and related laws and regulations
- (2) Strengthening governance and internal controls

#### PRIORITY ACTIONS

##### (Common)

- 1) Thorough education of employees regarding Construction Business Act and related laws and regulations.
- 2) Comply with internal rules on specially controlled hazardous operations and chemical substances control.
- 3) Continued implementation of site patrols to check compliance with the Construction Industry Act and to exterminate violations of the Act.
- 4) Encouraging the implementation of emotional compliance.  
~ From 'Don't cheat' to 'Do the right thing'.
- 5) Eliminating harassment and building an attractive and respectful work environment for all employees.

\* QSA : Quality Safety Auditor

