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Document title	Annual Securities Report
Clause of stipulation	Article 24, paragraph (1) of the Financial Instruments and Exchange Act
Place of filing	Director-General of the Kanto Local Finance Bureau
Filing date	June 25, 2025
Fiscal year	105th fiscal year (from April 1, 2024, to March 31, 2025)
Company name	TOYO CONSTRUCTION CO., LTD.
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Part I. Company Information

I. Overview of the Company

1. Summary of business results

(1) Business results of the Group

Term		101st fiscal year	102nd fiscal year	103rd fiscal year	104th fiscal year	105th fiscal year
Fiscal year-end		March 2021	March 2022	March 2023	March 2024	March 2025
Net sales	(millions of yen)	172,976	152,524	168,351	186,781	172,605
Ordinary profit	(millions of yen)	14,103	9,139	8,551	10,057	11,071
Profit attributable to owners of parent	(millions of yen)	9,176	5,863	5,656	7,016	8,311
Comprehensive income	(millions of yen)	9,991	6,376	5,964	9,549	9,115
Net assets	(millions of yen)	65,875	69,899	73,984	80,800	80,075
Total assets	(millions of yen)	148,953	135,582	153,717	164,160	180,459
Net assets per share	(yen)	684.14	724.81	763.87	831.98	820.47
Earnings per share	(yen)	97.65	62.40	60.17	74.51	88.49
Diluted earnings per share	(yen)	-	-	-	-	-
Equity ratio	(%)	43.1	50.2	46.7	47.6	42.7
Return on equity (ROE)	(%)	15.3	8.9	8.1	9.4	10.7
Price earnings ratio (PER)	(times)	5.9	12.4	15.2	17.6	14.9
Net cash provided by (used in) operating activities	(millions of yen)	(6,548)	22,287	11,785	(8,512)	2,822
Net cash provided by (used in) investing activities	(millions of yen)	(961)	(1,109)	(485)	(7,881)	(11,191)
Net cash provided by (used in) financing activities	(millions of yen)	(2,095)	(7,462)	(2,872)	572	5,893
Cash and cash equivalents at end of period	(millions of yen)	16,670	30,485	39,008	23,475	21,154
Number of employees	(persons)	1,658	1,631	1,603	1,656	1,711
[Average number of temporary employees]		[268]	[244]	[230]	[208]	[214]

- Notes:
1. “The Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan Statement No. 29, March 31, 2020) was applied starting from the beginning of the 102nd fiscal year; the key management indices for the 102nd fiscal year and beyond are the indices after the application of such accounting standard.
 2. The amount of diluted earnings per share is not provided because there are no potential shares.
 3. The number of employees indicates the number of employees hired locally overseas and the average number of temporary employees in square brackets separately.

(2) Business results of the reporting company

Term		101st fiscal year	102nd fiscal year	103rd fiscal year	104th fiscal year	105th fiscal year
Fiscal year-end		March 2021	March 2022	March 2023	March 2024	March 2025
Net sales	(millions of yen)	154,798	136,570	149,925	162,010	154,385
Ordinary profit	(millions of yen)	12,832	8,226	7,340	8,658	9,869
Profit	(millions of yen)	8,487	5,423	4,869	6,533	7,442
Share capital	(millions of yen)	14,049	14,049	14,049	14,049	14,049
Total number of issued shares						
Common shares	(thousands of shares)	94,371	94,371	94,371	94,371	94,371
Net assets	(millions of yen)	60,377	63,505	66,502	71,720	68,801
Total assets	(millions of yen)	138,202	123,115	139,670	145,788	163,340
Net assets per share	(yen)	642.72	675.72	707.33	763.62	732.49
Dividends per share						
Common shares	(yen)	25.0	20.0	25.0	74.0	88.0
[Interim dividends per share]	(yen)	-	-	-	-	[30.0]
Earnings per share	(yen)	90.32	57.72	51.79	69.38	79.23
Diluted earnings per share	(yen)	-	-	-	-	-
Equity ratio	(%)	43.7	51.6	47.6	49.2	42.1
Return on equity (ROE)	(%)	14.9	8.8	7.5	9.7	10.6
Price earnings ratio (PER)	(times)	6.4	13.4	17.7	18.9	16.6
Dividend payout ratio	(%)	27.7	34.7	48.3	106.7	111.1
Number of employees						
[Average number of temporary employees]	(persons)	[172]	[158]	[148]	[140]	[149]
Total shareholder return	(%)	137.0	187.2	225.1	332.4	353.7
[Benchmark index: TOPIX]	(%)	[139.3]	[138.7]	[142.8]	[197.3]	[189.5]
Highest share price	(yen)	627	833	998	1,444	1,555
Lowest share price	(yen)	365	516	784	913	1,195

- Notes:
1. “The Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan Statement No. 29, March 31, 2020) was applied starting from the beginning of the 102nd fiscal year; the key management indices for the 102nd fiscal year and beyond are the indices after the application of such accounting standard.
 2. The amount of diluted earnings per share is not provided because there are no potential shares.
 3. The number of employees indicates the number of employees hired locally overseas and the average number of temporary employees in square brackets separately.
 4. The highest share price and the lowest share price are those recorded on the Prime Market of the Tokyo Stock Exchange since April 4, 2022, and on the First Section of the Tokyo Stock Exchange before that date.

2 Company history

The Company was established in July 1929 as Hanshin Harbor Construction Co., Ltd. (Changed to the current company name in May 1964) in the City of Kobe with joint-funding by Yamashita Kisen (Yamashita Steamship) Co., Ltd. and the South Manchuria Railway. The objective of the business at the time of establishment was to construct an industrial site and industrial port in the Naruo District of Nishinomiya City, located between Osaka and Kobe, known as the Naruo Reclamation Engineering Project. However, the business was temporarily suspended due to economic conditions during the war, and the business has developed with contracting for civil engineering (offshore) works as the principal business.

The Naruo Reclamation Engineering Project was resumed in May 1967 and completed on September 1986. The Company has reached its current state through full-scale efforts in onshore civil engineering works since 1965 and architectural construction works since 1975.

The main transitions since the Company's establishment are as follows.

March 1935	Head Office relocated to Osaka
October 1949	Completed registration of Minister of Construction Registration (a) No. 832 under the Construction Business Act
May 1960	Tokyo Branch opened
October 1961	Listed on Second Section of Osaka Stock Exchange
October 1962	Listed on Second Section of Tokyo Stock Exchange
May 1964	Company name changed to TOYO CONSTRUCTION CO., LTD.
August 1964	Listed on First Sections of Tokyo and Osaka Stock Exchanges
May 1965	Nagoya Branch and Kyusyu Branch opened
March 1966	Osaka Branch (now Osaka Main Office) opened
December 1966	Established Token Kaihatsu Co., Ltd. (now Tecos Co., Ltd., a consolidated subsidiary)
June 1968	Hokuriku Branch, Chugoku Branch and Shikoku Branch opened
May 1969	Tohoku Branch opened
April 1970	Merger of Hitachi Zosen Coastal Construction Co., Ltd.
November 1970	Established Hanchiku Shoji Co., Ltd. (now Token Shoji Co., Ltd., a consolidated subsidiary) and commenced insurance agency operations
April 1971	Hokkaido Branch opened
December 1972	Obtained the Minister of Construction License (1) No. 1385 as a real estate broker under the Real Estate Brokerage Act (subsequently renewed)
April 1973	Overseas Business Dept. established (now International Branch)
May 1973	Manila Sales Office opened
December 1973	Received the Minister of Construction License (Toku-48) No. 2405 due to the revisions of the Construction Business Act (subsequently renewed)
June 1976	Established Tokyo Head Office and transferred control of the Head Office organization
July 1976	Invested in CCT CONSTRUCTORS CORPORATION (now a consolidated subsidiary)
April 1984	Yokohama Branch opened
July 1986	Established Token Techno Co., Ltd. (now Tecos Co., Ltd., a consolidated subsidiary)
April 1988	Established Token Building Service Co., Ltd. (now Tecos Co., Ltd., a consolidated subsidiary)
April 1990	Spun off the vessel construction department into a separate company and established TOMAC Corporation (now a consolidated subsidiary)
May 1990	Acquired capital in Tachibana Kogyo Co., Ltd. (now a consolidated subsidiary)
April 1992	Technical Research Institute established
April 2003	Kanto Architectural Construction Branch opened
November 2004	Hanoi Sales Office opened
April 2006	Merged the Tokyo Branch and Kanto Architectural Construction Branch Office and established the Kanto Branch
September 2007	Relocated the Head Office and some subsidiaries and associates, etc., to Koto-ku, Tokyo
April 2012	Jakarta Sales Office opened
April 2015	Separated the Architectural Construction Division of the Kanto Branch with the establishment of the Kanto Architectural Construction Branch Office
May 2016	Acquired all the shares of Kusakabe Maritime Engineering Co., Ltd. (now a consolidated subsidiary)
May 2016	Yangon Sales Office opened

February 2019	Relocated the Head Office and some subsidiaries and associates, etc., to Chiyoda-ku, Tokyo
April 2022	Yangon Sales Office reorganized to Yangon Sub-Branch Office Token Service Co., Ltd. conducted an absorption-type merger of Token Real Estate Co., Ltd. and Token Techno Co., Ltd., and changed its name to Tecos Co., Ltd. Transferred from the First Section of the Tokyo Stock Exchange to the Prime Market due to the revisions to the market categories on the Tokyo Stock Exchange
April 2024	Offshore Wind Div. established

3 Description of business

‘The Group’ as of March 31, 2025, comprised the Company, six consolidated subsidiaries, three non-consolidated subsidiaries, one associate (not accounted for using the equity method) and three other subsidiaries and associates. The main businesses were domestic civil engineering, domestic building construction, overseas construction, and real estate.

The relationship between the Company’s reporting segments and its group companies is as follows.

(1) Civil engineering, domestic

The Company, TOMAC Corporation, Tachibana Kogyo Co., Ltd., Kusakabe Maritime Engineering Co., Ltd., and other one company are engaged.

(2) Building construction, domestic

The Company and Tecos Co., Ltd. are engaged.

(3) Overseas construction

The Company, TOMAC Corporation, Tachibana Kogyo Co., Ltd. and CCT CONSTRUCTORS CORPORATION are engaged.

(4) Real estate

The Company, TOMAC Corporation and Tecos Co., Ltd. are engaged.

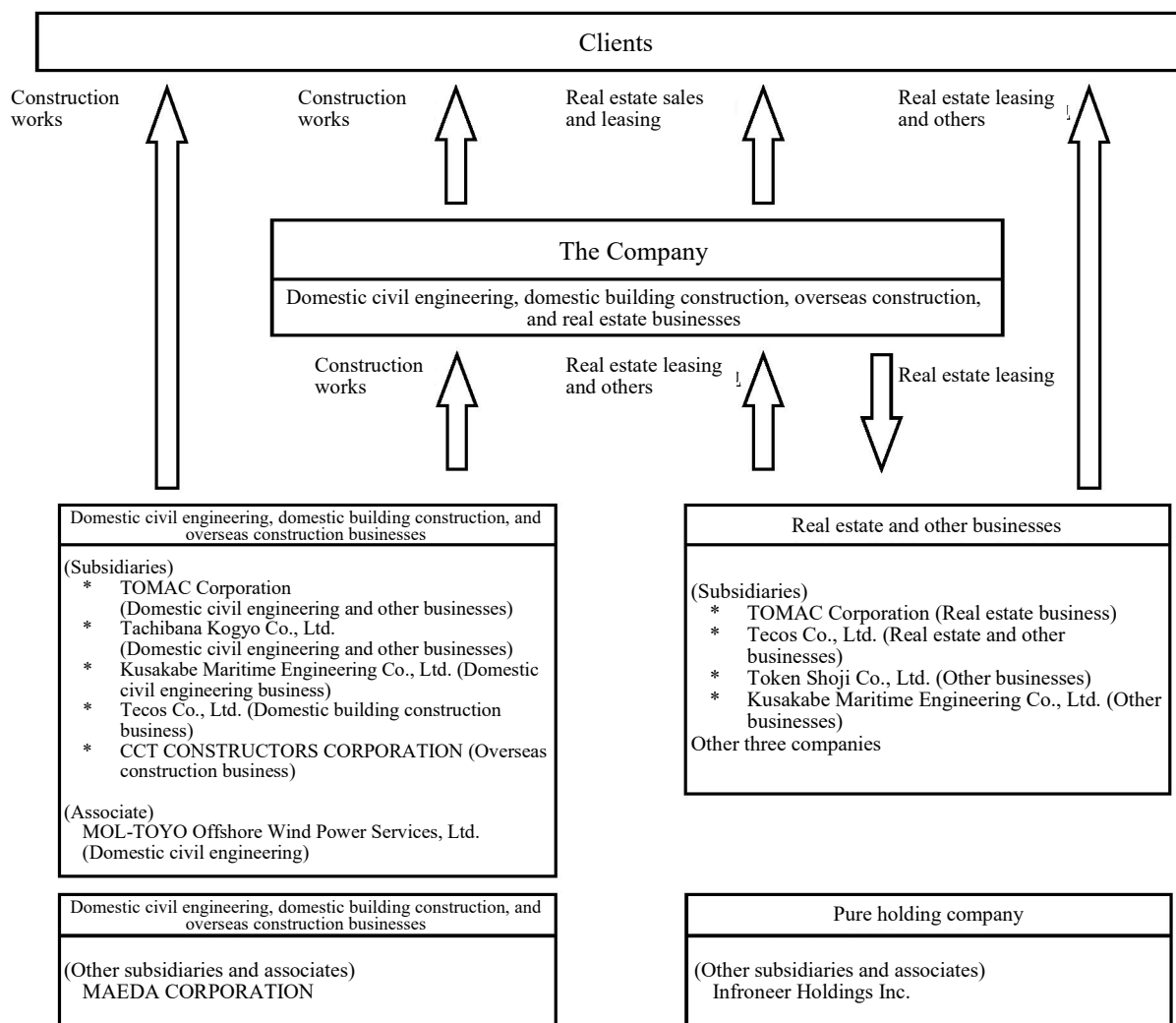
(5) Other businesses

Token Shoji Co., Ltd. (insurance agency, goods sales and leasing), Kusakabe Maritime Engineering Co., Ltd. (leasing of vessels, etc.), Tecos Co., Ltd. (manufacture and sales of sanitation facilities and equipment, and indoor and outdoor toilet facilities) and three other companies are engaged.

There is no personal or business relationship between the Company and WK 1 Limited, an Other subsidiary and associate, and its joint holders.

In addition, together with MAEDA CORPORATION, an Other subsidiary and associate, we have received joint orders for private works and are conducting joint R&D, etc. Infroneer Holdings Inc. is the wholly-owning parent company of MAEDA CORPORATION.

Our business structure is shown below.



An asterisk indicates a consolidated subsidiary.

4 Overview of subsidiaries and associates

Name	Address	Share capital (Millions of yen)	Major businesses	Ratio of voting rights holding (held) (%)		Relationship
				Ratio of holding	Ratio held	
(Consolidated subsidiaries)						
TOMAC Corporation	Chiyoda-ku, Tokyo	100	Civil engineering, domestic Overseas construction Real estate	100	-	Orders for construction work Guarantee of obligations Four concurrently serving as officers, one transferred/relocated, two seconded
Tachibana Kogyo Co., Ltd.	Takamatsu-shi, Kagawa	70	Civil engineering, domestic Overseas construction	70 (20)	-	Orders for construction work Loan of funds Four concurrently serving as officers, two transferred/relocated, one seconded
Kusakabe Maritime Engineering Co., Ltd.	Chuo-ku, Kobe-shi	70	Civil engineering, domestic Other businesses	100	-	Orders for construction work Three concurrently serving as officers, two transferred/relocated, two seconded
Tecos Co., Ltd.	Chiyoda-ku, Tokyo	48	Building construction, domestic Real estate Other businesses	100	-	Orders for construction work Loan of funds Real property leasing and management Three concurrently serving as officers, four transferred/relocated
(Note 3) CCT CONSTRUCTORS CORPORATION	MAKATI CITY, PHILIPPINES	500 million PHP	Overseas construction	40	-	Two seconded officers
Token Shoji Co., Ltd.	Chiyoda-ku, Tokyo	15	Other businesses	100 (59)	-	Goods sales, leasing, insurance agency Three concurrently serving as officers, one transferred/relocated
(Other subsidiaries and associates) (Note 4)						
Infroneer Holdings Inc.	Chiyoda-ku, Tokyo	20,000	Other businesses	0	20 (20)	The wholly-owning parent company of MAEDA CORPORATION, it indirectly holds the Company's shares, and corresponds to a major other subsidiary and associate of the Company.
MAEDA CORPORATION	Chiyoda-ku, Tokyo	28,463	Civil engineering, domestic Building construction, domestic Overseas construction Others	-	20	Together with the Company, receives joint orders for construction work and conducts joint R&D, etc. None are concurrently serving as officers, etc.
WK 1 Limited WK 2 Limited WK 3 Limited Godo Kaisha Yamauchi-No. 10 Family Office	Cayman Islands/ Minato-ku, Tokyo	Unknown	Other businesses	-	28	There are no personal or business relationships.

- Notes:
1. The names in the "Major businesses" column are the segment names.
 2. The figure inside parentheses for the ratio of voting rights held indicates the indirect holdings.
 3. The equity interest is not more than 50%, but it is deemed a consolidated subsidiary due to it being substantially controlled.
 4. Infroneer Holdings Inc. files an Annual Securities Report.

5. Information about employees

(1) Consolidated Group

As of March 31, 2025

Segment name	Number of employees (persons)	
Civil engineering, domestic	1,013	[45]
Building construction, domestic	342	[2]
Overseas construction	69	[160]
Real estate	3	
Other businesses	11	
Corporate (shared)	273	[7]
Total	1,711	[214]

Notes: The number of employees above indicates those engaged in work. The number of employees hired locally overseas (160 persons) and temporarily (54 persons) indicated outside in square brackets.

(2) Reporting company

As of March 31, 2025

Number of employees (persons)	Average age (years old)	Average length of service (years)	Average annual salary (yen)
1,383 [149]	43.1	16.9	8,383,331

Segment name	Number of employees (persons)	
Civil engineering, domestic	743	[45]
Building construction, domestic	315	[2]
Overseas construction	52	[95]
Real estate	-	
Other businesses	-	
Corporate (shared)	273	[7]
Total	1,383	[149]

Notes: 1. The number of employees above indicates those engaged in work. The number of employees hired locally overseas (95 persons) and temporarily (54 persons) is indicated outside in square brackets.
2. Average annual salary includes bonuses and surplus wages.

(3) Status of labor union

There are no particular matters to describe in relation to labor-management relations.

(4) Ratio of female in manager positions, ratio of male taking childcare leave and gender wage gap

Reporting company

Fiscal year ended March 31, 2025				
Ratio of female in manager positions (%) (Note 1)	Ratio of male taking childcare leave (%) (Note 2)	Gender wage gap (%) (Note 1)		
		All workers	Lifetime employees	Part-time and fixed-term contract persons
1.1	95.0	57.1	57.8	41.0

Supplementary explanation:

The Company has no gender differences on the wages table. However, while we have continued to proactively hire female for major career paths in recent years, the ratio of female in the respected paths is 7.6% and many of them are in younger generation receiving lower wages. The average length of service in major career path is 16.4 years for male and 3.6 years for female. These factors resulted in the gender difference in average wages. In addition, the fact that higher rate of females engaged in minor career path which limits work location moves and duties is causing the wage gap.

- Notes:
1. Calculated in accordance with the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015), with a record date of April 1, 2025.
 2. Calculated this proportion as the sum of childcare leave and holidays taken for the purpose of childcare, as set out in Article 71-6, item (ii) of the “Ordinance for the Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991) in accordance with the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).
 3. Regarding the consolidated subsidiaries, above three items are not described because they have not disclosed the related items in accordance with the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” and the “Ordinance for the Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members.”

II. Overview of Business

1. Management policy, management environment, issues to be addressed, etc.

The Group's management policy, business environment and issues to be addressed, etc. are as follows.

Items in the text below that looking the future were determined by the Group at the end of the current fiscal year.

(1) Management Policy

Guided by the principles of “originality and innovation,” “respect for all people,” and “awareness of responsibilities” the Company adopts the Corporate Identity of “Everybody working together with dreams and youthfulness, devoted to serving our customers and public society with new and productive technologies, striving toward consistent growth of the company and promotion of the welfare of our employees.” In implementing this philosophy, the Company devotes itself, as an enterprise responsible for construction, to the study of construction technologies that are in line with societal demands, and strives to contribute to creating a better and valuable social foundation.

(2) Management environment

In the construction market, both government and private sector investment in construction are expected to progress steadily. Government sector investment is expected to increase slightly from the fiscal 2024 level, as public-works expenditures in the fiscal 2025 initial budget proposal for government-controlled and subsidized projects plus the fiscal 2024 supplementary budget are secured at the same level as the previous fiscal year. In addition, the next Five-Year Plan for National Resilience which begins in fiscal 2026, is expected to exceed the current National Resilience Plan and reaches out to 20 trillion yen size. Private investment in construction is also expected to remain firm at the same level as in fiscal 2024, as firms' appetite for capital investment is expected to continue.

On the other hand, efforts to improve productivity by promoting DX and work style reform are accelerating to establish a sustainable construction industry due to the aging of skilled workers in the entire supply chain, serious shortage of workers and soaring construction materials and labor costs. .

(3) Priority operational and financial issues that the Company should address

The Group continues to work on the theme of the medium-term business plan which started in fiscal 2023, “transformation from defense to offense: a company that embraces challenges,” and flexible response to changes in the environment surrounding the construction industry.

Specifically, we are promoting capital efficiency management and sustainability management with a view of enhancing corporate value over the medium to long term, strengthening governance to support sustainable growth, and promoting initiatives to realize a sustainable construction industry.

As response to aging social infrastructure in addition, the Group is working to develop safe and secure social infrastructure by taking advantage of its high level of expertise and know-hows. We are also focusing on technological developments to contribute to prevention and mitigation of disasters and national resilience measures.

Furthermore, in offshore wind power generation which is expected to play a major role in realizing a carbon-neutral society, the Group is aiming to gain the top share in offshore wind power construction mainly in the area of subsea cable laying. In order to participate in a wide range of fields of offshore wind power construction, we will contribute broadly to the value chain of offshore wind power by promoting technological development and actively and effectively put human and monetary capitals.

■ Measures to Realize Management That Emphasize Capital Costs and Stock Prices

Since fiscal year 2025, the Group has placed ROIC (Return On Invested Capital) as the foundation of its management index and will further promote management concern on capital efficiency. In order to spread the awareness of ROIC in the company, we break down and visualize the elements that increase after-tax operating profit and improve capital efficiency. In addition, we have set KPIs that are keys to improving capital efficiency in each business and defined specific actions. WACC (Weighted Average of Capital Cost) of the Group is assumed to be approximately 6%.

