

The 2019 ISSUE 01 Innovator

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Newsletter Publication

In response to the growing trend of globalization and the increase in U.S. military base construction projects, Rokko & Associates, Inc. decided to release its first ever bi-annual English

newsletter. This winter issue has been written with the goal of targeting the University of the Philippines (UP) Job Fair and Rokko's current expatriates. Furthermore, all of the articles in this

newsletter have been composed by our very own employees.

From all of us here at Rokko, we are looking forward to having you enjoy this and all our future publications.

Performance Analysis of the 77th Term

Construction demand in the 77th term was steady due to hotel projects reflecting the increase in inbounds to Japan, large-scale redevelopment projects in urban areas, and orders for large-scale projects from the U.S. military. Jointly with other branches, the Kyushu Branch and the Chugoku Branch promoted construction projects for military facilities for the U.S. forces in Japan, of which the Company possesses unparalleled know-how. We believe that this initiative had the effect of underpinning the business performance of the branches with less construction works at hand as well as

preventing competitors from participating in competition.

In the 78th term, we plan to further expand branches to handle the said works so that eventually all branches across the country can handle construction projects for military facilities.

In addition, we have gradually accumulated the know-how for small-scale construction works for U.S. military facilities. The Tokyo Dai-san Branch will mainly handle these projects.

Regarding overseas bases, we will promote the securing of human resources to establish a construction

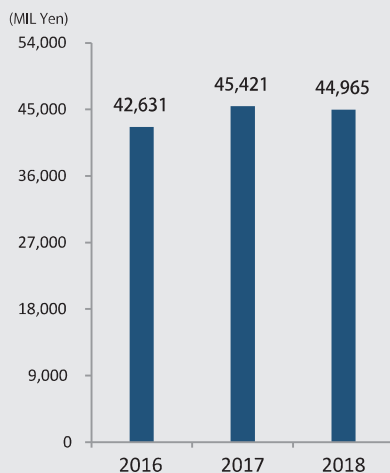
team at the Guam Branch. It is a challenge to hire a project leader the key to construction success and secure workers.

Concerning materials, we will increase the number of engineers at our U.S. subsidiary HEXEL TECH ENGINEERING Corp., aiming to procure materials at competitive prices. We will also attempt to sell materials to others in the same industry in the United States as a strategic move for the future.

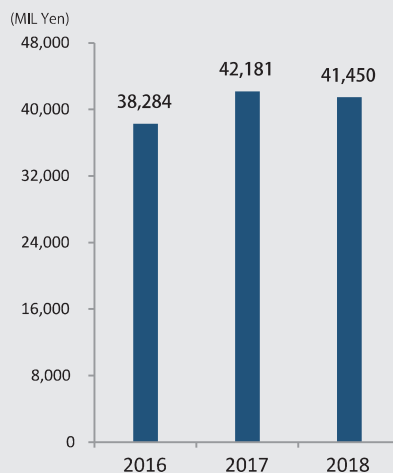
Financial Summary for the Fiscal Year Ended September 30, 2018
https://www.6kou.co.jp/pdf/news/Financial%20Summary_2018.pdf



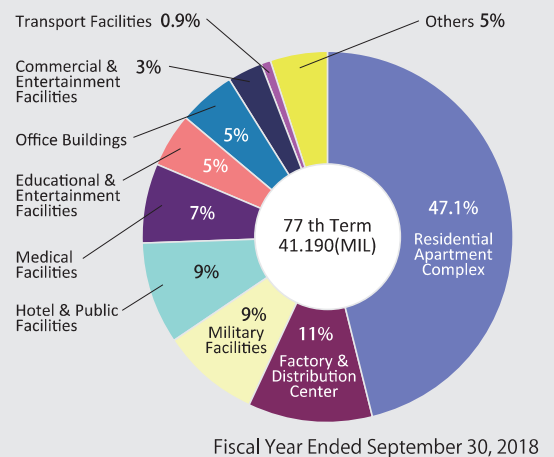
ORDERS RECEIVED



REVENUE



CONSTRUCTION COMPLETION RATIO





The Global Management Department was inaugurated with the objective of strategically expanding profits through the institution of the Guam Branch, Los Angeles subsidiary HEXEL TECH ENGINEERING, and Global Recruitment.