In the future, we will run thorough ROIC education within the company so that it can be used in specific actions at regional business section level and further at individual level.

In addition in April 2025, we established a dedicated IR department to strengthen our IR activities. We will actively engage in IR activities to deepen our shareholders' and investors' understanding of the Group.

For details, please refer to the materials for the financial results briefing held on May 12, 2025.

■ Efforts to Realize a Sustainable Construction Industry

The construction industry has been affected by factors such as the declining birthrate and aging population, and significant shortage of workers. Maintaining the supply chain has become a major challenge.

With the aim of realizing a sustainable construction industry, the Group has been striving to develop human capital and provide attractive compensation, and working to create an environment that can accommodate diverse employees and demonstrate their full potential. Through education and training, we will continue to develop human capital so that they grow to be precious assets which can play important roles in various fields. We also strive to promote collaboration, co-existence and co-prosperity with our partner companies and support their human capital development. Furthermore, we consider the reduction of overtime work and realizing as material issues construction sites closed for 8 days in a 4-week period. The Group will achieve these visions by implementing various initiatives to enhance the attractiveness of the construction industry.

■ Efforts to Tackle Climate Change

In order to help bring about a carbon-neutral society and reduce environmental impact, the Group specifically the civil engineering business is engaged with the construction of offshore wind power generation facilities, the development of carbon dioxide capture and storage (CCS) technology, and GX/EX-related construction such as conversion to electric furnaces at steelworks. We are also working to reduce CO₂ emissions during operation by vessels engine replacement to environmentally friendly ones or switching to biofuel. In the building construction business, we are working to reduce LCCO₂ (life cycle CO₂) with the measures of Zero Energy Building (ZEB) and Zero Energy House (ZEH).

2. [Policies and initiatives relating to sustainability]

The Group's policies and initiatives relating to sustainability are as follows.

Items in the text below that looking the future were determined by the Group as of the end of the current fiscal year.

I Common Concept

The Group's Corporate Identity states "serving our customers and public society." As a construction company, we strive to develop construction technologies that meet the needs of society and aim to build quality and valuable social infrastructure. 'The Toyo Construction Group's Basic Policy on Sustainability' defines the Group's stance on efforts to achieve sustainability based on its Corporate Identity, which positions initiatives for sustainability as an important management issue. It also clarifies that the Group will contribute to the development of a sustainable society by complying with its Code of Conduct based on the Corporate Identity and pursuing solutions by conducting fair and reliable business activities while maintaining a good relationship with society.

In addition, we have identified the issues we should focus in Basic Sustainability Policy, as materiality (important issues), key performance indicators (KPI's) for each materiality, and then promote initiatives by checking their progress.

Based on the philosophy of "serving our customers and public society," our basic stance on sustainability is to build and maintain a good relationship with society, conduct fair and reliable business activities and aim for the sustainable development of society and the Group.

(1) Governance

(i) System for promoting sustainability

The Company has established the Sustainability Committee, chaired by the Officer in charge of Sustainability Promotion (Director and Senior Managing Executive Officer), as a standing committee reporting to the Executive Committee in order to strengthen and develop its sustainability initiatives. The Sustainability Committee meets at least twice a year with the Sustainability Promotion Department serving as the secretariat.

The main items discussed by the Sustainability Committee are as follows. The Committee evaluates the progress of sustainability activities, reviews the next year's activity plan, and operates the PDCA (Plan-Do-Check-Action) cycle.

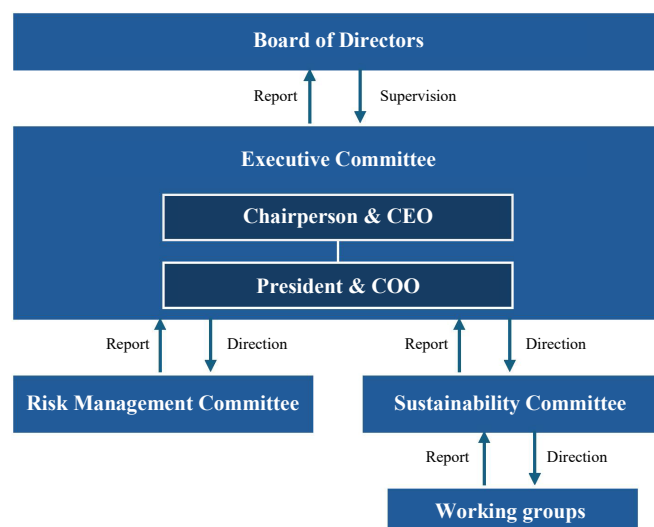
Main Items Discussed by the Sustainability Committee

- Confirmation of progress in sustainability-related materiality (important issues) and KPIs, and examination and instruction of responses to the results of implementation
- Discussions and instructions on the content of the review of the materiality and KPIs for the next fiscal year
- Deliberation on future policies and annual plans for sustainability activities
- Providing and exchanging information and sharing understanding of sustainability
- Deliberation on other important issues related to sustainability activities

In addition, working groups have been established as subordinate organizations of the Committee to examine individual important issues related to sustainability such as climate change and report the results to the Committee.

In fiscal 2024, the Sustainability Committee was called three times, and discussed and examined important issues such as the revision of the CO₂ emission reduction target and understanding the sustainability efforts of suppliers through a sustainability questionnaire and addressing corrective measures.

The matters reviewed by the Sustainability Committee are deliberated by the Executive Committee and the Board of Directors before decisions are made on their execution. The Sustainability Promotion Department promotes these matters through cooperations with business divisions, main and branch offices and group companies. Progress is reported to and discussed at the Sustainability Committee and then submitted and reported to the Executive Committee. Important matters are reported to the Board of Directors. The Board of Directors monitors and supervises initiatives related to sustainability through reporting.



The composition of the Sustainability Committee is as follows.

Chairperson	Officer in charge of Sustainability Promotion (Director and Senior Managing Executive Officer)
Committee member	General Manager of Building Construction Div. (Representative Director, Executive Vice President)
Committee member	General Manager of Civil Construction Div. (Managing Executive Officer)
Committee member	Officer in charge of Administration Group in Corporate Sec. (Executive Officer)
Committee member	General Manager of Offshore Wind Div. (Executive Officer)
Secretariat	Sustainability Promotion Department

In April 2025, the Representative Director, President, Executive Officer and COO was appointed as the Chairperson of the Sustainability Committee to further strengthen our sustainability initiatives.

Chairperson	Representative Director, President, Executive Officer and COO
Committee member	General Manager of Building Construction Div. (Representative Director, Executive Vice President)
Committee member	General Manager of Civil Construction Div. (Managing Executive Officer)
Committee member	Officer in charge of Administration Group in Corporate Sec. (Executive Officer)
Committee member	General Manager of Offshore Wind Div. (Executive Officer)
Secretariat	Sustainability Promotion Sec. in Corporate Planning Dept.

(ii) Organization for examining each important issue (working groups)

The Company's Sustainability Committee Rules stipulate that a working group may be established as a subordinate organization of the Sustainability Committee as necessary, in order to consider measures for individual important sustainability-related issues.

In fiscal 2024, as part of our efforts to realize a carbon-neutral which is a part of the Group's materiality, we set up a working group consisting of the Civil Construction Div., Building Construction Div., Safety and Environment Dept., and Sustainability Promotion Dept., and engaged in activities to review our CO₂ emission reduction targets and consider measures for reduction. The new targets for reducing CO₂ emissions compiled by the working group were discussed at the Sustainability Committee and then submitted to the Executive Committee and were approved by the Board of Directors as important matters.

(2) Strategy

■ Medium-Term Business Plan (2023 to 2027)

For the realization of its Corporate Identity, the Group is conducting its business operations with a focus on the following four

priority measures: cultivating existing business, strengthening management foundation, promoting growth drivers and transitioning to capital efficient management.

With regard to sustainability, we have identified the following four categories and are working on specific initiatives: strengthening the corporate governance system, acquiring and developing human capital, entering the offshore wind power market to contribute to the realization of a decarbonized society and improving productivity through DX.

With respect to “strengthening the corporate governance system,” under the policy of separation of business and execution, we changed the system from fiscal 2023 to fiscal 2024 to (i) require more than a majority of Directors to be Outside Directors, (ii) require an Outside Director to be the Chairperson of the Board of Directors, and (iii) require a majority of the members of the Director Nomination & Compensation Committee to be Outside Directors and have the Committee Chairperson who is an Outside Director. We also shifted to a CEO and COO system in the execution .

■ Materiality (important issues)

By following the process below, we have identified important issues from the perspectives of both risks and opportunities regarding the environmental and social impact of our business activities and the financial impact of sustainability challenges. These issues to be addressed through business activities are specifically identified below as the materiality of the Toyo Construction Group.

Materiality Identification Process

(STEP 1) Integrated analysis

Through (i) to (iv) below, we have obtained an overall picture of sustainability issues related to the Company.

- (i) Identifying the relations between the Company and the society or environment through value chain analysis
- (ii) Recognizing issues and expectations of major stakeholders through stakeholder analysis
- (iii) Extracting sustainability issues through long-term planning by management and business analysis
- (iv) Extracting sustainability issues through megatrend analysis focusing on long-term social and environmental changes such as climate change

(STEP 2) Impact assessment

We conducted the following two impact assessments.

- (i) Assessment of the Company's social and environmental impacts
- (ii) Assessment of financial impact of sustainability issues

(STEP 3) Prioritization

Based on the assessments in STEP 2, we have placed issues with high impact as materiality.

(STEP 4)

We have set medium- and long-term targets for each materiality and determined KPIs, management methods and specific target values.

The materiality identified through this process will be reviewed and updated as necessary in accordance with changes in society and business. The materiality, their outline and measures discussed and approved at the Board of Directors meeting held on March 26, 2025, are as follows.

Materiality of the Toyo Construction Group

	Materiality	Keyword	Summary	Measures
Address societal issues through business	E	Decarbonization	We will contribute to the realization of a decarbonized society by providing buildings and services that contribute to the transition to a decarbonized society as well as working to reduce CO ₂ emissions.	Promoting efforts to achieve carbon neutrality within the Company and throughout the value chain
				Developing businesses that contribute to reducing CO ₂ emissions
	E	Nature Positive	In addition to maintaining biodiversity and conserving natural capital, we will promote recycling to bring about sustainable resource use.	Promoting Nature Positive initiatives through green infrastructure
		Resource circulation		Conservation of the marine ecosystem
	S	Quality	We will promote research and development and improve construction technology to satisfy all customers.	Promotion of the circular economy
				Improving technological and development capabilities to meet customer needs
Strengthen business foundation	S	Disaster prevention, mitigation and recovery	We will work to develop technologies for infrastructure development that contribute to disaster prevention and mitigation. We will also respond immediately to large-scale disasters and contribute to early recovery from disasters.	Ensuring quality of buildings through QMS operation
				Promotion of the R&D and technological development related to disaster prevention and mitigation, disaster relief, etc.
	G	Compliance	We will strive to establish a sound organization in which all employees act with a high level of ethics, while implementing a governance system that promptly responds to changes in the business environment.	Cooperating with national and local governments and industry groups
				Promotion of thorough compliance
	S	Safety	We will strive to achieve zero accidents and zero injuries at construction sites through thorough safety education, including at partner companies. Based on the recognition that human resources are our greatest and most important asset, we will create a workplace where all employees can work in a lively and healthy manner and strive to provide growth opportunities to achieve well-being.	Efforts for zero accidents and zero injuries at construction sites
		Human resources		Enhancing education and training to develop the workforce into human resources
	S	DE&I	We will create a workplace where diverse human resources share values and work together to improve each other. Furthermore, we will continue to deepen our efforts for sustainability throughout the supply chain.	Promotion of health management
				Promoting DE&I
		Supply chain		Maintaining and strengthening sustainable supply chains

(3) Risk management

The KPIs for materiality and key sustainability-related measures of the Group are to be executed by individual business divisions, main and branch offices, and group companies with their progress monitored by the Corporate Planning Dept., the Sustainability Promotion Dept., the Civil Engineering Planning & Administrative Dept. and the Building Construction Planning & Administrative Dept. and others. The results of the progress are reported to and deliberated by the Sustainability Committee and then reported to the Executive Committee and the Board of Directors. The Board of Directors monitors and supervises initiatives related to materiality through the reporting.

(4) Metrics and targets

The KPIs related to the materiality of the Toyo Construction Group were discussed and approved at the Board of Directors meeting on March 26, 2025. (https://www.toyo-const.co.jp/doc/csr/materiality/pdf/fy2025_materiality_kpi.pdf#zoom=50)
Note: The results for each KPI for fiscal 2024 will be published in Integrated Report 2025. (Scheduled for September 2025)

II Climate change

Upon the request of the “Task Force on Climate related Financial Disclosures (TCFD)” for information disclosure and related to the climate change, the Company is considering governance, the impact on and countermeasures for our business and risk management, etc.

(1) Governance

The Company considers the action plan concerning sustainability including the response to climate change, review the activity results at the Sustainability Committee and report to the Executive Committee and the Board of Directors, and if necessary ask deliberations.

(2) Strategy

Based on the guidance recommended by the TCFD, the Company analyzes and evaluates the impact of climate change on the Company, assuming the business environment up to 2040 with the methodology of scenario analysis. Furthermore, we consider how to respond to risks and opportunities that may have an impact and incorporate them into our business strategy.

Category		Change of environment		Impact on business		Measures
				1.5°C	4.0°C	
Transition in the policies and market	Risk	Introduction of carbon tax Enhancement of CO ₂ emissions reduction	● Increase in cost due to the addition of carbon tax on construction materials and equipment prices ● Decrease of private investment in construction due to increase in construction costs	Large	-	● Promotion of decarbonization of construction machinery and work vessels ● Use of low-carbon-type materials
	Opportunity	Expansion of demand for construction related to renewable & recyclable energy	● Expansion of construction investment in offshore wind power generation facilities ● Increased demand for buildings that meet ZEB and ZEH standards	Large	Small	● Participation in offshore wind power generation facility construction business ● Promotion of engagement in ZEB work
Physical change of disasters	Risk	Worsened working environment at construction site due to temperature rise	● Increase in health hazards due to heatstroke, etc. ● Decline in productivity due to a worsened working environment, critical shortage of skilled workers	Medium	Large	● Promotion of the creation of a comfortable workplace environment ● Promotion of R&D and technological development for work saving at site
		Intensified natural disasters due to global warming	● Increased risk of damage to supply chains, in-house facilities, and construction sites due to abnormal weather	Medium	Large	● Establishment of BCP system
	Opportunity	Accelerating national resilience	● Increase in infrastructure improvement work such as measures for accelerating disaster prevention, disaster mitigation and national resilience	Large	Large	● Promotion of R&D and technological development to make a contribution in disaster prevention, disaster mitigation and disaster relief

(3) Risk management

The Sustainability Committee identifies and assesses climate-related risks in each of the Group’s businesses. We will also consider and implement measures to address climate-related risks in light of changes in laws and regulations and social trends. Risks and opportunities related to climate change are reviewed in response to changes in the business environment and other factors.

Climate-related risks are integrated with other operational risks and submitted and reported by the Risk Management Committee to the Executive Committee and the Board of Directors. The Head Office and business divisions run their operations and take necessary measures to avoid and reduce risks inherent in their business processes.

(4) Metrics and targets

In order to contribute to the reduction of physical risks identified by the Company and the mitigation of climate change and based on the 1.5°C target stipulated in the Paris Agreement, the Group newly set the following CO₂ emission reduction targets for fiscal 2024 with fiscal 2023 as a base year. For the new targets, we submitted a commitment letter in March 2025 to obtain certification under the Science Based Target (SBT) Initiative, which recommends setting reduction targets

based on scientific evidence to achieve the Paris Agreement. We aim to obtain certification by the end of fiscal 2025.

The Group's (consolidated) CO₂ emission reduction targets

	Base year	FY2030 target	FY2050 target
Scope 1+2	FY2023	42% reduction	Net zero
Scope 3 (Category 1 and 11)	FY2023	25% reduction	-

The Group's CO₂ emissions results

		FY2023 (base year)
Scope 1+2	Consolidated	110,067.3t-CO ₂ e
	Non-consolidated	96,253.6t-CO ₂ e
Scope 3	Consolidated	1,285,358.2t-CO ₂ e
	Of which, Category 1	735,690.6t-CO ₂ e
	Of which, Category 11	469,543.8t-CO ₂ e
	Non-consolidated	1,156,983.8t-CO ₂ e

Results for fiscal 2023 are subject to change as the SBT Initiative is assessing for accreditation.

Results for fiscal 2024 will be announced on the Company's website. (Scheduled for August 2025)

We have also decided to request a third-party assurance for CO₂ emissions in fiscal 2025 onwards. (Pre-assurance for fiscal 2024 is planned.)

(Reference) The table below shows the CO₂ emissions for the domestic construction business (non-consolidated) from fiscal 2021 to fiscal 2023, as disclosed on the Company's website.

		FY2021	FY2022	FY2023
	Scope 1+2	56,708t-CO ₂ e	47,884t-CO ₂ e	74,841t-CO ₂ e
Scope 3	Overall	-	769,318t-CO ₂ e	989,467t-CO ₂ e
	Of which, Category 1	-	485,016t-CO ₂ e	691,361t-CO ₂ e
	Of which, Category 11	-	252,760t-CO ₂ e	268,274t-CO ₂ e

- Scope 1: The emission intensity is calculated based on a sampling survey and multiplied by the amount of completed work. Scope 1 includes CO₂ emissions from construction work by our partner companies, based on the Environmental Information Disclosure Guidelines of the Japan Federation of Construction Contractors, Inc.
- Scope 3, Category 1: Including construction work by our partner companies in materials and services.
- Scope 3 was not calculated for fiscal 2021.

III Human capital

(1) Governance

The Executive Committee and the Board of Directors deliberate and decide on important matters related to human capital, such as recruitment policies, education and training plans, diversity & inclusion, work style reform, engagement in addition to establishing and updating employee wages and various personnel-related regulations.

(2) Strategy

In the medium-term business plan (2023–2027), the Company pledges “acquire and nurture diverse persons who can support our ‘offense’ business style”. We are implementing the following four measures.

- Foundation for diverse employees to perform better

The Group believes that creating a workplace that can accommodate diverse persons and values and encourage collaborations is the way to maximize the performance of the employees, and that it leads to the vitalization and growth of the company. We therefore are making efforts to improve the workplace environment by considering and implementing a wide range of measures.

Regarding the efforts for better performance of female employees in the Company and in order to hire females for major career paths steadily and continuously, we have set a target of 20 percent female ratio in the new graduates. We are working to create an environment where female employees can play an active role in some ways including encouragement of promotion from minor career path to a major career path, offer of stylish working jacket and installation of clean water closet at construction sites. In 2020 the Company was awarded “Eruboshi Certification” in recognition of being a company with excellent implementation of initiatives to promote females’ participation and advancement in the workplace. In addition, we have established the system (the Comeback System) that allows those staff who once gave up continuing their career due to marriage or childcare to return to the Company afterwards. We also actively recruit foreign passport engineers. Likewise, we are striving to establish a foundation on which diverse employees can perform at their best.

- Achieve attractive compensation

The Company has continuously increased base salaries since 2014. In fiscal year 2024, we implemented a 9.6% increase in base salary and plan to improve wage levels at our consolidated subsidiaries.

In the future to provide attractive treatment, the Group will work to improve the wage levels and enhance welfare benefits.

- Proactively strengthening recruitment including mid-career hires

We are working to strengthen human capital that can support the growth of the Group. In addition to increasing the number of new graduates we hire, we are focusing on mid-career hires and specialists in growth areas such as offshore wind power engineering and in specialized functions in the Corporate Section that require ample knowledge. We will continue to consider and implement various recruitment channels including alumni recruitment for acquiring executive and employees who can contribute to strengthening the Group’s management foundation.

- Nurture and promote younger employees early to develop future executives

Improvement of the ability and performance level of staff members is an essential element for enterprise growth and leading employees’ job satisfaction and motivation improvement. The Group is working on effective competence development either group wise or by an individual company, by providing stratified, job specific, purpose based trainings and support programs for acquiring recommended certifications.

We have also initiated training that specializes in developing and turning out next generation leaders, and we are working to develop human capital who can take the management roles of the Company in the future. We will also provide opportunities for employees to acquire the skills necessary to adapt to changes in the environment.

(3) Risk management

In the construction industry, securing workers is an urgent issue and also a major risk for business continuity due to the decline in the working-age population, the aging of construction technicians and other factors. Thus, the Company has identified “Establish an attractive construction industry” and “Promotion of diversity” as materiality elements and set “Promotion of developing human capital and hiring and retaining employees” and “Promotion of diversity & inclusion” as

measures (sub-issues). The Sustainability Committee reviews the implementation and progress of KPIs in these sub-issues. After deliberations and decisions at the meetings of the Executive Committee and the Board of Directors, necessary measures are taken accordingly to the situation.

(4) Metrics and targets

The Company's human capital and diversity-related metrics and targets are as follows.

KPIs	Results (end of the respected fiscal year)	Targets
Number of female graduates hired for major career paths in a year	18.4% (FY2024 hiring results)	20% or more of hired graduates in a year
Increase in ratio of female in major career path (compared to FY2020)	191.2%	250% (FY2030)
Increase in ratio of female managers (compared to FY2020)	233.3%	500% (FY2030)
Employment ratio of persons with disabilities	2.85% (mandatory employment rate (2.50%))	Mandatory employment rate (2.5% or more)
Ratio of male employees taking childcare leave	95.0% (38 out of 40 persons)	100% (FY2024)

- Notes:
- The ratio of male employees taking childcare leave includes the ratio of male employees taking holidays for the purpose of childcare.
* The two persons who did not take childcare leave are included in the denominator because their spouses gave birth in March 2025, but they take childcare leave in fiscal 2025.
 - It is difficult to provide an unified description for these items due to differences in the size, business category, and applicable rules and regulations to each consolidated subsidiary. The description here is of the reporting company stand-alone.
 - The increase in ratio of females in major career path and the increase in ratio of female managers are as of April 1, 2025.
 - In fiscal year 2025, we set new targets for females in major career path which replaces the “increase in ratio of females in major career path” and “increase in ratio of female managers” (35 or more female managers in fiscal year 2030).

IV Measures to respect human rights

The Company believes that creating a workplace that can embrace diverse persons and values and foster forward-looking collaboration is the key to maximize the capabilities of our employees and lead to the revitalization and development of the company. We are therefore making efforts to improve the workplace environment by considering and implementing a wide range of measures.

(1) Governance

In order to promote efforts to respect human rights throughout the supply chain, we have established disciplines to implement human rights due diligence (human rights DD). The Board of Directors regularly receives reports from the Risk Management Committee and supervises the status of compliance in respecting human rights.

(2) Strategy

In April 2023, the Group formulated and published the Toyo Construction Group Human Rights Policy. Based on this policy, we hold study sessions on “business and human rights” to make all officers and employees familiar with the points and the procedures to be noted when promoting initiatives related to “business and human rights.” In addition, we carry out human rights impact assessments, select the following three themes as prioritized ones, promote efforts to respect human rights, implement steadily the PDCA cycle by conducting questionnaire surveys and on-site interviews with workers at construction sites in the Company.

Priority Themes

- (i) Unfair treatment of foreign workers in the supply chain

- (ii) Power harassment influence on mental and physical status of workers in the supply chain
- (iii) Access restriction to remedies by workers in the Company, the Group and the supply chain

(3) Risk management

All business risks, including human rights, are reviewed and evaluated by the Risk Management Committee, and reported to the Board of Directors. The Head Office and business divisions carry out their operations while taking necessary measures to avoid and reduce risks inherent in their business processes. In addition, issues related to human rights will be reviewed appropriately, based on the results of the human rights DD and matters reported via a whistle-blowing system and the Compliance Hotline.

(4) Metrics and targets

The content of each fiscal year's activities is determined in accordance with the priority themes described in "(2) Strategy". The results of human rights DD in fiscal 2024 are as follows.

- Questionnaire survey with partner companies of the Company on the theme of "unfair treatment of foreign workers in the supply chain": 29 companies responded

3. Business risks

Major risks that management recognizes possible material effect on the Group's financial position, operating results and cash flows in relation to the Group's business development are as follows.

At the Group, the whole Group's risk management policies and management systems are stipulated in the "Risk Management Rules," with regular meetings of the Risk Management Committee held in accordance with those policies and systems, and the Company makes efforts to appropriately manage risks surrounding the business and to prevent the materialization of risks.

Items in the text below concerning the future were determined by the Group as of the end of the current fiscal year.

(1) Risks associated with changes in the construction market

In the construction business as the Group's main business, there may be an impact on earnings if rapid changes in the domestic and overseas environment led to decrease in public construction investment, or reduction or postponement of private capital investment due to an economic downturn, etc.

In response to these risks, we flexibly respond to changes in the environment through each business strategy for handling constructions portfolio and aim to expand our business domain by proactively engaging in construction business of offshore wind power facilities and in non-contracted businesses such as the renewal and reconstruction and proposals for commercialization of existing buildings.

(2) Risks associated with laws and regulations and compliance

The Group's business is subject to statutory regulations such as Japan's Construction Business Act, the Building Standards Act, the Port Regulations Act, the Industrial Safety and Health Act, the Act on Promoting Quality Assurance in Public Works and the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, etc. The overseas business is subject to statutory regulations in each country as well as trade and sanction regulations.

In the event of a breach of these domestic and foreign country laws and regulations, etc., or in the event of non-compliance, there would not only be punishments under laws and regulations but also possible loss of opportunity to receive orders and a loss of customer trust such as a deterioration in reputation and social sanctions.

We are making efforts to prevent actions that breach compliance, by defining specific compliance-related matters such as the Code of Conduct that should be the standard of business activities for all officers and employees as Behavioral Guidelines.

In regards to overseas, in addition to creating and publicizing compliance guidelines for locally hired employees, we thoroughly comply with local laws and regulations and laws related to the prevention of bribery to any public officer.

In terms of the internal rules and procedures, in addition to regular reporting in organizations, we have established a whistle-blowing system with internal and external contacts for reporting.

(3) Risk of accidents and disasters arising during construction

We operate on a safety and health management rules and procedures for workers and all other concerned persons and have committed to preventing work disasters and health problems in the workplace and the best safe and healthy working environment. However, suspension of construction due to fatal or serious damage or unforeseen major accidents during construction as well as construction delays and unexpected costs including damage compensation liability to third parties may cause an impact on the Group earnings.

In our efforts to prevent accidents and disasters and thoroughly manage safety and health, we implement risk mitigation measures by conducting risk assessments before commencing construction, manage the PDCA cycle to confirm and evaluate the status of implementation during construction and make improvements while providing training to improve workers' sensitivity to dangers.

(4) Risk of defects in products and services

We operate on a quality management rules and procedures and commit to ensuring the best quality. However, if by chance the quality standards are not achieved or a defect arises such as a safety issue, it may lead to a loss of customer trust as well as damage compensation due to contract non-conformity warranty, product liability and countermeasure costs that may cause an impact on the Group earnings. In response to such risk, we work on continuously improving our quality management system, tirelessly striving to be able to provide the best quality construction products and services.

(5) Natural disaster risk

The occurrence of natural disasters such as massive earthquakes, tsunamis, typhoons and wind and flood damages caused by heavy rains may cause damage to construction work in progress, owned assets as ships, machinery and buildings, and disruption to or delay of construction work may cause an impact on the Group earnings.

In response to these risks and for prompt relief and restoration of the infrastructure and local communities, we ensure to grasp weather and nautical forecasts and promptly suspend operations and take evacuation measures to minimize damage, while formulate business continuation plans (BCPs) in case of disasters to build ways for confirming the status of damage and provide relief on sites and at customers' facilities and cooperate with national and local government institutions, etc.

(6) Risks related to production systems and securing human capital

Further declines in numbers of construction workers due to the decrease in the working age population and the aging of skilled construction workers may impact the implementation of the business plan and earnings.

To address these issues and in addition to upgrading ICT construction and promoting the application of BIM/CIM(*) to improve productivity, we are advancing DX efforts including the digitalization of operations and the centralization of data, etc. In addition to providing training and support for qualification acquisition for partner companies to maintain production systems, we have established an action plan targeting on improving the attractiveness of the construction industry and implemented efforts to hire and retain employees of partner companies.

In regard to securing human capital, we proactively hire regular new graduates and mid-career hires and develop human capital for the future. In overseas business, we provide training for local staff in each country where we operate and promote localization of businesses.

(*)Building/Construction Information Modeling Management:

A production system that promotes operational efficiency and sophistication by sharing information with all staff of planning, design, construction, and maintenance & management through the use of a three-dimensional model utilizing IT technology.

(7) Fluctuations in the prices of raw construction materials and labor unit price

Escalating prices of raw construction materials and labor costs or late delivery of materials and equipment may cause a deterioration in construction profitability and may impact our earnings.

We are making efforts to obtain the recent market trends, procure materials promptly and diversify suppliers. In addition, we are taking measures including price indexation clauses in contracts with customers.

(8) Risk of acquisition without consent

In the event that a non-consensual acquirer controls the Company by acquiring large volumes of the Company's shares, there may be a loss of human capital and a material impact on earnings depending on the acquirer's management policy. In addition, under the outlook of material impact on future governance systems and financial structure with the emergence of a large-scale share purchaser, credit rating agencies may impose constraints on the ratings due to the uncertain outlook, which may impact the Company's capability of finance from the market.

If we were to receive an acquisition proposal from a third party, we would make a judgment on whether to agree with the acquisition proposal after serious and cautious consideration from the perspective of whether it contributes to the improvement of our enterprise value based on the "Action Guidelines for Corporate Acquisitions" announced by the Ministry of Economy, Trade and Industry.

(9) Risks related to information security

In the event of leakage or loss of confidential sales and technological information and personal information due to external attacks, errors of staff or system failure, there may be an impact on earnings caused by damage to social trust, indemnification for damages or costs incurred for restoration, etc.

We appropriately assess the risk in consideration of the degree of importance of information assets and the vulnerability and importance of threats while we are implementing technological countermeasures and security training for staff.

(10) Risks in overseas businesses

In addition to operating the construction business mainly in Asia, we are also building cable-laying vessels in Europe. In the event of a significant change in the business environment in the countries where we operate including terrorism, political instability such as disputes, fluctuations in the economic situation, changes in the legal system and sudden fluctuations in exchange rates, there may be an impact on the Group earnings.

When undertaking critical initiatives for overseas projects, the Board of Directors and the Executive Committee do deliberations following adequate research on matters including the political and economic situation and security in respected countries, as well as the risk of procuring materials and equipment within the global supply chain.

(11) Risk of climate change

The introduction of a cap on greenhouse gas emissions and a carbon tax, etc. may cause an impact on the Group earnings due to increased construction costs and other consequences.

We have set a reduction rate for CO₂ emissions released from business activities as a KPI towards the realization of a carbon-neutral society and are engaged in initiatives for CO₂ emission reduction from construction equipment, vessels and recycling construction by-products.

In addition, we participate in businesses related to the construction of offshore wind power generation facilities and are engaged in the establishment of architectural technology for Zero Energy Building (ZEB) and Zero Energy House (ZEH).

(12) Human rights risk

We carry out our business activities based on respect for human rights, but there is a wide range of human rights issues to be addressed. In the event that a human right issue arises within the Group or its supply chain, a deterioration in our reputation could result us in losing the trust of our customers and potentially losing orders. The Group has formulated the Toyo Construction Group Human Rights Policy, been fulfilling its human right responsibilities and also established a human rights due diligence system in order to prevent a human right issue from arising.

4. Management discussion and analysis of financial position, operating results and cash flows

(1) Overview of operating results, etc.

An overview of the Group's financial position, operating results and cash flows during the fiscal year ended March 2025 are as follows.

(i) Overview of financial position and operating results

During the respected fiscal year, Japan's economy continued to lack strength because, while the corporate sector remained firm, personal consumption had not yet reached a situation where wage growth consistently exceeds price increases.

In the domestic construction market, construction investment exceeded the level of the previous fiscal year, and both the government sector and the private sector remained firm. On the other hand, construction material prices continued to remain high, and labor costs continued to rise due to tight supply and demand conditions for skilled workers in some types of work.

As for offshore wind power projects, which are attracting attention as a way to achieve carbon neutrality, operators have been determined to pursue projects in nine sea areas in Japan, and full-scale construction is scheduled to begin in 2027 or later.

In light of these circumstances, the Group has positioned offshore wind power engineering business as a growth driver. As offshore wind power projects are being materialized, we have focused on allocating management resources such as people, goods and money. Construction of a cable-laying vessel, scheduled for completion in the first half of 2026, is progressing well, and we have decided to procure Japan's first high-performance remotely operated vehicle (ROV) trencher for burying subsea cable. We also worked to develop low-cost construction technologies and develop diverse human resources to promote the business. Furthermore, we are building alliances with several companies in Japan and overseas to establish a system to accelerate our efforts with a target in 2027, when construction begins in earnest.

As a result, the financial position and operating results during the respected fiscal year are as follows.

a. Balance Sheet status

Total assets increased 16,298 million yen from the end of the previous fiscal year to 180,459 million yen, mainly due to an increase in property, plant and equipment.

Liabilities increased 17,023 million yen from the end of the previous fiscal year to 100,384 million yen, mainly due to an increase in borrowings.

Net assets decreased 725 million yen from the end of the previous fiscal year to 80,075 million yen, mainly due to the payment of dividends.

As a result of the above, the equity ratio dropped 4.9 percentage points from 47.6% at the end of the previous fiscal year to 42.7%.

b. Operating results

Net sales in the respected fiscal year decreased 7.6% year on year (hereafter the same shall apply) to 172,605 million yen; operating profit rose 7.0% to 11,651 million yen; ordinary profit increased 10.1% to 11,071 million yen; and profit attributable to owners of parent rose 18.5% to 8,311 million yen.

Orders received for the full year exceeded the initial forecast due to strong performance, particularly in the domestic building construction business. As a result, the balance carried forward in the respected fiscal year reached the highest level in the past 10 years. In addition, we have secured an appropriate level of profit at the time of receiving orders, which is expected to contribute to the earnings in the following fiscal year.

Results by business segment are as follows.

(Civil engineering, domestic)

Having a competitive advantage in this business and in order to secure business volume and realize high profitability in a steady market environment, we worked for expanding orders for large-scale offshore construction projects by government authorities and onshore construction by private sectors and government authorities.

In the respected fiscal year, we focused on receiving orders and execution for the construction of port facilities for the private sector, infrastructure construction of ports, airports and other facilities, and onshore construction projects of tunnels, sewerage systems and others. However, due to a decline in large-scale construction projects where we

had significant volume in the previous fiscal year and delays in the timing of construction orders in the interim period, net sales in this segment decreased 3.0% to 92,439 million yen and operating profit fell 13.7% to 5,415 million yen.

(Building construction, domestic)

In order to reform its earnings model and to expand earnings even in a rapidly changing market environment, the Company continued to deploy ReReC® (Renewal, Renovation and Conversion) which is to strengthen efforts in the housing stock market. It has also worked hard in the non-contracted business, while strengthening efforts not only to secure profits at the time of receiving orders but also to improve profitability at the time of design and construction. It has also made efforts to retain and train human capital.

In the respected fiscal year, we focused on the fields listed in the medium-term business plan, including factories, warehouse & logistic facilities, refuse incineration facilities, apartments, and other facilities, as well as orders and construction of ReReC® projects. As a result of the larger number of projects at the design stage compared with the previous fiscal year, sales in this segment dropped 3.0% to 61,306 million yen. Operating profit, on the other hand, increased 50.2% to 4,419 million yen thanks to the effects of measures to increase profitability through project lock-in and front-loading at the initial stage having worked well to increase more profitable projects compared to the previous fiscal year.

(Overseas construction)

By concentrating management resources on the Philippines which is our most important base, we worked to strengthen our earnings base by winning ODA projects and expanding business in the private sector through our Philippine subsidiary CCT CONSTRUCTORS CORPORATION (“CCT”), as well as working to develop local human capital.

In the respected fiscal year, net sales in this segment decreased 33.8% to 18,108 million yen due to a period of suspension of construction work in progress due to the typhoon damage in July 2024 in the Philippines resulted in lower turnover than the initial forecast, and due to a decline from large-scale project at CCT that contributed in the previous year with volume. Operating profit on the other hand increased 10.5% to 1,542 million yen thanks to the acquisition of design changes including inflation and the favorable performance of the local pension asset management.

(Real estate)

Net sales in the respected fiscal year decreased 10.1% to 400 million yen, while profits in this segment increased 16.8% to 205 million yen.

(Others)

This segment covers insurance agency operations, goods sales and leasing business, etc. Net sales in the respected fiscal year decreased 19.9% to 350 million yen and profits in this segment decreased 32.5% to 68 million yen.

(ii) Cash flows

Net cash provided by operating activities was 2,822 million yen mainly thanks to the posting of profit before income taxes. (Net cash of 8,512 million yen used in the previous year)

Net cash used in investing activities was 11,191 million yen mainly due to outflows to acquire property, plant and equipment. (Net cash of 7,881 million yen used in the previous year)

Net cash provided by financing activities was 5,893 million yen, mainly due to an increase in borrowings. (Net cash of 572 million yen provided in the previous year)

As a result of the above, cash and cash equivalents at the end of the respected fiscal year were 21,154 million yen. (23,475 million yen at the end of the previous year)

Trends of cash flow indicators

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity ratio (%)	43.1	50.2	46.7	47.6	42.7
Equity ratio based on market value (%)	36.3	53.7	56.0	75.1	68.5
Interest-bearing debt to cash flow ratio (years)	-	0.3	0.4	-	8.5
Interest coverage ratio (times)	-	231.2	93.6	-	11.3

* Equity ratio: equity (net assets - non-controlling interests) divided by total assets

Equity ratio based on market value: market capitalization divided by total assets

Interest-bearing debt to cash flow ratio: interest-bearing debt divided by cash flows

Interest coverage ratio: cash flows divided by interest payments

(i) All indicators are calculated using consolidated financial figures.

(ii) Market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of issued shares at the end of the period (after deducting treasury shares).

(iii) Cash flows use the cash flows from operating activities in the consolidated statement of cash flows. Interest-bearing debt refers to short-term borrowings and long-term borrowings under liabilities recorded in the consolidated balance sheet. In addition, interest payments use the amount of interest paid in the consolidated statement of cash flows.

(iv) In the event that cash flows are negative, they are not stated for such fiscal year.

(iii) Production, orders received and sales

(1) Orders received

(millions of yen)

Segment name	Fiscal year ended March 31, 2025	Year-on-year comparison (%)
Civil engineering, domestic	108,129	14.2
Building construction, domestic	86,889	36.9
Overseas construction	31,430	154.9
Real estate and others	853	(3.3)
Total	227,303	32.6

(2) Net sales

(millions of yen)

Segment name	Fiscal year ended March 31, 2025	Year-on-year comparison (%)
Civil engineering, domestic	92,439	(3.0)
Building construction, domestic	61,306	(3.0)
Overseas construction	18,108	(33.8)
Real estate and others	751	(14.9)
Total	172,605	(7.6)

Notes: 1. The Group does not state the “Results of Production” due to the difficulties of defining production results.

2. Intersegment transactions are offset and eliminated.

The non-consolidated business overview of the reporting company is as follows.

Status of construction orders received (contract amount) and construction work performed

(i) Construction orders received, net sales of completed construction contracts, construction carried forward and construction work performed

104th fiscal year (from April 1, 2023, to March 31, 2024)

(millions of yen)

Type	Construction carried forward from the preceding fiscal year	Orders received in the respected fiscal year	Total	Net sales in the respected fiscal year	Balance carried forward to the next fiscal year			Construction work performed in the respected fiscal year
					Construction work in hand	Of which, construction work performed		
Construction business						%		
Civil engineering (offshore)	(62,586) 63,848	57,316	121,164	71,418	49,746	0.7	349	71,386
Civil engineering (onshore)	35,291	34,225	69,516	27,850	41,665	0.2	93	27,885
Building construction	76,287	62,335	138,622	62,289	76,333	0.6	442	62,321
Total	(174,165) 175,427	153,876	329,303	161,558	167,745	0.5	864	161,593
Real estate	-	452	452	452	-	-	-	-
Total	(174,165) 175,427	154,328	329,755	162,010	167,745	-	-	-

105th fiscal year (from April 1, 2024, to March 31, 2025)

(millions of yen)

Type	Construction carried forward from the preceding fiscal year	Orders received in the respected fiscal year	Total	Net sales in the respected fiscal year	Balance carried forward to the next fiscal year			Construction work performed in the respected fiscal year
					Construction work in hand	Of which, construction work performed		
Construction business						%		
Civil engineering (offshore)	(49,746) 49,442	82,129	131,572	59,130	72,441	2.3	1,642	60,423
Civil engineering (onshore)	41,665	36,184	77,849	34,480	43,369	0.5	224	34,612
Building construction	76,333	85,828	162,162	60,366	101,795	0.3	265	60,210
Total	(167,745) 167,441	204,142	371,584	153,977	217,606	1.0	2,133	155,246
Real estate	-	407	407	407	-	-	-	-
Total	(167,745) 167,441	204,550	371,991	154,385	217,606	-	-	-

- Notes:
- For orders received in or before the previous fiscal year and their amount changed due to amendment of the contract, the orders received in the respected fiscal year include such change. Therefore, net sales in the respected fiscal year also include the relevant change in amount.
 - The construction work performed under balance carried forward to the next fiscal year is estimated from the construction work performed on contracts in hand based on costs.

3. Balance carried forward to the next fiscal year (construction work in hand) is, except for the real estate business, the same as (construction carried forward from the preceding fiscal year + orders received in the respected fiscal year – net sales in the respected fiscal year).
4. In the field for construction carried forward from the preceding fiscal year, the upper number in parentheses shows the amount of balance carried forward to the next fiscal year in the previous fiscal year; and the lower number shows the amount reflecting the change in amount due to fluctuations in foreign exchange rates during the respected fiscal year .

(ii) Ratio of construction orders received by the method for receiving orders

The method for receiving construction orders is largely (%)
divided between negotiation and competition.

By period	Category	Sole-Source	Competition	Total
104th fiscal year (from April 1, 2023, to March 31, 2024)	Civil engineering (offshore)	12.0	88.0	100
	Civil engineering (onshore)	21.1	78.9	100
	Building construction	21.0	79.0	100
105th fiscal year (from April 1, 2024, to March 31, 2025)	Civil engineering (offshore)	12.5	87.5	100
	Civil engineering (onshore)	22.6	77.4	100
	Building construction	18.0	82.0	100

Note: The calculation depends on the contract amount ratio.

(iii) Net sales of completed construction contracts

(I) Net sales of completed construction contracts (millions of yen)

By period	Category	Domestic		Overseas		Total (B)
		Government	Private-sector	(A)	(A)/(B) (%)	
104th fiscal year (from April 1, 2023, to March 31, 2024)	Civil engineering (offshore)	45,962	13,639	11,816	16.5	71,418
	Civil engineering (onshore)	20,121	7,452	276	1.0	27,850
	Building construction	5,586	56,703	-	-	62,289
	Total	71,670	77,795	12,093	7.5	161,558
105th fiscal year (from April 1, 2024, to March 31, 2025)	Civil engineering (offshore)	33,042	15,814	10,274	17.3	59,130
	Civil engineering (onshore)	27,426	7,020	32	0.1	34,480
	Building construction	15,508	44,858	-	-	60,366
	Total	75,977	67,693	10,306	6.7	153,977

Notes: 1. The main completed constructions are as follows.

104th fiscal year: Main constructions with contract amounts of 1.0 billion yen or more

Ministry of Land, Infrastructure, Transport and Tourism	Fiscal 2022 Mageshima temporary pier construction (part 2)
Ministry of Land, Infrastructure, Transport and Tourism	Fiscal 2021 Kagoshima Port (Taniyama second area) mooring facility construction (part 2)
Ministry of Land, Infrastructure, Transport and Tourism	Fiscal 2021 Tokyo International Airport G taxiway and other soil improvement engineering works
City of Yokohama	Shin-Honmoku wharf construction (part 28 external revetment B-2 foundation and main structure)
Koge Town	Start of construction project No. 4 new gymnasium construction
Peace Deli Co., Ltd.	Peace Deli Chiba Honda project new building construction

105th fiscal year: Main constructions with contract amounts of 1.0 billion yen or more

Ministry of Land, Infrastructure, Transport and Tourism	Fiscal 2023 Tokyo International Airport western cargo area apron soil improvement engineering project
Ministry of Land, Infrastructure, Transport and Tourism	Fiscal 2023 Nagoya Port new sediment disposal site reclamation engineering and revetment construction project (Part 2)
Ministry of Land, Infrastructure, Transport and Tourism	Fiscal 2023 Yokkaichi Port Kasumigaura north wharf area quay (-14m) main construction (Part 2)
Tokyo Metropolitan Government	Fiscal 2021 New sea-level disposal site D block west-side revetment sealing and backfilling works
Soeda Town	Soeda Municipal Elementary and Junior High School construction project, new school building construction
Shogakukan Real Estate Co., Ltd.	Bijogi Kita 2 chome project, extension work (provisional name)

2. Net sales of completed construction contracts and the proportion by counterparties accounting for at least 10% of the total net sales of completed construction contracts are as follows.