1 New Adventure on Guam



For someone reading this newsletter for the first time you might not be aware that Rokko has been hiring engineers from the Philippines for the past four years. These fresh graduates are young and very energetic, and are up to the challenge of adapting to Japanese culture.

However, it is a completely different story when talking about Guam.

The island is a small U.S. territory in the Pacific, but for its size and location the business environment there in regard to construction contracts is extremely well developed, with many companies competing for the same projects. In order to win a project everything counts, including materials and labor cost.

Wages are rather low for freshly graduated Filipino engineers as they are inexperienced. In addition, they require a work permit, which normally takes a few months to obtain. As such, and since Puerto Rico is considered part of the United States and there is no need for a visa, we decided to try our luck there. The result was that we were kind of disappointed with our findings. First of all, Puerto Ricans do not speak as much English as expected. They mainly speak Spanish.

Second, in order to deploy Puerto Ricans all procedures must go through and be approved by the Departamento Del

Trabajo (the Labor Department of Puerto Rico). This really prohibits the free movement of laborers. Combined, this makes the recruitment situation in Puerto Rico similar to that of the Philippines; with tons of restriction.

The result might be better than we expected, though, as we did not walk away empty handed. At least we learned that the hiring process for Puerto Ricans requires similar procedure as for Filipinos. This forces us to concentrate on making better offers to the workers that we targeted, which is fundamental to the core of Rokko; caring for employees.

2 HEXEL TECH Support

It has been almost three years since HEXEL started its business in the United States, where the laws and business customs are different from those of Japan. They are still on their way to establishing a relationship of trust with their customers and business partners.

The Global Management Dept. visited HEXEL's cooperative companies as a representative of the parent company and customers, and we provided business information on the management status and future prospects of our company to make it easy for cooperative companies

to conduct business with HEXEL. We were often present at the development activities of and negotiations with suppliers, and were able to directly inform them of the needs of Japanese customers and tried to understand distribution channels in the United States. As such, we have been making efforts to ensure their smooth business.

In addition, when they needed to investigate human or legal affairs or when a problem occurred, we worked on such issues in cooperation with HEXEL, which helped us obtain the knowledge and know-how required in the United States. We are working hard to make appropriate decisions as the parent company.



Thousands of U.S. catalogs

3 Growing Global Recruitment

It has been five years since the launch of Global Recruitment in 2013. Today, we continue to hire two new graduates from the University of the Philippines every year. In the Global Management Dept., we focus on not only recruitment but also following up with new employees about their life after coming to Japan. In addition to their Japanese lessons, we share the problems caused by cultural differences with each other and try to find solutions. Also, we help them with acquiring qualifications and provide technical support to make them full-fledged site agents. We started this Global Recruitment business to cope with the future shortages of human resources; however, currently, we think the new sense of value and influence brought by employees from overseas will be a great asset for the Company. We, the members of the Global Management Dept., want to send a breath of fresh air together with employees from overseas to Rokko through our overseas recruitment activities. Considering recruitment from universities other than the University of the Philippines, we will further develop the Global Recruitment business.



Company talk at UP Job Fair in 2018

Members of the Global Management Department



TAKAYUKI SAKAMOTO
Overseas Division Director and
Managing Executive Officer



KAORI SEKIGUCHI
Administrative Manager



TAKAHIRO SHOJI
Sales Manager



University of the Philippines (UP) Job Fair Rokko Booth



HITOMI NAKAMURA
Administrative Assistant



ANFERNEE KUO
Strategic Planning Manager



MIKI NOBUUCHI
Sales/General Manager



Global Career Support

How to start your career at Rokko & Associates

When working for a Japanese construction site, communication is the most important skill. For our expatriates, this entails the compounded challenge of having to communicate in Japanese. In light of this, Rokko prepares an intensive six-month pre-departure language course. This course mainly focuses on gaining and improving Japanese communication with an emphasis on conversation skills, and if the curriculum permits the class also introduces basic Japanese business manners and skills that may come in handy while working in Japan.

Japanese-Language Classes



Studying Japanese at Japanese-language school



We conduct Japanese-language training for six months in the Philippines and three months in Japan.

While still in the Philippines, we regularly prepare tests and Skype

meetings in order to check the learning progress.