104th fiscal year: Ministry of Land, Infrastructure, Transport and Tourism 45,524 million yen 28.2%

105th fiscal year: Ministry of Land, Infrastructure, Transport and Tourism 32,626 million yen 21.2%

(II) Net sales in real estate

(millions of yen)

By period	Category	Amount
104th fiscal year (from April 1, 2023, to March 31, 2024)	Land and building sales income	2
	Lease income	449
	Total	452
105th fiscal year (from April 1, 2024, to March 31, 2025)	Land and building sales income	-
	Lease income	407
	Total	407

(iv) Construction work in hand (as of March 31, 2025)

(millions of yen)

Category	Domestic		Overseas	Total
	Government	Private		
Civil engineering (offshore)	27,008	17,405	28,027	72,441
Civil engineering (onshore)	40,676	2,693	-	43,369
Building construction	26,095	75,699	-	101,795
Total	93,780	95,798	28,027	217,606

Note: Main construction contracts in hand with contract amounts of 1.0 billion yen or more are as follows.

Republic of the Philippines	Pasig-Marikina River Channel Improvement Project (Phase 4) (STEP) P1	Slated for completion in January 2030
Ministry of Land, Infrastructure, Transport and Tourism	Kanazawa Port (south area) quay (-10m) (Tomizu No.1 and No.2) (disaster recovery) improvement and 1 other construction	Slated for completion in March 2026
Tokyo Metropolitan Government	Construction work to rebuild the sludge incineration facility at Hachioji Water Reclamation Center	Slated for completion in June 2027

Kobe-Osaka International Port Corporation	Port Island (2nd phase) area container southern wharf improvement project	Slated for completion in March 2026
Ministry of Defense	Construction of Tanegashima (R5) management office buildings, etc.	Slated for completion in January 2026
FRD JAPAN CO., LTD	Construction of FRD JAPAN Phase 2 onshore aquaculture plant (Futtsu City) (provisional name)	Slated for completion in January 2026

(2) Management's analysis and discussion of operating results, etc.

Management's perception, analysis and discussion of the Group's operating results are as follows.

Items in the text below that concern the future were determined as of the end of the current fiscal year.

(i) Perception, analysis and discussion of financial position and operating results

Orders received 204.5 billion yen (up 50.2 billion yen year on year) *The Company stand-alone figures

- In particular, due to strong performance in "building construction, domestic," total orders received by the Company alone increased by 50.2 billion yen from the previous fiscal year.

Consolidated net sales 172.6 billion yen (down 14.1 billion yen year on year)

- In "overseas construction," consolidated net sales decreased 14.1 billion yen compared to the previous fiscal year due to a period of suspension of construction work in progress caused by the typhoon damage in July 2024 in the Philippines, resulting in lower turnover than the initial forecast, and due to a reactionary decline from large-scale construction work at CCT that contributed in the previous year.

Consolidated gross profit 24.0 billion yen (up 0.7 billion yen year on year) and consolidated operating profit 11.6 billion yen (up 0.7 billion yen year on year)

- In "building construction, domestic," both consolidated gross profit and consolidated operating profit increased 0.7 billion yen due to the effects of measures to increase profitability through project lock-in and front-loading at the initial stage, which worked well to increase more profitable projects compared to the previous fiscal year.

(ii) Liquidity and capital resources

a. Cash flows

Cash flows during the respected fiscal year are as stated in "II. Overview of Business, 4. Management analysis of financial position, operating results and cash flows, (1)(ii) Cash flows."

b. Need for funds

The need for funds in the Group's business activities can largely be divided into working capital and capital expenditure. In light of the nature of the construction business that tends to be impacted by seasonal fluctuations, finance of working capital is through the establishment of committed credit line contracts. In September 2024, the Company signed a letter of commitment with seven financial institutions for a one-year, 10.0 billion yen syndicated committed credit line, with the option to increase of 5.0 billion yen. In March 2025, the Company executed a letter of commitment with a financial institution for a one-year, 5.0 billion yen committed credit line. In addition, in May 2024, the Company signed a syndicated green loan term loan agreement with 11 financial institutions for a total of 20 billion yen for construction funds of a self-propelled cable-laying vessel.

Other than that, funding for capital expenditure is financed mainly from our major lender banks.

c. Financing policy

The Group proceeds finance for working capital and equipment that are necessary for the promotion and operation of its business activities by means of its own funds, borrowings and asset sales, in consideration of conditions such as the timing and amount required for the business. In order to secure stable and flexible borrowings, we receive finance from financial institutions. As a financial discipline, we set a standard for a debt-to-equity ratio of 0.4 times.

As of the end of the fiscal year ended March 2025, long-term borrowings were 11,650 million yen, and short-term borrowings were 12,355 million yen, making total interest-bearing debt 24,005 million yen, an increase of 15,856 million yen from the end of the previous fiscal year. D/E ratio is 0.3 times.

In addition, by promoting ROIC management, we will continue to work to improve the efficiency of working capital, fixed assets, and other business assets to improve capital efficiency.

(iii) Significant accounting estimates and the assumptions used in such estimates

The Group's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Japan. The significant accounting policies used in preparing the consolidated financial statements are as stated in "V. Financial information, 1. Consolidated financial statements, etc., (1) Consolidated financial statements, Significant matters that form the basis for creating the notes to consolidated financial statements."

When preparing the consolidated financial statements, accounting estimates are required and estimates and considerations are carried out on the basis of past results and factors thought reasonable for the circumstances in relation to the recording of net sales of completed construction contracts and the cost of completed construction contracts, the valuation of real property for

sale, the recording of important provisions including allowance for doubtful accounts, provision for warranties for completed construction, provision for loss on construction contracts, the recording of retirement benefit liability and the recording of deferred tax assets, etc., and those results are reflected on the consolidated balance sheet and the consolidated statement of income. However, actual results may differ from these estimates due to uncertainties in the estimates. In addition, for the following matters in particular, management's consideration of accounting estimates is thought to have a material effect on the Group's earnings.

- a. Net sales of completed construction contracts for which obligations are fulfilled over a certain period of time and revenue is recognized

When recording net sales of completed construction contracts, we reasonably estimate the total revenue generated from construction, the total cost of construction and the progress in construction as of the end of the fiscal year and record the net sales of completed construction contracts. In the event of fluctuations in the progress of construction due to factors such as unexpected costs due to accidents or injuries during construction, net sales of completed construction contracts and the cost of completed construction contracts could fluctuate and may have an impact on the Group's earnings.

- (iv) Objective indicators, etc. for considering the achievement status of the management policy, management strategy and management targets

Plan achievement status for the respected fiscal year

	Consolidated	Fiscal year plan	Actual result	Achievement status
Performance indicators	Net sales	190.0 billion yen	172.6 billion yen	(Achievement rate 90.8%)
	Operating profit	11.6 billion yen	11.6 billion yen	(Achievement rate 100.4%)
	Operating margin	6.1%	6.8%	(Planned figure +0.7 percentage points)
	Ordinary profit	11.1 billion yen	11.0 billion yen	(Achievement rate 99.7%)
	Profit attributable to owners of parent	7.6 billion yen	8.3 billion yen	(Achievement rate 109.4%)

5. Critical contracts for operation

1. Contract to construct a self-propelled cable-laying vessel

At the Board of Directors meeting held on December 8, 2023, the Company resolved to construct a self-propelled cable-laying vessel as described below, and concluded a construction contract on December 11, 2023.

(1) Reason for construction

Project development of offshore wind power generation is progressing, mainly in the area of fixed-bottom offshore wind type, and together with technology development of a floating offshore wind type and consideration of EEZ expansion, we are steadily advancing towards the realization of 2050 Carbon Neutral in line with the government target. The Company is constructing a self-propelled cable-laying vessel, which is designed to cater to offshore construction projects, including those for offshore wind power generation, with expectations of market expansion, and will be one of the largest in Japan.

(2) Overview of the cable-laying vessel

The cable-laying vessel to be constructed is designed to fit the requirements of environmental conditions and construction conditions in Japan, which allows construction at a high utilization rate in a vast marine area, from shallow areas to very deep areas where floating offshore wind power generation or DC power transmission projects are conducted.

In addition to being used as a self-propelled cable-laying vessel, with its high-performance crane and a large deck area, the vessel will be applicable to a wide range of fields, including foundation work for fixed-bottom offshore wind, mooring construction for floating offshore wind, and marine resource-related projects.

Primary specifications	Gross tonnage: approx. 19,000 t, Thrust power: approx. 13,000 kW, DPS Class 2
	Ship's classification: Class NK
	Accommodation capacity: 90 people (all private rooms, fully equipped with shower & restroom)
Main dimensions of the vessel	150 m long × 28 m wide × 12 m deep, max. draft: 7.0 m
Cable tank	Capacity: 9,000 t (including portable-type)
Main/Sub crane	Lifting capacity of 250 t / 100 t (with active heave compensation)
Other equipment	Helideck, 4-point mooring device (for works in shallow sea area), 2 × ROV system, Storage battery system
Investment value	Approx. 30.0 billion yen
Financing	Own funds and bank loan (Green Loan)

(3) Overview of contracting party

The contracting party is a foreign corporation, and there is no capital, personnel, or business relationship between our company and the contracting party that is required to be disclosed. In addition, the contracting party does not fall under the category of a related party of the Company.

(4) Construction schedule

Date of resolution of the Board of Directors	December 8, 2023
Contract conclusion	December 11, 2023
Completion and delivery	First half of 2026

(5) Future Outlook

At present, the construction of the cable-laying vessel is progressing well, and there is no impact on future consolidated results.

2. Borrowing funds through green loans

The Company signed a syndicated “green loan” term loan agreement, which is the first case for the Company, to borrow the funds for the construction of a self-propelled cable-laying vessel.

Contract conclusion	May 28, 2024
Use of funds	To construct a self-propelled cable-laying vessel
Maximum borrowing limit	20,000 million yen
Year-end balance	10,000 million yen
Borrowing rate	Base interest rate + spread
Borrowing date	July 2024 onwards *Term loan with borrowing execution period
Repayment method	Scheduled repayment every three months, with the first repayment on June 30, 2027, and the remaining balance is due on the due date
Final due date	At the end of March 2034
Collateral	Yes (secured by vessel)
Arranger	MUFG Bank, Ltd.
Co-arranger	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation
Participating financial institutions (Japanese alphabetical order)	The Aozora Bank, Ltd., The Senshu Ikeda Bank, Ltd., The Shizuoka Chuo Bank, Ltd., The Chiba Bank, Ltd., The Tokushima Taisho Bank, Ltd., The Norinchukin Bank, The Hyakujushi Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Resona Bank, Limited.
Rating agency	Rating and Investment Information, Inc. (R&I)

The above agreement is subject to the following financial covenants.

- (i) The amount of net assets in the non-consolidated balance sheet as of the last day of the accounting period of each fiscal year shall be maintained at an amount equal to or greater than 75% of the amount of net assets in the non-consolidated balance sheet as of the last day of the accounting period immediately preceding the relevant accounting period.
- (ii) An ordinary loss shall not be recorded for two consecutive periods with respect to the non-consolidated profit and loss statement for each fiscal year.
- (iii) The figure obtained by sum of the interest-bearing liabilities (‘short-term borrowings’, ‘long-term borrowings’, ‘long-term borrowings due within one year’, ‘bonds’, ‘bonds due within one year’, ‘bonds with share options’, ‘bonds with share options due within one year’, ‘commercial paper’, and ‘discounted notes’ in the relevant non-consolidated balance sheet) deduct the amount of cash and deposits in the non-consolidated balance sheet of the borrower as of the last day of the accounting period of each fiscal year, and divided by the amount of net assets in the non-consolidated balance sheet as of the last day of the relevant accounting period shall be maintained at 2.5 or less.

6. Research and development activities

Based on its Corporate Identity of “All working together with dreams and youthfulness, devoted to serving our customers and public society with new and productive technologies, striving toward consistent growth of the company and promotion of the welfare of our employees,” the Company engages in research and development activities for civil engineering and building construction technologies tirelessly.

In the fiscal year ended March 2025, we promoted research and development to address social issues, including “initiatives toward carbon neutrality including offshore wind power-related business,” “improvements in productivity through the introduction of ICT and automation technology,” and “promotion of construction DX” etc. The major results are as follows. The total amount of research and development activities undertaken for domestic civil engineering, domestic building construction, overseas construction, and offshore wind power engineering businesses was 1,268 million yen.

(1) Acquisition of AiP for mooring foundations for floating offshore wind power facilities from Nippon Kaiji Kyokai (ClassNK)

The Company and MODEC, Inc. (hereinafter referred to as “MODEC”) have jointly received Approval in Principle (hereinafter referred to as “AiP”) for “floating structure & tether system and tether pile foundation for TLP-type floating offshore wind turbine” from Nippon Kaiji Kyokai (hereinafter referred to as “ClassNK”).

Acquisition of the AiP is a result related to the integrated design technology listed as one of the development items in the “Development of a floating offshore power generation facility using the TLP method which can achieve low cost and excellent social acceptability,” as one of the tasks for the Green Innovation Fund Phase 1 project by the New Energy and Industrial Technology Development Organization (NEDO), which was carried out by MODEC, Furukawa Electric Co., Ltd., JERA Co., Ltd., and the Company. In the scope of this examination, MODEC is in charge of the floating structure & tether system and the Company is in charge of the tether pile foundation.

Both companies have acquired an AiP from ClassNK with the aim of pre-empting some of the evaluation items for Wind Farm Certification and Classification Surveys that will be required in the future. In acquiring this AiP, both companies also conducted a study on Japan’s unique environmental conditions, such as earthquakes and tsunamis, and received valuable opinions from ClassNK including opinions by experts, which will be reflected in the design and development in future studies.

(2) Participation in the Floating Offshore Wind Construction System Technology Research Association

With the aim of establishing a rational construction system for mass introduction of floating offshore wind power generation, the Company has established the Floating Offshore Wind Construction System Technology Research Association (FLOWCON), which consists of seven companies with proven experience in offshore construction as well as the manufacture of offshore steel structures, large cranes and steel floating bodies.

At the Company, we have positioned the offshore wind power engineering business as a “growth driver” and is promoting the business to make it our future core business. To help bring about a carbon neutral society by 2050, we will continue to diligently undertake various activities for offshore wind power generation.

(3) Introduction of TOYO ChatGPT RAG Applicable version, an integrated search platform

The Company introduced an integrated search platform “TOYO ChatGPT RAG* Applicable version” in September 2024. This platform was developed jointly by UNAIIT Inc. and the Company. It can be used safely and securely by all employees in a closed environment, reducing the risk of information leakage when using generative AI and improving the accuracy of answers through RAG technology. The files for RAG that each person uploads to the cloud are automatically referenced the next day through API integration. In addition, it is equipped with a filter function to narrow down the RAG reference and a prompt assist function, etc., and is linked with a GPT dedicated to safety that can refer to internal regulations and an AI internal file search system that can search internal documents nationwide. These can be accessed at any time from personal computers or iPhone devices for the business extension provided to all employees. The Company will continue to actively promote internal use of the platform to improve the digital capabilities of all employees and improve operational efficiency.

* Abbreviation of Retrieval Augmented Generation. It is a technology that improves the accuracy of answers by making text generation using a Large Language Model (LLM) refer to unique information sources.

(4) Development of wireless detaching device “MIX”

The Company has developed “MIX” (patent pending), a wireless detaching device that enables unmanned unslinging both in water and on land.

This device is equipped with a wireless communication function of sound waves and radio waves on a detaching hook, and by activating the operation unit on a work vessel, can remotely operate unslinging work regardless of whether the detaching hook is in or out of the water. Wireless communication supports simultaneous communication of sound waves and radio waves, and a device can be used for all block installations in underwater and on land.

When wave-dissipating blocks (hereinafter referred to as “blocks”) are installed, the blocks are usually stacked from the underwater foundation to the surface of the water. Divers and crew members perform the unslinging work. When the blocks are installed in a sea area, work vessels could be shaken by waves. Therefore, there is a concern that divers and crew members may be caught between the shaken blocks. By using this device, the unslinging work can be done in an unmanned way, and safety in block installation work is improved. In addition, simultaneous wireless communication enables continuous use of the device not only in and out of the water, but also in the wave-splash zone near the surface of the water, thus increasing work efficiency.

As a result of using the device during actual block installation work, work efficiency improved by approximately 30% (compared with the Company’s record) compared with block installation that requires unslinging by divers, and the effectiveness and safety of the equipment were confirmed.

(5) Development of “Pile T-Real” for guiding the position of piles in live-action VR space

The Company has developed Pile T, a pile placement total management system registered in NETIS (NETIS, HRK-220004-A), into the Pile T-Real (patent pending), which can guide the position of piles in a live-action VR space.

The current version of Pile T displays the state of pile placement, existing structures, and strata distribution in 3D models based on measurement information from three auto-tracking total stations, in real time in VR space on a PC. Based on that, the operator can guide the pile driving to the specified position while checking the pile driving status from a 360-degree free viewpoint. The newly developed system, “Pile T-Real,” combines the VR space of the current version of Pile T with real-time images of the site taken with a 360-degree camera as a background to create a live-action VR space. This enables to guide piles by displaying and overlapping the actual images and a 3D model of the piling situation.

With the development of this system, it is possible to confirm in real time in a live-action VR space the movement of workers that is difficult to express in a 3D model and the ruler material of the pile that needs to be relocated, so that the guidance of the pile can be done with a sense close to actual vision. In addition, it is possible to smoothly switch between the live-action VR space and the VR space of the current version even while piles are being placed. As a result, not only the accuracy of piling, but also the safety and efficiency of work can be improved.

The Company has developed various construction management systems using VR technology. We will continue to further promote construction DX to improve construction safety and productivity.

(6) Development of the “AHC-RMP,” a device to reduce the vertical motion of a suspended load for large marine cranes

The Company, together with Akishima Laboratories (Mitsui Zosen) Inc., and SKK Corporation, has jointly developed “AHC-RMP” (Active Heave Compensation System using Real-time Motion Prediction), a vertical-motion-reduction device for large marine cranes. This project was adopted by the Maritime Bureau of the Ministry of Land, Infrastructure, Transport and Tourism as a support measure for the FY2019 Research and Development Program for Advanced Technology for Marine Resource Development.

In the past, most of the work areas for large marine cranes were limited to relatively quiet ports; but in the future, it is expected that more work will be done in the open sea, including offshore wind power generation. Offshore construction works require longer construction periods and higher costs due to the limited number of days and hours that vessels can work on, carried out under more severe wave conditions than those in ports. However, the development of this device is expected to reduce costs by improving the operating ratio.

AHC-RMP consists of two systems: the pitching prediction system, which predicts the shaking of the ship’s hull, and the winch control system, which controls the winch that raises and lowers the hoisting load. AHC-RMP predicts the amount of pitching in the future based on the measurement results of measuring instruments (posture measurement devices and accelerometers) installed on the hull. Based on the prediction result, the unwinding amount of a hoisting wire is calculated, a signal is sent to the crane’s programmable logic controller (PLC), and the torque converter is controlled so that the crane’s

PLC rotates the winch in the direction that offsets the pitching, thereby reducing the vertical motion of the hoisting load. The development of “AHC-RMP” enables a 20% to 60% reduction in vertical motion when the hoisting load is 20 to 80 tons, raises the limiting wave height for work suspension criteria, and improves the working ratio of work vessels.

(7) First biofuel used on the Company’s work vessels

NX SHOJI CO., LTD. supplied biofuel to the Company’s work vessels for the first time in executing the construction commissioned by Kobe City in Osaka Bay.

Reducing CO₂ emissions from construction is one of the Company’s most important tasks for realizing a carbon-neutral society. In particular, the Company has a large number of work vessels for offshore construction, and thus tends to emit large amounts of CO₂ from the use of fossil fuels. Reducing CO₂ emissions through the operation of work vessels is an urgent issue, and this trial was conducted as part of efforts to resolve this issue.

Biofuel is a drop-in fuel that does not require the replacement of existing diesel engines as an alternative to diesel and heavy oil, and its use in ships is expanding as an alternative to marine fuels.

The Company believes that the use of biofuels is an effective means of reducing CO₂ emissions. Based on this belief, we will use biofuels in the deep mixing vessel “DCM6” and examine the impacts on equipment, etc., and will actively introduce biofuels in offshore civil engineering projects to reduce CO₂ emissions.

We will continue to promote efforts for carbon neutrality through the spread and introduction of biofuels.

(8) CELBIC-RA, environmentally friendly concrete, certified by the Minister of Land, Infrastructure, Transport and Tourism

The Company, together with TOKYO TECHNO CORPORATION and Musashino Civil Engineering Co., Ltd., has been certified by the Ministry of Land, Infrastructure, Transport and Tourism (MCON-4763), for environmentally friendly concrete (CELBIC-RA), which uses recycled aggregate, a CCU material that fixes CO₂ through manufacturing and storage processes, for CELBIC*¹, which uses granulated blast furnace slag as 70% of a binding material.

CELBIC-RA (Consideration for Environmental Load using Blast furnace slag In Concrete – Recycled Aggregate) is an environmentally friendly concrete that combines low-carbon and resource-recycling characteristics. It uses granulated blast furnace slag instead of 70% of ordinary Portland cement and uses recycled aggregate, which is a recycled material that absorbs and fixates CO₂ during the manufacturing and storage processes. Although recycled aggregate M is used, it has been approved by the Minister of Land, Infrastructure, Transport and Tourism (MCON-4763) and can be used for cast-in-place piles and underground structures.

The BFCCU*² workshop established the manufacturing and quality control methods of CELBIC-RA and confirmed its performance as structural concrete through the actual test.

*1: CELBIC: Environmentally friendly concrete that reduces about 9% to 63% of carbon dioxide emissions from concrete materials while ensuring the required quality of building concrete structures. In 2020, CELBIC received a certification for construction material technology performance from the General Building Research Corporation of Japan.

*2: BFCCU: Blast Furnace slag + Carbon dioxide Capture and Utilization

(9) Environmentally conscious construction in the Oyama Water Treatment Center Facility Improvement Project

The Company, together with Itabashi Gumi Co., Ltd. and Saito Gumi Co., Ltd., was contracted by Oyama Energy Recycle Co., Ltd., to construct various foundations as part of the facility improvement project for the Oyama Water Treatment Center Sludge Treatment and Effective Utilization Facility (design and construction period: November 2021 to March 2024) and Operation Project (maintenance and operation period: April 2024 to March 2044 (20 years)), which was commissioned by Oyama City, located on the southern part of Tochigi Prefecture, to convert sewage sludge into an energy resource.

Aiming to give consideration to the environment during the construction work, the Company has adopted a low-carbon type environmentally friendly concrete that reduces CO₂ emissions by replacing 60% of cement with granulated blast furnace slag (hereinafter “BF”) which is a by-product of the iron and steel industry. The environmentally friendly concrete has recently been attracting attentions from the viewpoint of reducing environmental impact. In order to reduce construction noise and vibration to surrounding buildings, in addition to noise monitoring using TOSMO-SV, the Company has adopted ANC technology to reduce the noise generated by construction vehicles. As a result, we have contributed to reducing CO₂ emissions by 129 tons by the use of environmentally friendly concrete and have succeeded in eliminating harmful construction noise and vibration to the surrounding buildings. We also verified the effectiveness of noise-reduction measures

for construction vehicles.

(10) R&D on the improvement of productivity and well-being of workers in ABW offices with a biophilic design

As a transition to a decarbonized society is required, environmental consideration in building construction is an important issue. With the spread of activity-based working (ABW) as a result of work style reforms and the trend toward greater emphasis on well-being, there is growing interest in office environments that enhance workers' intellectual productivity and physical and mental health, especially a biophilic design that emphasizes connection with nature.

This research and development focuses on ABW offices that incorporate biophilic design elements, and aims to establish design and operation methods that contribute to the improvement of workers' intellectual productivity, creativity, and well-being. By combining the various spatial characteristics of ABW and the effects of biophilic design, we evaluated the impacts on workers from various angles and aimed to propose the optimal spatial structure and operation.

In fiscal 2024, we improved the evaluation method for the impact of a biophilic ABW space on workers. We installed the latest electroencephalography equipment capable of analyzing various emotions, and precisely measured objective physiological and psychological indicators (stress, concentration, pleasure, etc.) to verify the effects of biophilic elements according to the type of activity space of ABW. As a result, we gained an insight into the optimal relationship between space and design elements, including the impact of specific design elements on performance and positive emotions. Furthermore, by using the latest BIM technology and XR (VR/AR/MR) equipment, we simulated the spatial experience at the design stage, and precisely grasped and analyzed worker behavior and space usage conditions in the real space to improve the accuracy of the proposal.

This research and development combines biophilic design and ABW, and through objective evaluation using advanced electroencephalography and BIM/XR technology, we obtained specific suggestions on the design and operation of an office environment that contributes to the improvement of workers' productivity and well-being. In the future, based on the results of this research, we will continue to verify the effectiveness of the proposed method in real offices to enhance its versatility. We will further utilize electroencephalography and BIM/XR technology to develop design tools to support planning and evaluation of ABW spaces that maximize biophilic effects, as well as to study long-term impacts on workers, with the aim of realizing next-generation office spaces that support human and creative ways of working.

(11) Design and construction process innovation through the development of a generative AI application and deployment to actual business

Construction projects continue to grow in complexity, generating and sharing vast amounts of information from planning to maintenance. Designers need to quickly refer to a wide range of information, including items pointed out in the past, laws and regulations, and disaster case studies, and have to spend a lot of time on information searching in the conventional method. At the Company, there was urgent need to resolve management issues such as work style reform, the development of young employees, and the shift of implicit knowledge of experienced engineers to explicit knowledge.

Therefore, we developed and introduced a Retrieval-Augmented Generation (RAG) system using Google Cloud Vertex AI Search. It is a generative AI application that builds a knowledge base that integrates matters pointed out in past projects, data from laws and regulations, and case studies of failures and accidents, and provides answers to questions in natural language in the form of chatbots.

In fiscal 2024, the system was introduced into actual business operations, and the following effects were confirmed: shorter information search time, construction of easier usage environment, swift resolution of similar issues, new value creation, sharing of experience and knowledge and human resource development, reduction of search time for items pointed out in the past, improvement of accuracy to predict failures, and smooth communication between related parties. We can quickly and accurately extract the information we need from vast amounts of data, making it easily accessible to workers without expertise. By referring to similar examples in the past, it contributes to the swift resolution of issues in design and construction. Information analysis using generative AI also contributes to new value creation such as early detection of potential risks and suggestion of new design and construction methods.

We aim to accelerate the digital transformation (DX) of the entire construction project with views of introducing the latest generative AI technology, expanding the scope of its use, expanding the information sources that can be searched, and linking with external information.

We are confident that this initiative utilizing generative AI technology will solve the issue of information sharing in construction projects and contribute significantly to productivity improvement, quality improvement, and safety

enhancement. The Company will continue to actively promote the development and utilization of digital technologies to achieve sustainable growth and contribute to society.

III. Information About Facilities

1. Overview of capital expenditures, etc.

The Group made capital investments totaling 13,352 million yen during the respected fiscal year, with the funds used primarily for advance payments for the construction of a self-propelled cable-laying vessel. The details of the self-propelled cable-laying vessel are stated in “II. Overview of Business, 5. Critical contracts for operation.”

2. Major facilities

Major facilities of the Group are as follows.

(1) Reporting company

As of March 31, 2025

(1) Reporting company		As of March 31, 2023						
Office name (Location)	Segment name	Book value (millions of yen)						Number of employees (persons)
		Buildings and structures	Machinery, equipment and vehicles, and tools	Land		Leased assets	Total	
				Area (m²)	Amount			
Head Office (Chiyoda-ku, Tokyo)	-	2,290	652	30,637	4,338	121	7,403	306
Technical Research Institute, Miho (Miho, Inashiki-gun, Ibaraki Pref.)	Civil engineering, domestic Building construction, domestic	186	78	28,141	1,040	1	1,306	11
Technical Research Institute, Naruo (Nishinomiya, Hyogo Pref.)	Civil engineering, domestic	264	84	8,852	1,858	-	2,208	20
Hokkaido Branch (Chuo-ku, Sapporo-shi)	Civil engineering, domestic Building construction, domestic	35	0	2,780	246	-	282	12
Tohoku Branch (Aoba-ku, Sendai-shi)	Civil engineering, domestic Building construction, domestic	51	1	4,216	271	18	343	54
Kanto Branch (Chiyoda-ku, Tokyo)	Civil engineering, domestic	45	9	6,514 [3,340]	265	14	334	155
Kanto Architectural Construction Branch (Chiyoda-ku, Tokyo)	Building construction, domestic	-	0	-	-	5	6	122
Yokohama Branch (Naka-ku, Yokohama-shi)	Civil engineering, domestic	18	0	1,705	513	-	532	56
Hokuriku Branch (Kanazawa-shi, Ishikawa Pref.)	Civil engineering, domestic Building construction, domestic	24	3	2,080 [528]	213	41	282	48
Nagoya Branch (Naka-ku, Nagoya-shi)	Civil engineering, domestic Building construction, domestic	1	0	2,625	117	18	137	79
Osaka Main Office (Chuo-ku, Osaka-shi)	Civil engineering, domestic Building construction, domestic	258	265	57,242 [409]	10,699	26	11,249	170
Chugoku Branch (Higashi-ku, Hiroshima-shi)	Civil engineering, domestic Building construction, domestic	46	1,109	4,818	139	22	1,317	55
Shikoku Branch (Takamatsu-shi, Kagawa Pref.)	Civil engineering, domestic Building construction, domestic	12	300	1,248	58	17	388	51
Kyushu Branch (Hakata-ku, Fukuoka-shi)	Civil engineering, domestic Building construction, domestic	17	106	3,471 [68]	92	17	234	192
International Division (Chiyoda-ku, Tokyo)	Overseas construction	-	-	-	-	-	-	19
Overseas office	Overseas construction	13	125	[15,000]	-	-	139	33

(2) Domestic subsidiaries

As of March 31, 2025

Company name	Office name (Location)	Segment name	Book value (millions of yen)						Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles, and tools	Land		Leased assets	Total	
					Area (m ²)	Amount			
TOMAC Corporation	Head Office (Chiyoda-ku, Tokyo)	Civil engineering, domestic Overseas construction Real estate	74	249	34,000	1,201	-	1,525	138
Tachibana Kogyo Co., Ltd.	Head Office (Takamatsu-shi, Kagawa Pref.)	Civil engineering, domestic Overseas construction	267	524	7,500 [509]	188	-	980	98
Kusakabe Maritime Engineering Co., Ltd.	Head Office (Chuo-ku, Kobe-shi)	Civil engineering, domestic Other businesses	169	12	2,000	292	10	484	35
Tecos Co., Ltd.	Head Office (Chiyoda-ku, Tokyo)	Building construction, domestic Real estate	56	38	1,436	337	-	432	29
Token Shoji Co., Ltd.	Head Office (Chiyoda-ku, Tokyo)	Other businesses	1	2	-	-	-	3	11

(3) Overseas subsidiaries

As of December 31, 2024

(3) Overseas subsidiaries			As of December 31, 2021						
Company name	Office name (Location)	Segment name	Book value (millions of peso)						Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles, and tools	Land		Leased assets	Total	
					Area (m ²)	Amount			
CCT CONSTRUCTORS CORPORATION	Head Office (MAKATI CITY, PHILIPPINES)	Overseas construction	-	92	- [406]	-	19	111	82

- Notes:
- The book value does not include construction in progress.
 - The reporting company's real estate business is conducted in each office, but the ratio is insignificant so it is not listed on the above table.
 - Some land and buildings are rented from outside the Group. The rent amount is 843 million yen and the area of land is shown in external writing inside square brackets.
 - The main land and buildings currently loaned

Company name	Land (m ²)	Buildings (m ²)
TOYO CONSTRUCTION CO., LTD.	22,424	15,293

5. The main rented facilities with a leasing contract

Company name	Office name	Segment name	Facilities	Number of facilities	Lease period (years)	Annual lease fee (millions of yen)
TOYO CONSTRUCTION CO., LTD.	Head office/ Branch	Civil engineering, domestic, and others	PCs and others	2,123	3	92

6. The number of employees at overseas subsidiaries is stated with the inclusion of employees hired locally overseas.

3. Planned additions, retirements, etc., of facilities

(1) Additions, etc., of significant facilities

Plans for significant capital expenditures for the purpose of expansion and upgrades to work vessels, business operating equipment and for research and development are as follows.

Company name	Segment name	Facility	Planned investment amount (millions of yen)		Planned date for completion	Finance method
			Total	Amount already paid		
TOYO CONSTRUCTION CO., LTD.	Civil engineering, domestic	Vessels (cable-laying vessels)	30,000	17,607	First half of 2026	Funds on hand and borrowings

(2) Retirements, etc., of significant facilities

There are no plans for retirements, etc., of significant facilities.

IV. Information About Reporting Company

1. Company's shares, etc.

(1) Total number of shares

(i) Authorized shares

Type	Number of shares authorized (shares)
Common shares	320,000,000
Total	320,000,000

(ii) Issued shares

Type	Number of issued shares as of fiscal year end (shares) (as of March 31, 2025)	Number of issued shares as of the filing date (shares) (as of June 25, 2025)	Name of financial instruments exchange on which securities are listed or authorized financial instruments business association to which securities are registered	Details
Common shares	94,371,183	94,371,183	Prime Market of the Tokyo Stock Exchange	The number of shares per share unit: 100 shares
Total	94,371,183	94,371,183	-	-

(2) Share acquisition rights

(i) Employee share option plans

Not applicable.

(ii) Rights plans

Not applicable.

(iii) Share acquisition rights for other uses

Not applicable.

(3) Exercise of moving strike convertible bonds, etc.

Not applicable.

(4) Changes in total number of issued shares, share capital, etc.

Date	Change in the total number of issued shares (thousands of shares)	Balance of the total number of issued shares (thousands of shares)	Change in share capital (millions of yen)	Balance of share capital (millions of yen)	Change in legal capital surplus (millions of yen)	Balance of legal capital surplus (millions of yen)
March 11, 2015, to March 24, 2015 (Note)	14,300	94,371	3,365	14,049	3,365	5,840

Note: Due to the paid capital increase through public offering with a payment date of March 11, 2015, the total number of issued shares increased by 10,000,000, share capital increased by 2,334 million yen, and legal capital surplus increased by 2,334 million yen. The issue price was 487 yen, the purchase price was 466.80 yen, and the additional paid-in capital was 233.40 yen.

Due to the paid capital increase through a third-party allotment with a payment date of March 11, 2015, total number of issued shares increased by 2,800,000, share capital increased by 681 million yen, and legal capital surplus increased by 681 million yen. The purchase price was 487 yen and the additional paid-in capital was 243.50 yen.

Due to the paid capital increase through a third-party allotment with a payment date of March 24, 2015, the total number of issued shares increased by 1,500,000, capital increased by 350 million yen, and legal capital surplus increased by 350 million yen. The purchase price was 466.80 yen and the additional paid-in capital was 233.40 yen.

(5) Shareholding by shareholder category

As of March 31, 2025

As of March 31, 2023

Category	Shareholding status (Number of shares per share unit: 100)								Shares less than one unit (shares)
	Public sector	Financial institutions	Financial instruments business operators	Other corporations	Foreign investors, etc.		Individuals and others	Total	
					Companies, etc.	Individuals			
Number of shareholders (persons)	-	20	43	241	150	109	39,682	40,245	-
Number of shares held (units)	-	134,719	10,868	245,883	332,200	322	218,659	942,651	106,083
Shareholding ratio (%)	-	14.20	1.15	26.08	35.25	0.03	23.20	100	-

- Notes:
1. The 44,708 treasury shares include 44,700 share units under “Individuals and others” and 8 shares under “Shares less than one unit.”
 2. The number of units under “Other corporations” includes 14 share units registered in the name of Japan Securities Depository Center, Incorporated.

(6) Status of major shareholders

As of March 31, 2025

Name / Company Name	Address	Number of shares held (thousands of shares)	Shareholding ratio (excluding treasury shares) (%)
MAEDA CORPORATION	2-10-2, Fujimi, Chiyoda-ku, Tokyo	19,047	20.19
WK 1 LIMITED (standing proxy: Phillip Securities Japan, Ltd.)	MOURANT GOVERNANCE SERVICES (CAYMAN) LIMITED, PO BOX 1348, 94 SOLARIS AVENUE, CAMANA BAY, GRAND CAYMAN KY1-1108, CAYMAN ISLANDS (4-2, Nihonbashi Kabutocho, Chuo-ku, Tokyo)	9,200	9.75
WK 2 LIMITED (standing proxy: Phillip Securities Japan, Ltd.)	MOURANT GOVERNANCE SERVICES (CAYMAN) LIMITED, PO BOX 1348, 94 SOLARIS AVENUE, CAMANA BAY, GRAND CAYMAN KY1-1108, CAYMAN ISLANDS (4-2, Nihonbashi Kabutocho, Chuo-ku, Tokyo)	9,190	9.74
The Master Trust Bank of Japan, Ltd. (account in trust)	1-8-1 Akasaka, Minato-ku, Tokyo	8,543	9.05
WK 3 LIMITED (standing proxy: Tachibana Securities Co., Ltd.)	MOURANT GOVERNANCE SERVICES (CAYMAN) LIMITED, PO BOX 1348, 94 SOLARIS AVENUE, CAMANA BAY, GRAND CAYMAN KY1-1108, CAYMAN ISLANDS (1-13-14 Nihonbashi-Kayabacho, Chuo-ku, Tokyo)	5,890	6.24
Godo Kaisha Yamauchi-No. 10 Family Office	6-2-35 Roppongi, Minato-ku, Tokyo	2,627	2.78
Custody Bank of Japan, Ltd. (account in trust)	1-8-12, Harumi, Chuo-ku, Tokyo	2,057	2.18
Toyo Construction Kyoei-Kai	Jinbocho Mitsui Building, 1-105 Kandajimbocho, Chiyoda-ku, Tokyo	1,877	1.99
MUFG Bank, Ltd.	1-4-5 Marunouchi, Chiyoda-ku, Tokyo	1,300	1.37
JP MORGAN CHASE BANK 385781 (standing proxy: Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (2-15-1 Konan, Minato-ku, Tokyo)	998	1.05
Total	-	60,732	64.38

- (7) Voting rights
(i) Issued shares

As of March 31, 2025

Category	Number of shares (shares)	Number of voting rights (units)	Details
Shares without voting rights	-	-	-
Shares with restricted voting rights (treasury shares, etc.)	-	-	-
Shares with restricted voting rights (other)	-	-	-
Shares with full voting rights (treasury shares, etc.)	(Treasury shares) Common shares 44,700	-	The number of shares per share unit: 100 shares
Shares with full voting rights (other)	Common shares 94,220,400	942,204	(Same as above)
Shares less than one unit	Common shares 106,083	-	Shares less than one unit (100 shares)
Total number of issued shares	94,371,183	-	-
Total number of voting rights	-	942,204	-

- Notes:
- The common shares in the “Shares with full voting rights (other)” field include 1,400 shares (14 voting rights) registered in the name of the Japan Securities Depository Center and 398,900 shares (3,989 voting rights) held by the BIP (Board Incentive Plan) trust.
 - The common shares in the “Shares less than one unit” field include 8 treasury shares held by the Company and 68 shares held by the officer compensation BIP trust.

- (ii) Treasury shares, etc.

As of March 31, 2025

Name of shareholder	Address of shareholder	Number of shares held under own name (shares)	Number of shares held under the name of others (shares)	Total (shares)	Shareholding ratio (%)
Treasury shares TOYO CONSTRUCTION CO., LTD.	4-1-1 Koraibashi, Chuo-ku, Osaka-shi, Osaka	44,700	-	44,700	0.05
Total		44,700	-	44,700	0.05

Note: Shares for which the Company’s name is recorded in the shareholder registry, but it does not effectively hold those shares include 1,400 shares (14 voting rights) registered in the name of Japan Securities Depository Center, and 398,900 shares (3,989 voting rights) held by the BIP trust. These shares are not included in the above treasury shares.

- (8) Share ownership plan for directors (and other officers) and employees
(Performance-linked stock compensation plan for directors and Executive Officers)

1. Overview of the plan

The Company resolved at the 94th Annual General Meeting of Shareholders held on June 29, 2016, to introduce a performance-linked stock compensation plan (hereinafter, the “Plan”) from FY2016 as an incentive for the Company’s directors and Executive Officers (excluding Outside Directors; hereinafter, “directors, etc.”). The Plan is a compensation plan that is closely aligned to the Company’s earnings, with high transparency and objectivity, for the purpose of further raising awareness of the need to contribute towards the medium- to long-term achievement of increased performance and improvement of the corporate value.

Specifically, a trust named the BIP trust is established, which grant the Company’s shares acquired from the BIP trust in advance to directors, etc. according to the degree of medium- to long-term performance achieved.

2. The Company’s shares remaining in the trust

The Company's shares remaining in the trust are recorded as treasury shares in net assets according to the book value in the trust. The book value of such treasury shares and the number of shares as of the end of the respected fiscal year were 465 million yen and 398,968 shares.

2. Acquisition and disposal of treasury shares

Class of shares, etc.

Acquisition of common shares under Article 155, item (vii) of the Companies Act

(1) Acquisitions by resolution of Shareholders Meeting

Not applicable.

(2) Acquisition by resolution of the Board of Directors meeting

Not applicable.

(3) Acquisition not based on the resolution of the Shareholders Meeting or the Board of Directors meeting

Category	Number of shares (shares)	Total value (yen)
Treasury shares acquired during the current fiscal year	140	189,679
Treasury shares acquired during the period from April 1, 2025, to the filing date of this Annual Securities Report	-	-

Note: The figure for treasury shares acquired during the period does not include the number of shares arising from purchases of shares less than one unit from shareholders during the period from June 1, 2025 to the filing date of this Annual Securities Report.

(4) Disposal of acquired treasury shares and number of treasury shares held

Category	Fiscal year ended March 31, 2025		From April 1, 2025, until the filing date of this Annual Securities Report	
	Number of shares (shares)	Total disposal value (yen)	Number of shares (shares)	Total disposal value (yen)
Acquired treasury shares offered for subscription	-	-	-	-
Acquired treasury shares that were disposed of	-	-	-	-
Acquired treasury shares transferred for merger, share exchange, share delivery and company split	-	-	-	-
Other (-)	-	-	-	-
Treasury shares held	44,708	-	44,708	-

Note: The figure for treasury shares held during the period does not include the number of shares arising from purchases of shares less than one unit from shareholders during the period from June 1, 2025 to the filing date of this Annual Securities Report.

3. Dividend policy

The Company's basic policy is to consider the balance between growth, soundness and efficiency, and to restrain excessive capital accumulation to the extent that soundness is not impaired, in order to shift to a management that is more conscious of capital efficiency.

The Company stipulates in the Articles of Association that "By resolution of the Board of Directors, interim dividends may be paid with September 30 of each year as the record date" and pays dividends from surplus twice a year, together with the year-end dividend.

The bodies that decide on dividends of surplus are the Board of Directors for interim dividends and the General Meeting of Shareholders for year-end dividends.

Based on this policy, the Company continued to maintain a dividend payout ratio of 100% as stated in the medium-term business plan and paid a dividend of 88 yen per share (including an interim dividend of 30 yen per share) for the respected fiscal year .

With regard to our retained earnings, in accordance with our policy of shifting from a "defense" business style to an "offense" business style to deal with the changing environment surrounding the Company, we plan to effectively utilize it for proactive growth investments, primarily in the offshore wind power engineering business.

Dividends of surplus with record dates in the current fiscal year are as follows.

Resolution date	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)
November 11, 2024 Resolution at the Board of Directors meeting	Common shares	2,829	30.00
June 25, 2025 Resolution at the Annual General Meeting of Shareholders	Common shares	5,470	58.00

4. Status of corporate governance, etc.

(1) Overview of the corporate governance

(i) Basic concept of corporate governance

For the realization of the Corporate Identity, the Company values the realization of an optimal corporate governance system as one of the most important objectives and is endeavoring to build effective management systems to respond swiftly to changes in the business environment.

The Company believes that working on the evolution and sophistication of corporate governance under the policy of advancing the separation of management oversight and execution to achieve medium- to long-term corporate value enhancement will lead the Company to remain as an enterprise that is trusted by shareholders, other stakeholders and society as a whole.