Instead of entrusting the lessons entirely to the language school, we regularly consult with the teachers to check and strengthen the weak points of

each student. Also, in Japan we use an introductory electrical construction manual for the instruction of more practical Japanese.

Senior Staff Comments



SAN PEDRO ERWIN

Tokyo 1st Branch
2018—Entered the Company, UP Graduate (EC)

The Path I Took

It is not easy to learn a new language. Aside from memorizing tons of words, you are also going to have to understand the country's culture as reflected by its language. In addition to this, Japanese is considered one of the most difficult languages in the world for foreigners to study. It has three different writing systems, one of which, the Kanji writing system, contains more than 2,000 characters (note that these are commonly used characters, the actual total character count is much, much more than this). You'd be spending countless hours learning vocabulary and rote learning will be your best friend (or worst enemy, for that matter). But as students of UP EEEI, we were honed by the institution to make good use of the tools that we have to solve problems. Our patience and endurance were always tested to their limits.

The language is demanding. I have been in Japan for quite some time but sometimes it still feels like I know nothing about it. However, since I am surrounded by people who believe and trust in me, I became more determined. I still have a lot to learn about the language, our work and the work culture, and such, but now I am even more thrilled to take on these challenges.

Steps to Finding Employment

Manila

2019
July

- After graduation: Start of Japanese-language lessons
 - * Original textbook usage and learning from scratch
 - * Lessons are held for 1 or 2 students per 1 teacher
- Monthly: Progress check via Skype
Weekly: Submittal of lesson report
Daily: Refer to "Kenneth's One Day Schedule"
- Learning by the usage of technical words and original textbook
- JLPT N4 Exam
- Referring to the language progress and exams, determination of immigration to Japan

Dec.



Japan

2020
Jan.

- For successful applicants: Immigration to Japan
- Japanese-language lessons in Japan
 - * Lessons are held for 1 or 2 students per 1 teacher
- Company entrance ceremony
- Construction site assignment

Apr.

After construction site assignment, support is still available, with the goals of obtaining JLPT N3 in June and JLPT N2 in December.

Kenneth Roe Rosales
2019—Entered the Company



Kenneth's One Day Schedule

6:45am Starting the day right by eating breakfast
I make sure I eat breakfast everyday to keep me energized for the day's activity.



7:00am On the way to school
I try to always come early to our Japanese class. Learning to respect other's time is a good virtue.

8:00am Japanese language training
Studying Japanese is challenging, but I always find ways to make difficult lessons enjoyable. Learning is fun! My favorite part is learning Kanji.



12:00am Lunch time and self-study
I always eat lunch with my classmate and teacher. Besides, I use this time to review our lesson and have free talk with them in Japanese. With this, I am able to build good relationships with my workmates. I also have Skype meetings with Rokko every month.



1:00pm On my way home and relaxing time
Study is important but I also make sure I have time to relax, and make time for my hobbies.



6:00pm Dinner and homework
Learning does not end outside the classroom. I usually do my homework and review my lessons at home after dinner. I write a report about what I learned every day. Occasionally, I watch anime and videos about Japanese culture. Learning a language is also learning a culture, which also requires everyday practice.



10:00pm Time to sleep
Sleep is as important as our work. Getting enough sleep plays a big role in our productivity.



KATSUYA KOYAMA

Tokyo 1st Branch
Construction Manager
Yokota Air Base

To Everyone Who Desires to Work in Japan

We are currently doing a new construction project for the Yokota Military Air Base in Tokyo. Since it is for the U.S. base, most of the meetings are conducted in English. However, most of us in the office cannot speak the language.

This May, Mr. Erwin was assigned for training at the Yokota Office, where of course we would usually communicate in Japanese. He did his best to learn our language, and as he adjusted to the work environment at the base we were also able to hold usual conversations with him. In addition, whenever he did not understand something he would tell us. I think these things are crucial for communication. If things are not completely understood, we cannot progress in our work, and miscommunication can lead to accidents.

There are things that cannot be expressed by words but as long we are heading toward the same goal I strongly believe that we will be able to communicate. In Japan, we explain this as "to understand each other without having to use words." This is the fundamental nature of communication for humans.

Rokko is a company that has people working toward the same objectives, and it certainly would be a great opportunity to work with you.