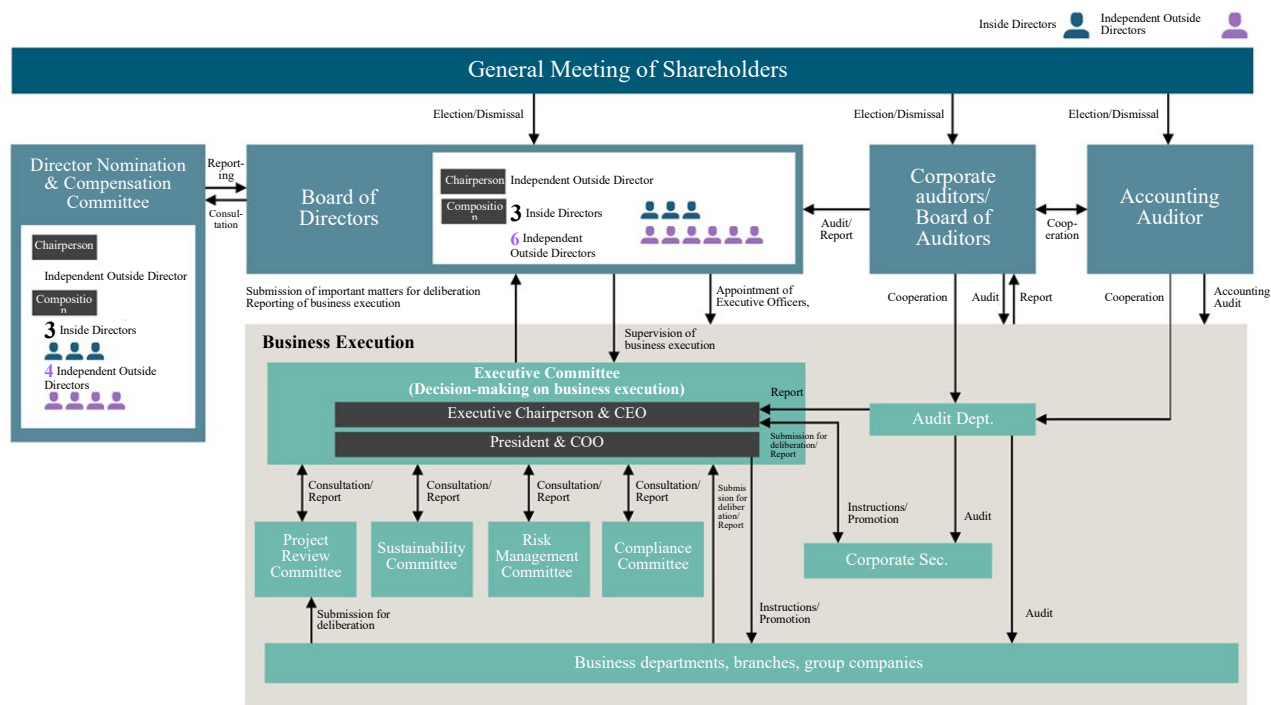
(ii) Overview of the corporate governance system and reasons for adopting the system

As part of its corporate governance system, the Company has established a Board of Auditors and is conducting oversight and monitoring of its business affairs through the Board of Directors and the Board of Auditors. The Company has a system where the Chairperson of the Board of Directors is an independent Outside Director and is separated from the decision-makers of operations execution entities in order to advance the separation of management oversight and execution.

We believe that continuing to promote optimal corporate governance and achieving medium- to long-term corporate value enhancement will be the foundation for the Company's survival as an enterprise that is trusted by shareholders, other stakeholders and society as a whole.

• Overview of the corporate governance structure

The organizational chart for the Company's corporate governance structure is as follows.



• Board of Directors and directors

As of the date of filing, the Board of Directors consists of nine directors, including six Outside Directors and four corporate auditors. In addition, an Outside Director serving as the chairperson of the Board of Directors, enhancing the independence and objectivity of the Board of Directors' functions are ensuring effective oversight of business execution. In addition, important matters relating to the Company's management are examined and decided by the Board of Directors in the Board of Directors meeting held monthly to make appropriate and prompt decisions as well as holding extraordinary Board of Directors meetings as necessary, to make flexible operations and decisions.

During the respected fiscal year, the Board of Directors met a total of 18 times to monitor the management execution of the Group, as well as approving important matters including the determination of director and corporate auditor candidates, the

appointment of Executive Officers, hiring policies, funding policies and budgets, examining the corporate governance system and approving materiality and KPIs.

- Board of Auditors and corporate auditors

On the basis of the fiduciary responsibility to the shareholders, corporate auditors conduct audits of the state of directors' performance of their duties, from an independent and objective standpoint for the benefit of the Company and the common interests of the Company shareholders. As of the filing date, the Board of Auditors consists of four corporate auditors, including one Full-time corporate auditor. In addition, three of the four corporate auditors are Outside Corporate Auditors.

- Director Nomination & Compensation Committee

To enhance the independence and objectivity of the function of the Board of Directors with regard to the nomination and compensation, etc., of directors and Executive Officers, the Director Nomination & Compensation Committee is in place beneath the Board of Directors to consult on nominations and compensation. As of the filing date, the committee membership consists of three representative directors and four Outside Directors, and the committee is chaired by an Outside Director, to makethis system ensure suitable involvement by and advice from Outside Directors.

The Director Nomination & Compensation Committee met a total of five times during the respected fiscal year, and in addition to fair examination through the processes that ensure transparency and objectivity in the selection and compensation of the candidates for directors and Executive Officers of the Company, it discussed future issues such as the standards for officer compensation, the evaluation process, and the evaluation period.

- Number of meetings and attendance by individual officers and committee members at the Board of Directors and the Director Nomination & Compensation Committee during the respected fiscal year

Name	Position	Attendance at Board of Directors	Attendance at Director Nomination & Compensation Committee
Shinya Yoshida	Representative Director	18/18	5/5
Haruhisa Obayashi	Director	18/18	4/4
Tatsuyoshi Nakamura	Representative Director	18/18	1/1
Hiromi Hirata	Representative Director	18/18	5/5
Takashi Gunjishima	Director	13/13	-
Takashi Narusawa	Outside Director	18/18	5/5
Kazumichi Matsuki	Outside Director	18/18	-
Masato Uchiyama	Outside Director	18/18	5/5
Masaharu Okada	Outside Director	18/18	5/5
Katsuya Natori	Outside Director	17/18	-
Yoshiko Fujii	Outside Director	13/13	1/1
Katsunori Tanabe	Full-Time Corporate Auditor	13/13	
Shiho Boda	Outside Corporate Auditor	17/18	-
Tomoko Nonaka	Outside Corporate Auditor	17/18	-
Koichi Kawaguchi	Outside Corporate Auditor	18/18	-
Mamoru Sato	Former Director	5/5	-
Akira Tosaka	Former Director	5/5	-
Taizo Nishikawa	Former Outside Director	5/5	-
Shinichi Kato	Former Outside Director	5/5	4/4
Kiyotaka Somekawa	Former Outside Full-time Corporate Auditor	5/5	-

- Notes:
1. Mamoru Sato, Akira Tosaka, Taizo Nishikawa, Shinichi Kato, and Kiyotaka Somekawa retired at the conclusion of the 102nd Annual General Meeting of Shareholders held on June 26, 2024, so the attendance figures listed here reflect their attendance record during their term of office.
 2. The attendance figures listed here for Directors Takashi Gunjishima, Yoshiko Fujii, and Katsunori Tanabe reflect their attendance record after being elected at the 102nd Annual General Meeting of Shareholders held on June 26, 2024.
 3. Following the 102nd Annual General Meeting of Shareholders held on June 26, 2024, the members of the Director Nomination & Compensation Committee were changed from Haruhisa Obayashi and Shinichi Kato

to Tatsuyoshi Nakamura and Yoshiko Fujii. The number of times each of them attended the Director Nomination & Compensation Committee meetings during their terms of office is indicated above.

- Sustainability Committee

As of the filing date, the Sustainability Committee is chaired by the Representative Director, President & COO and is comprised of the officer in charge of the Administration Group of Corporate Sec. and the general managers of the business divisions. The Sustainability Committee examines the overall sustainability of the Company for the realization of a sustainable society and reports such activities to the Executive Committee and the Board of Directors.

- Risk Management Committee

As of the filing date, the Risk Management Committee is chaired by the officer in charge of risk management and is comprised of the officer in charge of the Administration Group of Corporate Sec., the general managers of the business divisions, the General Manager of the Audit Dept., and the General Manager of Safety & Environment Dept., with one full-time Corporate Auditor attending as an observer. The Risk Management Committee identifies key risks of the whole Corporate Group and reports its activities to the Executive Committee and the Board of Directors while giving instructions to the relevant sections.

- Compliance Committee

As of the filing date, the Compliance Committee is chaired by the Representative Director and Executive Vice President, and other members are determined at the Executive Committee. In addition to formulating a compliance policy, the Compliance Committee conducts activities such as compliance surveys, compliance training, and awareness-raising activities, and reports its activities to the Executive Committee and the Board of Directors.

- Executive Committee

In addition to the Board of Directors, in order to aim to improve the efficiency of business operations, promptly responding to changes in the business environment, the Executive Committee, which discusses and determines policies for the execution of duties, meets twice a month. The Committee is chaired by the Executive Chairperson & CEO and is comprised of the President & COO, the Executive Vice President, the officers in charge of the Corporate Sec. groups, the general managers of the business divisions, and the personnel appointed by the chairperson among Managing Executive Officer or above, with one full-time Corporate Auditor attending as an observer.

- Independent Outside Committee

We established the Independent Outside Committee with the objective of exchanging information and sharing recognition among Outside Directors. The committee is composed of all Outside Directors, with one selected as the ChairHead.

- The composition and chairpersons of the Board of Directors and its voluntary committees as of the filing date are as follows.

	Name	Position	Board of Directors	Director Nomination & Compensation Committee	Executive Committee	Independent Outside Committee
1	Shinya Yoshida	Representative Director	○	○	◎	
2	Tatsuyoshi Nakamura	Representative Director	○	○	○	
3	Hiromi Hirata	Representative Director	○	○	○	
4	Takashi Narusawa	Outside Director	○	○		◎Head
5	Kazumichi Matsuki	Outside Director	◎			○
6	Masato Uchiyama	Outside Director	○	◎		○
7	Masaharu Okada	Outside Director	○	○		○
8	Katsuya Natori	Outside Director	○			○
9	Yoshiko Fujii	Outside Director	○	○		○
10	Katsunori Tanabe	Full-Time Corporate Auditor	○		△	
11	Shiho Boda	Outside Corporate Auditor	○			
12	Tomoko Nonaka	Outside Corporate Auditor	○			
13	Koichi Kawaguchi	Outside Corporate Auditor	○			

- (1) ○ means a member, ◎ means the chairperson and △ means an observer.
- (2) Because the corporate auditors are obliged to attend the Board of Directors meeting and state their opinion, they are marked “○.”
- (3) In addition to those listed above, Executive Officers and others are appointed to serve on the Executive Committee.

(iii) Other matters concerning corporate governance

- Status of internal control system

- (1) System to ensure that the execution of duties of directors and employees comply with the laws and regulations, and the Articles of Association
 - a. Directors, Executive Officers and employees shall execute their duties with the “Corporate Identity,” the “Code of Conduct” and the “Conduct Guidelines” as the top priority basic judgment standards.
 - b. The Risk Management Committee shall “develop the compliance policy,” “determine a policy so that employees are aware of risk management,” and “select key risks of the whole group,” and shall report their activities to the Executive Committee and the Board of Directors while instructing pertinent departments.
 - c. The Legal Dept. shall provide education, guidance etc. necessary for compliance by each department.
 - d. If the General Manager of the Legal Dept. becomes aware of a questionable act pertaining to compliance with laws and regulations, the manager shall report their investigation to the Risk Management Committee in a timely and appropriate manner and provide necessary guidance.
 - e. The Audit Dept. shall verify the status of the execution of duties, and the effectiveness and appropriateness of internal control for each department to ensure the adequate execution of duties.
 - f. A whistle-blowing system with internal and external contacts for reporting has been established as an internal report system.
- (2) System to ensure that directors’ duties are executed in an efficient manner
 - a. A system for the proper execution of directors’ duties shall be established pursuant to the Basic Management Rules, the Organizational Rules, etc.

- b. By introducing an Executive Officer system, the number of directors shall be reduced in an effort to speed up the business decision-making process.
- (3) Rules and other systems for the management of risk of loss
- a. Each competent department shall manage predetermined day-to-day risks in accordance with the Risk Management Rules and the Disaster Prevention Rules.
 - b. In the event of a large-scale disaster or any other event requiring emergency response, in order to minimize damage and loss, an emergency control headquarters with the President as the general manager shall be set up.
 - c. A business continuation plan (BCP) has been formulated under the assumption of an earthquake occurring directly beneath the Tokyo Metropolitan Area.
- (4) System for retaining and controlling information on the execution of directors' duties
- a. Important meeting minutes, requests for managerial decisions for important matters, contracts, and materials relating to shall be properly retained in accordance with laws and regulations, and the assorted rules for document management and information security.
 - b. The documents administrator pursuant to the document rules shall properly manage documents.
- (5) System to ensure the appropriateness of business activities of the Group consisting of the Company and its subsidiaries
- a. Pursuant to the Affiliated Company Management Rules, the Corporate Planning & IR Dept., the Civil Planning & Administrative Dept. and the Building Construction Planning & Administrative Dept., and the Administration Dept. of Offshore Wind Div. shall formulate a management plan for the Group consisting of the Company and its subsidiaries, provide consultation and guidance prior to important decision-making, and summon subsidiary presidents on a regular basis to hear the status of management including progress in the management plan in which the Company was involved in formulating.
 - b. The Audit Dept. shall verify the status of the execution of duties, and the effectiveness and appropriateness of internal control at the Group consisting of the Company and its subsidiaries to ensure the adequate execution of duties, and the efficiency and soundness of management.
 - c. The Legal Dept. shall provide education, guidance, support etc. necessary for compliance by the Group consisting of the Company and its subsidiaries.
 - d. The whistle-blowing system's contacts for reporting have been set at the Group consisting of the Company and its subsidiaries to enhance the effectiveness of compliance at the Group level.
- (6) System for the Company's and subsidiaries' directors and employees to report to corporate auditors, and any other system to report to corporate auditors
- a. Corporate Auditors can attend the Company's Board of Directors meetings and other important meetings, and if necessary, request at any time that directors and employees of the Company or subsidiaries make materials relevant to business execution available for auditors' inspection and submit them.
 - b. If there is a likelihood of violation of laws and regulations or the Articles of Association, or of significant disrepute or damage to any of the companies, the Company's and subsidiaries' directors and employees shall report to corporate auditors without delay.
 - c. If a Corporate Auditor requests a report on business and business activities, the Company's and subsidiaries' directors and employees shall quickly respond to such request in an appropriate manner.
- (7) System to ensure that a person who reports pursuant to (6) above will not be treated unfavorably on the grounds of such report
- Persons who provide information to Corporate Auditors shall not be treated unfavorably on the grounds of such provision of information.
- (8) Other systems to ensure effective audit by corporate auditors
- a. Directors, Executive Officers and employees shall cooperate so that audits by corporate auditors in accordance with the Board of Auditors Rules and Detailed Board of Auditors Rules shall be carried out in an effective manner.
 - b. Corporate Auditors shall cooperate with accounting auditors, the Audit Dept. and subsidiaries' corporate auditors to enhance the effectiveness of audits.

- c. If a Corporate Auditor makes a request to the Company for advance payment of expenses for the execution of its duties, such expenses or obligations shall be promptly settled.
- (9) Matters regarding employees assisting Corporate Auditors, matters regarding the independence of such employees from Directors, and matters to ensure the effectiveness of instructions to such employees
 If a Corporate Auditor or the Board of Auditors requests to have an assistant to help execute its duties, such assistant shall be appointed. Such assistant shall comply with directions and orders from the Corporate Auditor, and shall not receive directions from Directors.
- (10) System to ensure the reliability of financial reports
 - a. As internal control of financial reports, related rules etc. shall be established and properly operated to prepare financial reports with reliability.
 - b. The Audit Dept. shall carry out internal control audits pertaining to financial reports and enhance the reliability of financial reports by detecting any insufficiencies in internal control and having the relevant departments correct them.
- Elimination of anti-social forces
 - (1) Basic approach
 The Company shall take a firm stand against anti-social forces that threaten the order and safety of civil society, and any relationship with them shall be blocked as a company-wide effort.
 - (2) Efforts to eliminate anti-social forces
 - a. The Administration Dept., Administration Group, Corporate Sec. shall be the governing department.
 - b. The head office shall cooperate with the National Center for Removal of Criminal Organizations, the Federation for Special Violence Prevention Measures under the jurisdiction of the Metropolitan Police Department and the Kanda District Special Violence Prevention Measures Council, and each branch shall also cooperate with councils and other external bodies in its area of operation, to consult and collect information, and strive to eliminate anti-social forces.
 - c. The Compliance Manual specifies the guidelines for conduct against anti-social forces, and such guidelines shall be thoroughly disseminated by providing training on a regular basis.
 - d. For the purpose of eradicating transactions with anti-social forces, a clause for elimination of anti-social forces shall be stipulated on any contracts used for transactions between the Company and vendors.
- Status of risk management systems
 We establish rules concerning overall risk management, and maintain systems enabling to manage the risks of damage to the reputation of the Company's management and of the loss of or damage to physical and personal property and to respond appropriately when risks materialize.
 In the event that unforeseen circumstances arise, we establish a task force led by the President and maintain systems to minimize the impact through a precise response.
- Outline of the operating status of the System to Ensure the Appropriateness of Business Activities
 - (1) With the "Basic Policy on Internal Control" as resolved by the Board of Directors as the basic policy to be consistently applied, the Company carries out a review of such policy as appropriate and ensures that the policy is thoroughly disseminated throughout the Company and its subsidiaries.
 - (2) The "Risk Management Committee" is convened twice a year to consider and implement compliance- and risk-related issues, and details thereof are periodically reported to the Executive Committee and the Board of Directors.
 - (3) The Audit Dept. audits business activities of each section of the Company and its subsidiaries based on the audit plan approved by the Board of Directors and periodically reports audit results to the Representative Directors, the Board of Directors, and corporate auditors.
- Outline of the contents of liability limitation agreements
 Pursuant to Article 427, paragraph (1) of the Companies Act, the Company has executed agreements with each of the Outside Directors and Outside Corporate Auditors to limit their damage compensation liability as stipulated in Article 423, paragraph (1) of the Act. The maximum amount of damage compensation liability pursuant to such agreements is the minimum liability amount stipulated by laws and regulations.

- Outline of the contents of Directors and Executive Officers liability insurance agreements

The Company has executed a liability insurance agreement with an insurance company for Executive Officers etc. compensation liability insurance as stipulated in Article 430-3, paragraph (1) of the Companies Act, which covers compensatory damages, litigation expenses, and other damages incurred by the insured.

The insured of said insurance policy are the Company directors, corporate auditors, Executive Officers and other persons who execute the operations, and the insured do not pay the insurance premium. However, the policy contains an exclusion clause, such that any damage arising from the insured unlawfully receiving personal gains or advantages will not be paid.

- Number of directors

The Articles of Association stipulate that the number of Directors of the Company shall be 15 or fewer.

- Resolution conditions for appointment and dismissal of directors

The Articles of Association stipulate that a resolution to elect a Director of the Company shall be adopted by a majority of the voting rights of shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their voting rights are present, and such resolution shall not be held by cumulative voting.

- Matters to be resolved at the General Meeting of Shareholders that can be resolved by the Board of Directors

- (1) Acquisition requirements for the Company's own shares

The Articles of Association stipulate that the Company's own shares may be acquired through market transactions pursuant to a resolution of the Board of Directors in accordance with the provisions of Article 165, paragraph (2) of the Companies Act to ensure flexible execution of capital policies in response to changes in the business environment.

- (2) Exemption of Directors and Corporate Auditors' liabilities

The Articles of Association stipulate that the Company may, if a case falls under requirements specified by laws and regulations regarding the liability of Directors (including former directors) and Corporate Auditors (including former corporate auditors) under Article 423, paragraph (1) of the Companies Act, by resolution of the Board of Directors, exempt their damage compensation liability by limiting the liability to the amount obtained by deducting the minimum liability amount stipulated by laws and regulations from the damage compensation liability amount to ensure that Directors and Corporate Auditor can adequately demonstrate their abilities and fulfill their expected roles when executing their duties.

- (3) Interim dividends

To enhance the opportunities for the return of profits to shareholders, the Company has stipulated on a resolution of the Board of Directors that the Company can pay dividends of surplus (interim dividends) in accordance with the provision of Article 454, paragraph (5) of the Companies Act.

- Requirements for special resolution of a General Meeting of Shareholders

To facilitate the smooth operation of the General Meeting of Shareholders, the Articles of Association stipulate that resolutions that should be made in accordance with the provisions of Article 309, paragraph (2) of the Companies Act shall be adopted by the approval of at least two-thirds of the voting rights exercised, where at least one-third of the shareholders holding the voting rights attend the meeting.

- Basic policy regarding control of the company

- (1) Basic policy regarding control of the company

As a listed company, the Company is aware that, when a purchase proposal that will have a material impact on its basic management policy is made by a specific person, the question of whether to accept that proposal ultimately must be entrusted to the decision of the Company's shareholders.

However, if the large-scale purchases are carried out, it will be difficult for the Company's shareholders to appropriately assess the impact that such purchases will have on the Company's enterprise value and the common interests of shareholders without receiving necessary and sufficient information from the large-scale purchaser. In addition, the large-scale purchases undeniably may encompass purchases that will harm the common interests of shareholders and the Company's medium-to-long-term enterprise value that the Company has built and maintained for itself over time, including purchases intended to assume temporary control of management and transfer the Company's important tangible or intangible business assets to the purchaser or its group companies, etc.; purchases intended to appropriate the Company's

assets for repayment of the purchaser's debts, etc.; purchases intended simply to cause the Company and/or its related parties to acquire the Company's shares at a high price with no true intention of participating in management (so-called "green mailing"); purchases intended to achieve temporary high dividends by having the Company sell off or dispose of high-value assets etc. in its possession; purchases which may damage the good relationship with the Company's stakeholders and impair the Company's medium-to-long-term corporate value; purchases which fail to provide the time or information reasonably necessary for the Company's shareholders or Board of Directors to discuss the particulars, etc., of the purchase and acquisition proposal and have the Company's Board of Directors present an alternative proposal; and purchases that otherwise cannot be said to reflect the Company's corporate value fully.

Based on this understanding, the Company believes that the Company's Board of Directors has a duty to (i) cause the specific shareholder group that includes the large-scale purchaser to provide information necessary and sufficient for shareholders to make a decision; (ii) provide the results of assessments and discussions by the Company's Board of Directors regarding the impact on the Company's medium-to long-term enterprise value and the common interests of shareholders of the proposal by the specific shareholder group that includes the large-scale purchaser; and, depending on the case, (iii) hold negotiations or consultations with the specific shareholder group that includes the large-scale purchaser regarding the large-scale purchase and/or the Company's management policies, etc., or present shareholders with an alternative proposal by the Board of Directors regarding management policies, etc.

Working from this basic approach, the Company's Board of Directors will request that the specific shareholder group that includes the large-scale purchaser provide information necessary and sufficient for the Company's shareholders to make a suitable assessment regarding whether to accept the large-scale purchase, so as to ensure maximization of the Company's medium- to-long-term enterprise value and the common interests of shareholders; will make timely and appropriate disclosures of the information so provided to the Company; and will take any other actions deemed appropriate, to the extent permitted under the Financial Instruments and Exchange Act, the Companies Act, other laws and regulations, and the Articles of Association.