Guam Branch



KOTARO KIMURA

Branch Manager

Hello, everybody. Thank you for taking the time to read this article. First, let me introduce Guam. It is a small island surrounded by a beautiful ocean and coral reefs in the Western Pacific Ocean. Guam is a territory of the United States, with a population of about 160,000 and an area of 210 square miles (or 544 km²,) which is about one-eighth the size of Cebu. The population is comprised of 50% Chamorro people and about 25% Filipinos, so we often hear Tagalog on the island. The major industry is tourism.

Approximately 1,544,000 tourists visited this island last year, and almost 60% of the people are engaged in the

tourism industry, such as working in hotels.

Another big industry is related to the U.S. military bases. There is a naval base on the western part of the island and an air force base to the north. About one-third of the entire area of Guam is used for U.S. military purposes, which proves that Guam is positioned as a military foundation in the Western Pacific Ocean for the United States.

In 2006, it was announced that the Marine Corps will be moved from the U.S. military base in Okinawa to Guam, and the Guam Agreement was concluded in 2009. The plan was changed a little due to various reasons; however, the placement of orders for construction work finally started in 2017. The placement of orders will continue until the budget in fiscal year 2026, when the construction plan is to be completed.

Rokko has been accumulating experience in electrical work for U.S. military bases in Japan for about 15 years. In fiscal year 2017, we received orders and carried out work of \$42MIL, which is roughly 9% of the annual order amount in Japan. Based on our experience with electrical work in U.S.



military bases, our company made a plan to have business with U.S. military bases on Guam. The business approval was obtained in August 2011, and then the construction business approval was obtained. I received my working visa in 2013 and was officially transferred to Guam.

“Which comes first, the chicken or the egg?” When people launch a business, they tend to get (or are requested to get) eggs first. However, we accumulated our work experience in government and municipal offices, commercial facilities, and hotel renovation for five years in order to prepare for future business opportunities. Finally, we received an order for work at the U.S. military base, transferring the base from Japan to Guam in 2018. With this success, we look forward to establishing a long and beneficial relationship going forward.

We are engaged in activities every single day to create a small thing and to develop it into a large success in the future.

In closing, thank you for your time.

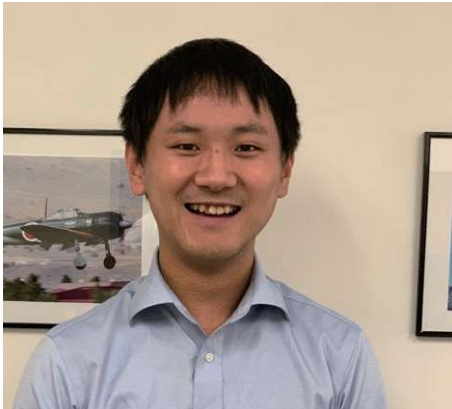


Completion of "Guam and Chamorro Educational Facility"



With labor commissioners in Puerto Rico

HEXEL TECH ENGINEERING Corp.



KAZUKI YAMAMOTO
Chief Executive Officer

Hello, my name is Yamamoto and I work for HEXEL TECH ENGINEERING. Let me introduce the history of and provide an outline for our company.

HEXEL TECH ENGINEERING was established as a wholly owned subsidiary of Rokko & Associates, a Japanese company, in Hayward, San Francisco, California on July 15, 2015.

We moved our office to Torrance, Los Angeles, California on April 1, 2017. It had been three and a half years since our establishment.

Our parent company, Rokko, has been engaged in electrical work at U.S. military bases in Japan for about 15 years. They have accumulated experience and achievements and have been steadily increasing the market share in Japan.

HEXEL's first mission was to procure electrical materials made in the United States for electrical work at the U.S. military bases in Japan and ship them to sites in Japan. We had to cope with many things such as providing materials that met specifications, quickly responding to

requests, shipping materials to Japan, and keeping shipping dates. As a new company, we were able to achieve the mission and earn results thanks to our customers as well as various manufacturers, suppliers, and forwarding agents. We are very grateful for their support.