(2) Summary of special efforts contributing to realization of basic policy

(i) Efforts to enhance the Company's enterprise value and shareholders' common interests

a) Management policy

Guided by the principles of "originality and innovation," "respect for all people," and "awareness of responsibilities," the Company adopts the Corporate Identity of "All working together with dreams and youthfulness, devoted to serving our customers and public society with new and productive technologies, striving toward consistent growth of the company and promotion of the welfare of our employees." In implementing this philosophy, the Company devotes itself, as an enterprise responsible for construction, to the study of construction technologies that are in line with societal demands and strives to contribute to creating a better and valuable social foundation.

b) Medium-term business plan to embody management policy

In its medium-term business plan released on March 23, 2023, the Company set forth the basic strategy of (i) transformation from "defense to offense," (ii) transformation to a "high profit model," and (iii) transformation to "capital efficiency management." By steadily implementing such major management transformation, the Company will respond flexibly to the ever-changing business environment and evolve into a "company that embraces challenges by transforming from defense to offense" to pursue the Company's Corporate Identity.

(ii) Strengthening of corporate governance

The Company has undertaken the following specific initiatives to further strengthen its corporate governance.

(Corporate governance system)

For the realization of the Corporate Identity which is stated in the above(i) a) "Management policy," the Company values the realization of an optimal corporate governance system as one of the most important objectives and is endeavoring to build optimal management systems to respond swiftly to changes in the business environment. The Company believes that working on the evolution and sophistication of corporate governance under the policy of advancing the separation of management oversight and execution to achieve medium- to long-term enterprise value enhancement will lead the Company to remain as an enterprise that is trusted by shareholders, other stakeholders, and

society as a whole.

As part of its corporate governance system, the Company has established a Board of Auditors and is conducting oversight and monitoring of its business affairs through the Board of Directors and the Board of Auditors. The Company has a system where the Chairperson of the Board of Directors is an independent Outside Director and is separated from the decision-makers of operations execution entities in order to advance the separation of management oversight and execution. As of the filing date, the Company's Board of Directors consists of nine directors, of whom six are independent Outside Directors. Likewise, the system is with four Corporate Auditors, including three Outside Corporate Auditors, attend the Board of Directors meeting to audit the Directors' execution of business, and all of the Outside Corporate Auditors are independent Outside Corporate Auditors. Furthermore, to enhance the independence and objectivity of the function of the Board of Directors with regard to the nomination and compensation, etc., of Directors and Executive Officers, the Director Nomination & Compensation Committee is in place beneath the Board of Directors to consult on nominations and compensation. The committee membership consists of Representative Directors and independent Outside Directors, with the majority being independent Outside Directors, and the committee Chairperson is an independent Outside Director, making for a system that ensures suitable involvement by and advice from Outside Directors.

(Auditing by Corporate Auditors and internal audits)

On the basis of the fiduciary responsibility to the shareholders, Corporate Auditors conduct audits of the state of Directors' performance of their duties, in accordance with the Board of Auditors Rules and the Detailed Board of Auditors Rules, from an independent and objective standpoint for the benefit of the Company and the common interests of the Company's shareholders. In addition, to enhance the effectiveness of audits, Corporate Auditors maintain partnerships with accounting auditors, the Audit Department, and Corporate Auditors of subsidiaries. Corporate Auditors attend meetings of the Board of Directors and other important meetings and, if necessary, can request at any time that Directors and employees of the Company or subsidiaries make materials relevant to business execution available for auditors' inspection and submit them.

In addition, the Company has established the Audit Department, and ensures the propriety of its business execution and the efficiency and soundness of its management by confirming the state of performance of the duties of each section and the effectiveness and reasonableness of internal controls. The Audit Department, in accordance with the auditing plan approved by the Board of Directors, conducts operational audits of each department of the Company and its subsidiaries and confirms the state of business execution and the effectiveness and appropriateness of internal controls in the Group comprising the Company and its subsidiaries. Further, the Audit Department conducts internal control audits of financial reports and improves the reliability of financial reports by detecting internal control failures, etc. and through correction of departments. The Audit Department also reports the results of audits regularly to the Representative Directors, the Board of Directors and Corporate Auditors.

(Other)

In addition to the foregoing, the Company works earnestly to strengthen corporate governance in accordance with Japan's latest Corporate Governance Code. For the details of the Company's corporate governance system, please refer to the Company's Corporate Governance Report (dated June 25, 2025).

- (3) Summary of efforts to prevent decisions on the Company's financial and business policies from being controlled by persons that are unsuitable in light of the basic policy

As set forth in (1) above, the Company will take measures deemed appropriate, to the extent permitted under the Financial Instruments and Exchange Act, the Companies Act, other laws and regulations, and the Articles of Association based on the basic policy.

- (4) Determination of the Company's Board of Directors regarding specific efforts and the reasons therefor

The purpose of the efforts described in (2) and (3) above is to secure and improve the Company's medium-to long-term enterprise value and the common interests of shareholders.

Therefore, the Company believes that the efforts described in (2) and (3) above are in line with the basic policy described in (1) above, that these initiatives do not harm the Company's medium- to long-term enterprise value or the common interests of the shareholders, and that they are not for the purpose of maintaining the status of the Company's current

officers, since the Company's basic policy is that when a purchase proposal that will have a material impact on its basic management policy is made by a specific person, the question of whether to accept that proposal ultimately must be entrusted to the decision of the Company's shareholders.

(2) Information about officers

(i) List of officers

Officers include 10 males and 3 females. (Percentage of female officers: 23.1%)

Title and position	Name	Date of birth	Career summary		Term of office	Number of shares held (shares)
Representative Director (Executive Chairperson & CEO)	Shinya Yoshida	December 8, 1960	April 1985 April 2013 April 2016 June 2019 February 2022 April 2022 July 2022 June 2023 June 2024	Joined Mitsubishi Corporation Executive Officer of Mitsubishi Corporation Managing Executive Officer of Mitsubishi Corporation Representative Director & Managing Executive Officer of Mitsubishi Corporation Joined Nippon Densan Co., Ltd. (current NIDEC Corporation) Managing Executive Officer of Nippon Densan Co., Ltd. Senior Executive Officer of Nippon Densan Co., Ltd. Representative Director, Executive Officer and Chairman of the Company Representative Director, Executive Chairperson & CEO (current position)	(Note 4)	1,100
Representative Director (President & COO)	Tatsuyoshi Nakamura	June 4, 1962	April 1985 April 2019 April 2022 June 2023 June 2024	Joined the Company Executive Officer Managing Executive Officer Director, Managing Executive Officer Representative Director, President & COO (current position)	(Note 4)	11,800
Representative Director (Executive Vice President) General Manager of Building Construction Div., and in charge of Risk Management	Hiromi Hirata	March 11, 1957	April 1979 April 2011 April 2014 June 2014 April 2016 July 2022 June 2023 June 2024	Joined the Company Executive Officer Managing Executive Officer Director, Managing Executive Officer Director, Senior Managing Executive Officer Director, Vice President Executive Officer Representative Director, Vice President Executive Officer Representative Director, Executive Vice President (current position)	(Note 4)	52,000

Title and position	Name	Date of birth	Career summary		Term of office	Number of shares held (shares)
Outside Director	Takashi Narusawa (Notes 1, 3)	December 8, 1949	October 1973 June 1994 April 2000 April 2002 April 2007 April 2008 April 2009 July 2012 June 2023	Joined Nomura Research Institute, Ltd. Director of Nomura Research Institute, Ltd. Managing Director of Nomura Research Institute, Ltd. Representative Director, Senior Managing Executive Officer of Nomura Research Institute, Ltd. Representative Director Vice President of Nomura Research Institute, Ltd. Representative Director Deputy Chairperson of Nomura Research Institute, Ltd. Director Deputy Chairperson of Nomura Research Institute, Ltd. Senior Managing Executive Officer of Starts Corporation Inc. Outside Director of the Company (current position)	(Note 4)	-
Outside Director	Kazumichi Matsuki (Notes 1, 3)	August 17, 1951	April 1976 April 2011 June 2011 June 2013 March 2019 June 2020 June 2023	Joined Mitsubishi Corporation Executive Officer of Hokuetsu Kishu Paper Co., Ltd. (current Hokuetsu Corporation) Director of Hokuetsu Kishu Paper Co., Ltd. Executive Managing Director of Hokuetsu Kishu Paper Co., Ltd. Outside Director of Nissha Co., Ltd. (current position) Outside Director of Anest Iwata Corporation (Auditor and Supervisory Committee Member) (current position) Outside Director of the Company (current position)	(Note 4)	400
Outside Director	Masato Uchiyama (Notes 1, 3)	July 23, 1955	April 1978 June 2009 December 2011 June 2013 June 2015 June 2016 April 2019 April 2020 June 2023	Joined Electric Power Development Co., Ltd. (J-Power) Executive Officer of Electric Power Development Co., Ltd. Managing Executive Officer of Electric Power Development Co., Ltd. Director & Managing Executive Officer of Electric Power Development Co., Ltd. Director & Executive Vice President of Electric Power Development Co., Ltd. Representative Director & Executive Vice President of Electric Power Development Co., Ltd. Representative Director & Vice President Executive Officer of Electric Power Development Co., Ltd. Director of Electric Power Development Co., Ltd. Outside Director of the Company (current position)	(Note 4)	400

Title and position	Name	Date of birth	Career summary		Term of office	Number of shares held (shares)
Outside Director	Masaharu Okada (Notes 1, 3)	May 7, 1956	April 1979 April 2013 April 2015 June 2020 June 2023	Joined Taisei Corporation Executive Officer of Taisei Corporation Managing Executive Officer of Taisei Corporation Senior Executive Officer of Taisei Corporation Outside Director of the Company (current position)	(Note 4)	-
Outside Director	Katsuya Natori (Notes 1, 3)	May 15, 1959	April 1986 January 1998 March 2002 January 2004 April 2010 February 2012 April 2016 June 2020 December 2020 June 2021 June 2023	Joined Masuda & Ejiri (current Nishimura & Asahi) Director of Sun Microsystems K.K. (currently Oracle Information Systems (Japan) G.K.) Executive Officer of Fast Retailing Co., Ltd. Director & Executive Officer of IBM Japan, Ltd. Executive Officer of IBM Japan, Ltd. Established Natori Law Office, Head of Natori Law Office Supervisory Officer of Global One Real Estate Investment Corporation (current position) Independent Audit and Supervisory Board Member of Recruit Holdings Co., Ltd. (current position) Outside Corporate Auditor of Pasona Tquila Inc. (current Circlace Co., Ltd.) (current position) Established ITN Partners, Managing Partner of ITN Partners (current position) Outside Director of Tokyo Rope Mfg. Co., Ltd. (current position) Outside Director of the Company (current position)	(Note 4)	-
Outside Director	Yoshiko Fujii (Notes 1, 3)	July 11, 1965	April 1988 January 2018 April 2018 January 2020 June 2021 June 2022 June 2024	Joined Orient Leasing Co., Ltd. (current ORIX Corporation) Executive Officer of ORIX Corporation Executive Officer of ORIX Corporation and Supervisory Board Member of ROBECO INSTITUTIONAL ASSET MANAGEMENT ADVISORS (the Netherlands) Joined Nippon Densan Co., Ltd. (current NIDEC Corporation) Executive Officer of Nippon Densan Co., Ltd. Executive Officer, CFO of Enewill Inc. (current position) Outside Director of the Company (current position)	(Note 4)	-
Standing Corporate Auditor	Katsunori Tanabe	April 9, 1965	April 1988 June 2024	Joined the Company Full-time Corporate Auditor (current position)	(Note 5)	1,200

Title and position	Name	Date of birth	Career summary		Term of office	Number of shares held (shares)
Outside Corporate Auditor	Shiho Boda (Notes 2, 3)	January 7, 1966	January 2014 April 2020 June 2022 February 2023	Certified as attorney (Tokyo Bar Association), Joined a law office in Tokyo Joined SAKURADA DORI PARTNERS (current position) Outside Corporate Auditor of the Company (current position) Outside Corporate Auditor of Metaplanet Inc. (current position)	(Note 6)	100
Outside Corporate Auditor	Tomoko Nonaka (Notes 2, 3)	June 3, 1956	April 1995 February 2018 June 2019 June 2023	Registered with the Tokyo Bar Association, Joined Kawabata Law Office Managing Lawyer of Nonaka & Kawarabayashi Law Office (current position) Outside Director of Fukuyama Transporting Co., Ltd. (current position) Outside Corporate Auditor of the Company (current position)	(Note 7)	-
Outside Corporate Auditor	Koichi Kawaguchi (Notes 2, 3)	December 16, 1957	April 1982 June 2017 April 2019 April 2022 June 2023	Joined ITOCHU Corporation Director and Executive Officer of ITOCHU SHOKUHIN Co., Ltd. Director and Managing Executive Officer of ITOCHU SHOKUHIN Co., Ltd. Director and Officer of ITOCHU- SHOKUHIN Co., Ltd. Outside Corporate Auditor of the Company (current position)	(Note 7)	200
			Total			67,200

- Notes:
1. Directors Takashi Narusawa, Kazumichi Matsuki, Masato Uchiyama, Masaharu Okada, Katsuya Natori, and Yoshiko Fujii are Outside Directors.
 2. Corporate auditors Shiho Boda, Tomoko Nonaka, and Koichi Kawaguchi are Outside Corporate Auditors.
 3. Directors Takashi Narusawa, Kazumichi Matsuki, Masato Uchiyama, Masaharu Okada, Katsuya Natori, and Yoshiko Fujii, and corporate auditors Shiho Boda, Tomoko Nonaka, and Koichi Kawaguchi are reported as independent officers in accordance with the stipulation of the Tokyo Stock Exchange.
 4. One year from the conclusion of the Annual General Meeting of Shareholders held on June 25, 2025.
 5. Four years from the conclusion of the Annual General Meeting of Shareholders held on June 26, 2024.
 6. Four years from the conclusion of the Annual General Meeting of Shareholders held on June 24, 2022.
 7. Four years from the conclusion of the Annual General Meeting of Shareholders held on June 27, 2023.
 8. The Company has introduced an Executive Officer system and the responsible duties are consigned to Executive Officers. The names, titles and responsible duties of Executive Officers as of June 25, 2025 are as follows. (An asterisk indicates persons concurrently serving as directors)

Title and position	Name	Responsibility
* Executive Chairperson & CEO	Shinya Yoshida	
* President & COO	Tatsuyoshi Nakamura	
* Executive Vice President	Hiromi Hirata	General Manager of Building Construction Div., and in charge of Risk Management
Senior Managing Executive Officer	Takashi Gunjishima	In charge of Finance & Accounting Group, Corporate Sec.
Managing Executive Officer	Akira Tateshita	General Manager of Civil Construction Div.
Managing Executive Officer	Takayuki Goto	Deputy General Manager of Building Construction Div.
Managing Executive Officer	Manabu Tokita	In charge of Offshore Wind Div.
Managing Executive Officer	Atsuhiko Tadokoro	In charge of Civil Engineering of Civil Construction Div.
Managing Executive Officer	Tomohiko Kodama	General Manager of Osaka Main Office
Executive Officer	Katsutoshi Ogura	General Manager of Civil Engineering Dept. of Civil Construction Div.
Executive Officer	Shuichi Aikawa	General Manager of International Div.
Executive Officer	Akira Nagaoka	General Manager of Shikoku Branch Office
Executive Officer	Toshiyuki Takashima	General Manager of Kyushu Branch Office
Executive Officer	Yasuo Kotake	General Manager of Technical Research Institute
Executive Officer	Hideki Chida	General Manager of Hokuriku Branch
Executive Officer	Syunsuke Fujiwara	Deputy General Manager of Civil Construction Div. and General Manager of Civil Construction Dept.
Executive Officer	Hiroki Nakazawa	Director, Chairperson of CCT CONSTRUCTORS CORPORATION
Executive Officer	Masaru Onda	General Manager of Nagoya Branch Office
Executive Officer	Yousuke Aibe	Deputy General Manager of Building Construction Div. and General Manager of Building Solution Marketing Dept.
Executive Officer	Hisashi Tokimizu	In charge of Administration Group of Corporate Sec. and General Manager of PR Dept.
Executive Officer	Teruhisa Izumi	General Manager of Offshore Wind Div.
Executive Officer	Tetsuaki Hiraguchi	General Manager of Safety and Environment Dept.
Executive Officer	Yoshinobu Hirakawa	General Manager of Architectural Design Dept. of Building Construction Div.
Executive Officer	Shinichi Sato	General Manager of Kanto Branch Office
Executive Officer	Hiddenobu Abeta	General Manager of Kanto Building Construction Branch Office
Executive Officer	Masato Tojima	Deputy General Manager of Civil Construction Div. and General Manager of Business and Marketing Dept. 1
Executive Officer	Akira Sakai	Supervisor of Building Construction Business of Osaka Main Office
Executive Officer	Tomoaki Fujino	General Manager of Chugoku Branch Office
Executive Officer	Tetsuro Kono	General Manager of Legal and Compliance Dept. of Corporate Sec.

(ii) Outside officers

The Company has six Outside Directors and three Outside Corporate Auditors.

The relationship between outside officers and the Company, the reasons for their appointment, and their anticipated roles are as follows.

Name	Relationship to the Company	Reasons for appointment and anticipated roles
Takashi Narusawa (Outside Director)	There are no other personal relationships, capital relationships, business relationships or other interests with the Company.	Mr. Narusawa has expertise in corporate management and abundant experience in overseas business acquired through management consulting work in Japan and abroad over the years at Nomura Research Institute, Ltd. He also has practical experience in operating companies, having taken initiative at Starts Corporation Inc. as Senior Managing Executive Officer in the overseas development of said company. By utilizing this experience and knowledge, the Company believes that he will continue to provide advice and supervision of the Company's overall management from an analyst's viewpoint. Furthermore, we have determined that he meets the requirements for independent directors set by the Tokyo Stock Exchange as well as the independence standards for outside directors established by the Company.
Kazumichi Matsuki (Outside Director)	There are no other personal relationships, capital relationships, business relationships or other interests with the Company.	Mr. Matsuki has expertise based on a wide range of practical experience, including leading legal and compliance departments at Mitsubishi Corporation, where he handled complex legal issues. As an outside director of several companies, he also has extensive experience in the governance of listed companies. By utilizing this experience and knowledge, the Company believes that he will continue to provide advice to strengthen the governance function of the Company's Board of Directors from an independent standpoint. Furthermore, we have determined that he meets the requirements for independent directors set by the Tokyo Stock Exchange as well as the independence standards for outside directors established by the Company.
Masato Uchiyama (Outside Director)	There are no other personal relationships, capital relationships, business relationships or other interests with the Company.	Mr. Uchiyama has extensive experience and expertise from his experience in finance, HR, planning and general administration, as well as energy-related operations, at Electric Power Development Co., Ltd. (J-Power). He also has extensive experience and expertise in corporate management, as he led that company by serving in positions as Director and Managing Executive Officer and Representative Director & Vice President Executive Officer. By utilizing this experience and knowledge, the Company believes that he will continue to provide advice on how to improve the oversight and governance of the offshore wind power construction business, which is a growth driver for the Company. Furthermore, we have determined that he meets the requirements for independent directors set by the Tokyo Stock Exchange as well as the independence standards for outside directors established by the Company.

Name	Relationship to the Company	Reasons for appointment and anticipated roles
Masaharu Okada (Outside Director)	There are no other personal relationships, capital relationships, business relationships or other interests with the Company. The Company has a business contract with Taisei Corporation, where Mr. Okada was an executing person in the past; however, the volume of the transaction is 0.3% of the Company's consolidated sales.	Mr. Okada has extensive experience and expertise in areas, including sales strategies of building construction for the private sector, having served as General Manager of Construction Department at Kanto Branch, General Manager of Sales Department at Kanto Branch (Construction), and General Manager of Kanto Branch of Taisei Corporation, and also as an executive officer to lead the building construction sales division of 20 locations globally, including Southeast Asia. By utilizing this experience and knowledge, the Company believes that he will continue to provide advice and oversight on initiatives to develop sales strategies for the business of building construction for the private sector. Furthermore, we have determined that he meets the requirements for independent directors set by the Tokyo Stock Exchange as well as the independence standards for outside directors established by the Company.
Katsuya Natori (Outside Director)	There are no other personal relationships, capital relationships, business relationships or other interests with the Company.	Mr. Natori is not only an international lawyer with extensive experience but has also been involved in the management of several Japanese and foreign-affiliated companies, and has expertise in legal affairs, compliance, and risk management, as well as in management and governance of listed companies. By utilizing this experience and knowledge, the Company believes that he will continue to provide oversight on strengthening the governance at the Board of Directors and the overall business operations. Furthermore, we have determined that he meets the requirements for independent directors set by the Tokyo Stock Exchange as well as the independence standards for outside directors established by the Company.
Yoshiko Fujii (Outside Director)	There are no other personal relationships, capital relationships, business relationships or other interests with the Company. The Company has a business contract with ORIX Corporation, where Ms. Fujii was an executing person in the past; however, the volume of the transaction is less than 0.1% of the Company's consolidated sales.	Ms. Fujii has extensive business experience and a high level of expertise in finance and investment, having worked in the finance and planning divisions of ORIX Corporation, and she also has experience in business management, having served as an Executive Officer of said company. By utilizing this experience and knowledge, the Company believes that she will continue to provide appropriate advice and oversight on initiatives of strategic investment aiming at the Company's sustainable growth. Furthermore, we have determined that she meets the requirements for independent directors set by the Tokyo Stock Exchange as well as the independence standards for outside directors established by the Company.
Shiho Boda (Outside Corporate Auditor)	There are no other personal relationships, capital relationships, business relationships or other interests with the Company.	Ms. Boda has experience and a proven track record as an attorney in Japan as well as in Malaysia and Thailand, and has acquired specialized knowledge based on that experience, and the Company believes that she will enhance the audit function from an independent and objective standpoint. It should be noted that she does not have experience in corporate management other than as an outside officer in the past, but for the reasons above, the Company believes that she can appropriately execute the duties of Outside Corporate Auditor. Furthermore, we have determined that she meets the requirements for independent directors set by the Tokyo Stock Exchange as well as the independence standards for outside directors established by the Company.

Name	Relationship to the Company	Reasons for appointment and anticipated roles
Tomoko Nonaka (Outside Corporate Auditor)	There are no other personal relationships, capital relationships, business relationships or other interests with the Company.	Ms. Nonaka has many years of experience as a lawyer and extensive experience dealing with a wide range of legal issues. Among other positions, she has served as an instructor of Civil Defense at the Legal Training and Research Institute of the Supreme Court of Japan and as a bar examiner for the new bar examination and the preliminary bar examination of the Ministry of Justice. Her legal knowledge and expertise are highly regarded, and the Company believes that she will enhance the audit function from an independent and objective standpoint. It should be noted that she does not have experience in corporate management other than as an outside officer in the past, but for the reasons above, the Company believes that she can appropriately execute the duties of Outside Corporate Auditor. Furthermore, we have determined that she meets the requirements for independent directors set by the Tokyo Stock Exchange as well as the independence standards for outside directors established by the Company.
Koichi Kawaguchi (Outside Corporate Auditor)	There are no other personal relationships, capital relationships, business relationships or other interests with the Company.	Mr. Kawaguchi has business experience in Japan and abroad at ITOCHU Corporation and has abundant experience and expertise in overall business administration, governance, business risk management and compliance through involvement in business administration work as the head of the management area of ITOCHU-SHOKUHIN Co., Ltd. The Company believes that he will enhance the audit function from an independent and objective standpoint. Furthermore, we have determined that he meets the requirements for independent directors set by the Tokyo Stock Exchange as well as the independence standards for outside directors established by the Company.