I moved from Japan to the United States on April 1, 2017, when the office moved to Torrance. It was the first time for me to work and live outside Japan. In California, there are many offices of Japanese companies, and this state has the largest Japanese population in the United States. Many Japanese companies have their business offices in Torrance, and there are many Japanese supermarkets and restaurants. I find this town safe and very comfortable to live in. Particularly, there are many good restaurants serving my favorite dishes like yakiniku (grilled beef), sushi, ramen



noodles, and Japanese-style curry and rice. When you visit Los Angeles, please feel free to contact me. I will show you around to delicious Japanese foods!

In the future, we aim to expand our market share of materials for electrical work at U.S. military bases in Japan and also actively try various businesses to expand our business organization.



Arjun Muraleedharan
Electrical Engineer
2016—Entered the Company



Hexel Office is located in Torrance, CA, USA.



Original recessed lighting



Original ceiling fan



Pre-shipment inspection



Warehouse in the United States



Dangerous! / Everyone Points Out Dangerous Work / Zero Accidents by Team's Power!

No matter how careful you are, it is difficult to grasp every danger.

However, everyone in the field must do the basic things from the beginning by pointing out dangerous actions, and make a slogan with the aim of achieving zero accidents. The Nagoya Branch has the slogan "Show the Team's Power."



To be able to show the power of the team, we will continue to work with the team's power.

Certificate of Appreciation from OBAYASHI Corporation

We received a Certificate of Appreciation from the main contractor of the Freya project, OBAYASHI Corporation. Conceptually named "Freya," the curvature in the outline is aesthetically distinct. Also, the curvature gives the room a distinctive, sleek beauty as a residential space. The building was hailed as an Aoyama Landmark.

Recounting our time on the project—our third residential tower project with the same contractor, OBAYASHI—we realized it was easier to proceed with speed and confidence with this project thanks to the previous shared

experiences.

Usability and cost efficiency were not much of consideration, instead, less valuable aesthetic beauty and contrasting spatial presentation was required and continued steadily up to the completion of the project. Although every resource was spent and reaching the goal was a bit uncertain, proposing to build an elegant project is a valuable opportunity to gain experience. Surprising and impressing the developer I think was a great success.



Certificate of Appreciation

New Company Dormitory Construction Has Begun! ~Kawaguchi Dorm~

On November 19, 2018, we held a sanctifying ground ceremony for our new dormitory which is scheduled for completion in May 2019.

It was cloudy and slightly cold, but fortunately no rain fell and the weather was good throughout the day.

The ceremony were attended by the branch manager of Daiwa House Saitama Branch, Mr. Shiho Tatsuro,



director of Rokko, Mr. Takayuki Sakamoto, and employees of Daiwa House and Rokko. We were all praying for safe and accident-free construction work.

Mr. Tatsuro and Mr. Sakamoto performed the ritual of "Kama Ire," as a symbol of commencing the construction work.

Mr. Sakamoto said he believes that we will build a dormitory in which the residents will find an exciting and comfortable place to live.

In cooperation with Daiwa House, at present we are working on interior designs, selecting furniture and household goods, and making other arrangements.

We shall do our utmost to build a safe, secure, and exciting living space for the residents of the dormitory.

Our logo on the backboard!



We Support the Modern Pentathlon Association of Japan!

Company president Mr. Nagae is serving as a director and as a company representative sponsor of the Modern Pentathlon Association of Japan.

The 58th Modern Pentathlon All-Japan Championship tournament was held from Oct. 31 to Nov. 2 at Musashino Forest General Sports Plaza, Ajinomoto West Stadium, and East Kanto Horse Project. The logo of Rokko was displayed on the back board of the All-Japan Championship Tournament.

At the upcoming Tokyo 2020 Olympic Games, the Modern Pentathlon of Japan, which is expected to acquire medals, will continue to be supported by Rokko.

★★★★★ Recent Awarded Projects for U.S. Military ★★★★★

1. Improve Family Housing Infrastructure, Phases IV and V, Okinawa, Japan
2. FY16 MILCON AFSOC 103002 SOF AIRFIELD PAVEMENTS, KADENA AIR BASE, JAPAN
3. FY16 MCN P809 Modernize Apron for F-35 Kadena Air Base, Okinawa, Japan
4. FY17 AFSOC103022 Construct Transmitter Building, Yokota Air Base, Japan
5. PDC#QKKA 153001 Demo And Consolidate Jet Engine Maintenance Storage Facility Misawa Air Base, Japan

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