The Company works to utilize Outside Directors and Outside Corporate Auditors to ensure the effective supervision of independent and objective management and the candidates are selected on accordance with the “Toyo Construction’s Criteria for Determining Independence of Outside Officers” established by the Company. In addition, the Company has submitted a notification to the Tokyo Stock Exchange saying that six Outside Directors and three Outside Corporate Auditors are independent officers in accordance with the provisions of the Tokyo Stock Exchange.

<Toyo Construction’s Criteria for Determining Independence of Outside Directors or Corporate Auditors>

From among candidates for Outside Directors and Outside Corporate Auditors, a person who does not fall under any of the following 1 to 10 is determined as an “independent outside officer.”

1. A person who, at present or in the past, is or was an executing person of the Company and/or its group companies
2. A shareholder who holds 10% or more of the total number of voting rights of the Company share or its executing person
3. An executing person of a company whose voting rights are held by the Company and/or its group companies, directly or indirectly, with 10% or more of the total number of voting rights
4. An executing person of a client whose sales account for 2% or more of consolidated sales of both or either of the Company group or a company to which a candidate belonged in any of the past three fiscal years
5. An executing person of a financial institution which is a major lender shown in the immediately preceding Business Report
6. A person set forth in any of the preceding 2 through 5 in any of the past three years
7. A person belonging to an audit corporation that is the Company’s accounting auditor
8. An expert such as an attorney, accountant or consultant (in the case of a recipient of compensation being a corporation, a person belonging to the corporation) which has received 5 million yen or more of compensation on average for the past three years from the Company and/or its group companies
9. A person belonging to a university or association that has received 10 million yen or more of donation on average for the past three years from the Company and/or its group companies
10. A spouse or relative within the second degree of a person set forth in any of the preceding 1 through 9

- (iii) Supervision or audit and internal audit by the Outside Directors or Outside Corporate Auditors, the mutual cooperation with the auditing by corporate auditors and the accounting audit, and the relationship with the internal control department Outside Directors, in addition to attending important meetings such as the Board of Directors, etc., exchange opinions with the Representative Directors, and also exchange opinions with the corporate auditors as necessary.
- Outside Corporate Auditors attend important meetings such as the Board of Directors, etc., and, in addition to onsite inspections of the Company's main and branch offices and group companies, exchange opinions with Representative Directors, interview directors, etc., exchange opinions with the Audit Dept. and interview the accounting auditor, etc. The audit results of the audit of business activities and internal control audit are also reported to the corporate auditors, with regular exchanges of opinions about such status, etc., which is also coordinated with the internal control audit conducted by the accounting auditor, with exchanges of opinions as necessary.

(3) Status of audit

(i) Status of auditing by corporate auditors

Auditing by Corporate Auditors at the Company is an activity conducted by the Board of Auditors, which, as of the filing date, comprised one Standing Corporate Auditor (including one internal corporate auditor) and three Outside Corporate Auditors (including three Outside Corporate Auditors), who audit the execution of Directors' duties through measures including attendance at important meetings such as the Board of Directors meetings, etc., and onsite inspections of the Company's main and branch offices and group companies.

Standing Corporate Auditor Katsunori Tanabe has considerable knowledge concerning finance and accounting in the construction industry.

In addition, Outside Corporate Auditors have track records as managers of multiple companies or track records in the legal profession in Japan or overseas. Against this background, they provide the Company's management with useful advice while demonstrating the audit function from an independent perspective and appropriately execute their respective duties.

In addition to the regular monthly Board of Auditors meetings, extraordinary Board of Auditors meetings are held as necessary, and the attendance of each corporate auditor during the fiscal year ended March 31, 2025, is as follows.

Name	Standing/ Non-standing	Inside/ Outside	Number of meetings held	Number of meetings attended	Attendance rate (%)
Katsunori Tanabe	Standing	Inside	15	15	100
Shiho Boda	Non-standing	Outside	20	20	100
Tomoko Nonaka	Non-standing	Outside	20	19	95
Koichi Kawaguchi	Non-standing	Outside	20	20	100
Kiyotaka Somekawa	Standing	Outside	5	5	100

- Notes:
1. Standing Corporate Auditor Katsunori Tanabe was appointed at the 102nd Annual General Meeting of Shareholders held on June 26, 2024, so the number of meetings held and the number of meetings attended refer to the numbers since assuming office.
 2. The term of office of Standing Corporate Auditor Kiyotaka Somekawa ended at the conclusion of the 102nd Annual General Meeting of Shareholders held on June 26, 2024, so the number of meetings held and the number of meetings attended refer to the numbers during his term of office.
 3. There are no special interests between Outside Corporate Auditors and the Company.
 4. The Company has submitted a notification to the Tokyo Stock Exchange saying that the Outside Corporate Auditors are independent officers in accordance with the provisions of the Tokyo Stock Exchange.

Details of specific discussion at the Board of Auditors include the establishment of the audit plan, verification of the decision making at the Board of Directors, etc. (Business Judgement Principles), verification of competing transactions and conflicts of interest, verification of the Group's internal control systems (including internal controls pertaining to financial reports), verification of statutory disclosure information, etc., progress in business planning, audit of business report, equivalence assessment of accounting auditor's audit (including choice of key audit matters (KAM)), appropriateness of

re-election of the accounting auditor, verification pertaining to the consent of the accounting audit fees, verification of the proposals submitted by the directors to the General Meeting of Shareholders, progress in work style reform, etc.

The main activities of Full-time Corporate Auditors are, in addition to attending major meeting such as the Board of Directors meetings, etc. and conducting onsite inspections of the Company's main and branch offices and group companies, to exchange opinions with the Representative Directors, the general managers of the business divisions and the Executive Officers in charge of the Corporate Sec. groups, to exchange opinions with the Audit Dept., to exchange opinions with the Legal Dept., to interview the accounting auditor, to listen to opinions from the execution departments as necessary, and to browse important approval documents, among other activities.

(ii) Status of internal audit

The internal audit at the Company, as of the filing date, is the responsibility of the Audit Dept., with a five-person structure, under the direct control of the Representative Director, Executive Chairperson & CEO, and it conducts the internal control audit and audits business activities of the Company and each group company at any time as necessary.

To ensure the effectiveness of the internal audit, the evaluation of the internal controls in accordance with the audit by the Audit Dept. and the results of the internal audit are reported to the Representative Director, Executive Chairperson & CEO and the Board of Directors.

In addition, the audit results are also reported directly to the corporate auditors, and in addition to having regular meetings about such status, etc., exchanges of opinions occur at any time, and are also coordinated with the internal control audit conducted by Ernst & Young ShinNihon LLC, as well as exchanges of opinions as necessary.

(iii) Status of accounting audit

a. Name of audit firm

Ernst & Young ShinNihon LLC

b. Consecutive audit period

23 years

c. Certified public accountants who executed the audit duties

Masahiko Nagasaki (Engagement Partner; Consecutive audit period: 6 years)

Teppei Tajima (Engagement Partner; Consecutive audit period: 2 years)

d. Breakdown of support staff for audit operations

Support staff for financial audit operations consists of four certified public accountants and 14 others.

e. Policies and reasons for selecting an audit firm

When selecting the certified public accountants, etc. for audits (re-election of the accounting auditor), discussion is based on the "Policies for determination of election or dismissal or refusal of re-election of the accounting auditor" established by the Company's Board of Auditors.

Notes: Policies for the determination of election or dismissal or refusal of re-election of the accounting auditor

1. Policies for the determination of dismissal or refusal of re-election of the accounting auditor

The Board of Auditors will consider dismissal or refusal of re-election of the accounting auditor if there is a problem with the execution of the accounting auditor's duties or the like, and if it finds it necessary, it will decide on a proposal relating to the dismissal or refusal of re-election of the accounting auditor.

Further, if the Board of Auditors determines that the accounting auditor has violated or contravened the Companies Act, the Certified Public Accountants Act, or any other laws and regulations, it will consider the dismissal of the accounting auditor pursuant to the facts, and if it determines that dismissal is appropriate, it will dismiss the accounting auditor.

2. Policies for the determination of the election of the accounting auditor

The Board of Auditors shall, when it is necessary to elect a new accounting auditor, elect candidates following consultation with directors and the pertinent internal departments, evaluate such candidates in light of assessment criteria, and when obtaining sufficient assurance of their suitability as the Company's accounting auditor, decide on a proposal for such candidates to be the candidates for accounting auditor.

f. Assessment of audit firm by Board of Auditors

The Board of Auditors, in addition to holding regular meetings and exchanges of opinions with the audit firm on matters such as the audit plan briefing, the interim review results report (for the six months ended September 30, 2024), the explanation of audit progress (for the three months ended June 30, 2024 and for the nine months ended December 31, 2024), and the year-end audit results report, grasped the status of the execution of the audit throughout the year by witnessing the accounting audit at head office and main and branch offices, etc.

To consult on the reappointment of the accounting auditor, we interviewed the audit firm at the year-end about the progress of audit for the Company, etc. and exchanged opinions.

In addition, we conducted an interview with the Company's Accounting Department about the state of the audit firm's audit quality.

Furthermore, assessment was conducted using the assessment sheet (consisting of (i) audit quality and quality management, (ii) professional ethics and independence, (iii) professional expertise, (iv) effectiveness and efficiency of the audit, (v) audit fee, (vi) communication with the Company, (vii) audit of the Group, and (viii) the state of compliance with "Principles for Effective Management of Audit Firms (March 24, 2023)") in accordance with the assessment criteria stipulated in the "Policies for the determination of election or dismissal or refusal of re-election of the accounting auditor."

As a result, in addition to the audit firm being comprised of an appropriate team, having good communication with the Company's management and Board of Auditors, while maintaining independence and expertise, and conducting audits of the Company's main and branch offices and domestic and overseas subsidiaries without problems in audit quality, the results of the assessment sheet were overall good, so the decision was made to re-elect as accounting auditor.

(iv) Details of audit fee, etc.

a. Remuneration to certified public accountants, etc. for audits

Category	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Fees for audit certification services (millions of yen)	Fees for non-audit services (millions of yen)	Fees for audit certification services (millions of yen)	Fees for non-audit services (millions of yen)
Reporting company	58	0	58	0
Consolidated subsidiaries	-	-	-	-
Total	58	0	58	0

The contents of the non-audit services at the Company are such as the procedures pertaining to services for issuing certificates for tax returns in foreign countries.

b. Fees to certified public accountants, etc. for audits that are organizations belonging to the same network (Ernst & Young) (excluding a.)

Category	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	Fees for audit certification services (millions of yen)	Fees for non-audit services (millions of yen)	Fees for audit certification services (millions of yen)	Fees for non-audit services (millions of yen)
Reporting company	4	-	4	6
Consolidated subsidiaries	5	1	7	1
Total	9	1	11	7

The contents of the non-audit services at the Company includes advisory on tax and legal affairs overseas and the non-audit services for consolidated subsidiaries are such as advisory on tax returns overseas.

- c. Contents of fees based on other important audit certification services
Not applicable.

- d. Policy on determining audit fee
Determined in light of the number of days, etc.

- e. Rationale for the Board of Auditors' agreement on remuneration, etc., of the accounting auditor
The reason the Company's Board of Auditors provided approval under Article 399, paragraph (1) of the Companies Act in relation to the fee, etc. for the accounting auditor is as a result of the Board of Auditors conducting the necessary consideration of the appropriateness of the grounds for calculating the fee estimate based on contents of the accounting auditor's audit plan and audit time, etc. The fee for the audit time, etc. is considered appropriate, as the amount is judged appropriate so that the accounting auditor would demonstrate independence and conduct an audit that maintains adequate audit quality.

(4) Compensation, etc. for officers

- (i) Matters regarding the policy on the determination of the amounts of compensation paid to officers and the calculation method thereof

The Company's policy on the determination of the amounts of compensation paid to directors and the calculation method thereof is set by the Board of Directors. When deciding on this policy, the Director Nomination & Compensation Committee is consulted in advance and its report is submitted to the Board of Directors.

Furthermore, in determining compensation etc. for each director, the deliberations by the Director Nomination & Compensation Committee include whether the compensation is in line with the policy for determining compensation etc., and the Board of Directors respects the report of the Director Nomination & Compensation Committee and judges that the compensation etc. is in line with that policy.

An outline of the policy for determining the content of compensation, etc. for individual directors is as follows.

- a. Composition and ratios of compensation

Compensation for directors consists of base compensation as monetary compensation, performance-based compensation, and performance-linked stock compensation as non-monetary compensation, and their ratios are set according to the positions (the positions of Executive Officers who are executive directors; the same shall apply hereinafter) as shown in the table below.

Compensation for Outside Directors consists only of flat-rate base compensation.

Executive Officer Position	Base compensation	Performance-based compensation	Performance-linked stock compensation
Executive Chairperson, Executive Vice Chairperson, President, Executive Vice President	60%	25%	15%
Senior Managing Executive Officer, Managing Executive Officer	65%	25%	10%
Executive Officer	70%	20%	10%

- b. Base compensation

Base compensation is fixed compensation determined according to the position. For directors, a flat-rate director compensation is added.

- c. Performance-based compensation

Performance-based compensation is determined based on the results of the individual performance evaluation of each executive director for the previous fiscal year. The Director Nomination & Compensation Committee conducts the final performance evaluations of each executive director based on the divisional performance in their duties to which they are assigned and qualitative degree of achievement and contribution to individual goals and the solution of company-wide management issues and makes decisions.

- d. Performance-linked stock compensation

Performance-linked stock compensation (stock delivery trust) is to provide clearer incentives for executive directors and Executive Officers to achieve the medium-term business plan, to link their compensation to the Company's performance, to raise their awareness of their contribution to improving the Company's performance and corporate

value over the medium to long term, and to share profits with shareholders. The amount is determined according to performance evaluation points based on annual consolidated operating profit, ROE, construction safety performance, and other indicators in each fiscal year during the period subject to evaluation.

The period subject to evaluation shall be the fiscal years corresponding to the period of the medium-term business plan.

- e. Policy relating to timing and conditions for payment of compensation etc.

Base compensation and performance-based compensation are paid monthly, and the maximum amount of compensation is 33 million yen per month (including 12 million yen per month for Outside Directors). Further, for performance-linked stock compensation, a trust has been established with a maximum contribution limit of 565 million yen over five fiscal years (however, following the current period subject to evaluation, the cap will be set at 113 million yen each fiscal year, with the amount calculated as 113 million multiplied by the number of years in the updated period subject to evaluation), and the trust will acquire a maximum of 240,000 shares in each fiscal year and deliver common shares based on the performance evaluation points after the end of the period subject to evaluation.

- f. Decisions relating to compensation etc. other than the foregoing

Delivery of performance-linked stock compensation will be suspended in the event of a violation of laws and regulations or the Company's rules, or in the event that the recipient is determined to be inappropriate as a recipient under the system as a result of failure to perform duties, inappropriate behavior detrimental to the dignity of the Company, or for other reasons.

In determining compensation etc. for the corporate auditors, the compensation etc. is determined according to the results of discussions by the corporate auditors, and such compensation is limited to base compensation only, with the maximum amount of compensation up to 6 million yen per month.

- (ii) Trend in metrics pertaining to performance-linked compensation (consolidated operating profit)

(Billions of yen)

Category	101st fiscal year (FY2020)	102nd fiscal year (FY2021)	103rd fiscal year (FY2022)	104th fiscal year (FY2023)	105th fiscal year (FY2024)
Medium-term business plan	8.1	9.1	12.8	10.1	13.4
Fiscal year plan	8.1	9.2	9.7	10.1	11.6
Actual result	14.2	9.6	8.9	10.8	11.6

- (iii) Total amount of compensation, etc. by each category of officers, total amount of compensation, etc. by type, and number of officers eligible for the respected fiscal year

Category	Amount of compensation, etc. (millions of yen)	Total amount of compensation etc. by type (millions of yen)			Number of eligible officers (persons)
		Base compensation	Performance-based compensation	Performance-linked stock compensation	
Director (of which, Outside Directors)	304 (75)	221 (75)	47 (-)	35 (-)	15 (8)
Corporate Auditor (of which, Outside Corporate Auditors)	42 (28)	42 (28)	- (-)	- (-)	5 (4)
Total (of which, outside officers)	346 (103)	263 (103)	47 (-)	35 (-)	20 (12)

- Notes:
- The number of officers and compensation amounts include four directors (including two Outside Directors) and one corporate auditor (including one Outside Corporate Auditor) who retired at the conclusion of the 102nd Ordinary General Shareholders Meeting held on June 26, 2024.
 - Performance-linked stock compensation is the provision for stock compensation for officers during the respected fiscal year.

3. Performance-based compensation and performance-linked stock compensation, which is non-monetary compensation, are as described in “(i) Matters regarding the policy for determining the content of compensation, etc. for individual directors.” The status of shares delivered during the respected fiscal year is as described in “(iv) Status of shares granted to the Company officers during the respected fiscal year as consideration for performance of their duties.”
4. The maximum amount of compensation for directors was approved at the 101st Ordinary General Shareholders Meeting held on June 27, 2023, to be no more than 33 million yen per month (including 12 million yen per month for Outside Directors). The number of directors at the time of conclusion of the General Shareholders Meeting was 13 (including seven Outside Directors). Further, as non-monetary compensation for directors separate from the monthly compensation, the 101st Ordinary General Shareholders Meeting held on June 27, 2023, approved a resolution to establish a trust with a maximum amount of 565 million yen for five fiscal years, acquire up to 240,000 shares of the Company’s common stock through the trust for each fiscal year, and deliver them to directors (excluding Outside Directors) and Executive Officers according to their performance evaluation points. The number of directors subject to this system at the time of the conclusion of the said General Shareholders Meeting was six, and 18 Executive Officers who do not have concurrent positions as directors were also included.
5. The maximum amount of compensation for corporate auditors was approved at the 76th Ordinary General Shareholders Meeting held on June 26, 1998, to be no more than 6 million yen per month. The number of corporate auditors at the time of the resolution was four.

(iv) Status of shares granted to the Company officers during the respected fiscal year as consideration for performance of their duties
Not applicable.

(5) Ownership of shares

(i) Classification criteria and approaches for investment shares

The Company categorizes investment shares as “shares held for the purpose of pure investment (shares held exclusively for the purpose of receiving profit from fluctuations in the share price or from dividends pertaining to the shares)” and “shares held for any purpose other than pure investment (i.e., for the purpose of maintaining and developing important collaboration and transactional relationships in our business strategy, to enhance our corporate value; so-called cross-shareholdings).”

(ii) Investment shares held for any purpose other than pure investment

a. Holding policy and the method to verify the reasonableness of the holding, as well as details of such verification by the Board of Directors concerning the appropriateness of the holding of the respective stocks

The Company endeavors to hold the necessary minimum of cross-shareholdings and holds only those that it deems will contribute to the smooth execution of business and financial strategies from a medium- to long-term perspective, thereby strengthening transactional relationships and ultimately contributing to the development of the Company’s business. As of the end of the respected fiscal year, cross-shareholdings accounted for 1% of total assets and 1% of net assets.

For the listed shares it holds, the Company verifies the reasonableness of holding them every year quantitatively and qualitatively, for example by comparing the business transaction benefits with the cost of capital, and considering whether the holdings strengthen transactional relationships based on smooth execution of business and financial strategies, with an emphasis on whether the holdings contribute to improving corporate value over the medium to long term. The details of the verification are confirmed by the Board of Directors at its meeting.

For those shares for which holding has little significance, the Company negotiates with its business partners and sells them looking at the share prices and the market trends of the stocks in question.

As a result, the Company held 27 issues of shares held for any purpose other than pure investment as of the end of the respected fiscal year, and the total carrying amount decreased 821 million yen from the end of the previous fiscal year to 1,037 million yen.

When exercising voting rights on its shares held, the Company will make use of the exercise of such rights to strengthen relationships with the business partner, unless a situation where shareholder value is significantly compromised occurs, or there is a serious concern over corporate governance.

b. Number of issues and carrying amount

	Number of issues (issues)	Total carrying amount (millions of yen)
Shares not listed	27	1,037
Shares other than those not listed	-	-

(Issues for which the number of shares held increased in the respected fiscal year)

	Number of issues (issues)	Total acquisition price pertaining to the increase in the number of shares (millions of yen)	Reason for the increase in the number of shares
Shares not listed	-	-	-
Shares other than those not listed	-	-	-

(Issues for which the number of shares held decreased in the respected fiscal year)

	Number of issues (issues)	Total sales price pertaining to the decrease in the number of shares (millions of yen)
Shares not listed	2	0
Shares other than those not listed	1	141

c. Information on the number of shares and carrying amount by issue of specified investment shares and shares subject to deemed shareholding

Specified investment shares

Not applicable.

Deemed shareholdings

Not applicable.

(iii) Investment shares held for the purpose of pure investment

Category	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2024	
	Number of issues (issues)	Total carrying amount (millions of yen)	Number of issues (issues)	Total carrying amount (millions of yen)
Shares not listed	-	-	-	-
Shares other than those not listed	2	823	5	509

Category	Fiscal year ended March 31, 2025		
	Total received dividends (millions of yen)	Total profit and loss on sale (millions of yen)	Total unrealized profit and loss (millions of yen)
Shares not listed	-	-	-
Shares other than those not listed	4	465	646

(iv) Investment shares for which the purpose of holding was changed from the purpose other than pure investment to the purpose of pure investment during the four fiscal years preceding the respected fiscal year and during the respected fiscal year

Issue name	Number of shares (shares)	Carrying amount (millions of yen)	Fiscal year when the change occurred	Reasons for the change and the policy for holding or selling after the change
Mitsubishi UFJ Financial Group, Inc.	268,700	540	Fiscal year ended March 31, 2025	(Reasons for change) As a result of comparing and verifying the benefits of business transactions and the cost of capital regarding the reasonableness of holding, the Company has changed the holding to investment shares held for the purpose of pure investment. The Board of Directors verifies the reasonableness of holding every year. (The policy for holding or selling after the change) The shares will be sold within one year after the change of holding purpose.
DAISUE CONSTRUCTION CO., LTD.	152,900	283	Fiscal year ended March 31, 2025	(Reasons for change) As a result of comparing and verifying the benefits of business transactions and the cost of capital regarding the reasonableness of holding, the Company has changed the holding to investment shares held for the purpose of pure investment. The Board of Directors verifies the reasonableness of holding every year. (The policy for holding or selling after the change) The shares will be sold within one year after the change of holding purpose. *Already sold as of the filing date