A Story to Innovate the Future

Innovate the future plan

TOBISHIMA HOLDINGS

Now, I would like to explain the “Innovate the future plan.”

Background to the Holding Company Transition

National Infrastructure Challenges

- **Declining birthrate and aging population**
- **Aging infrastructure**
- **Increasingly severe natural disasters**

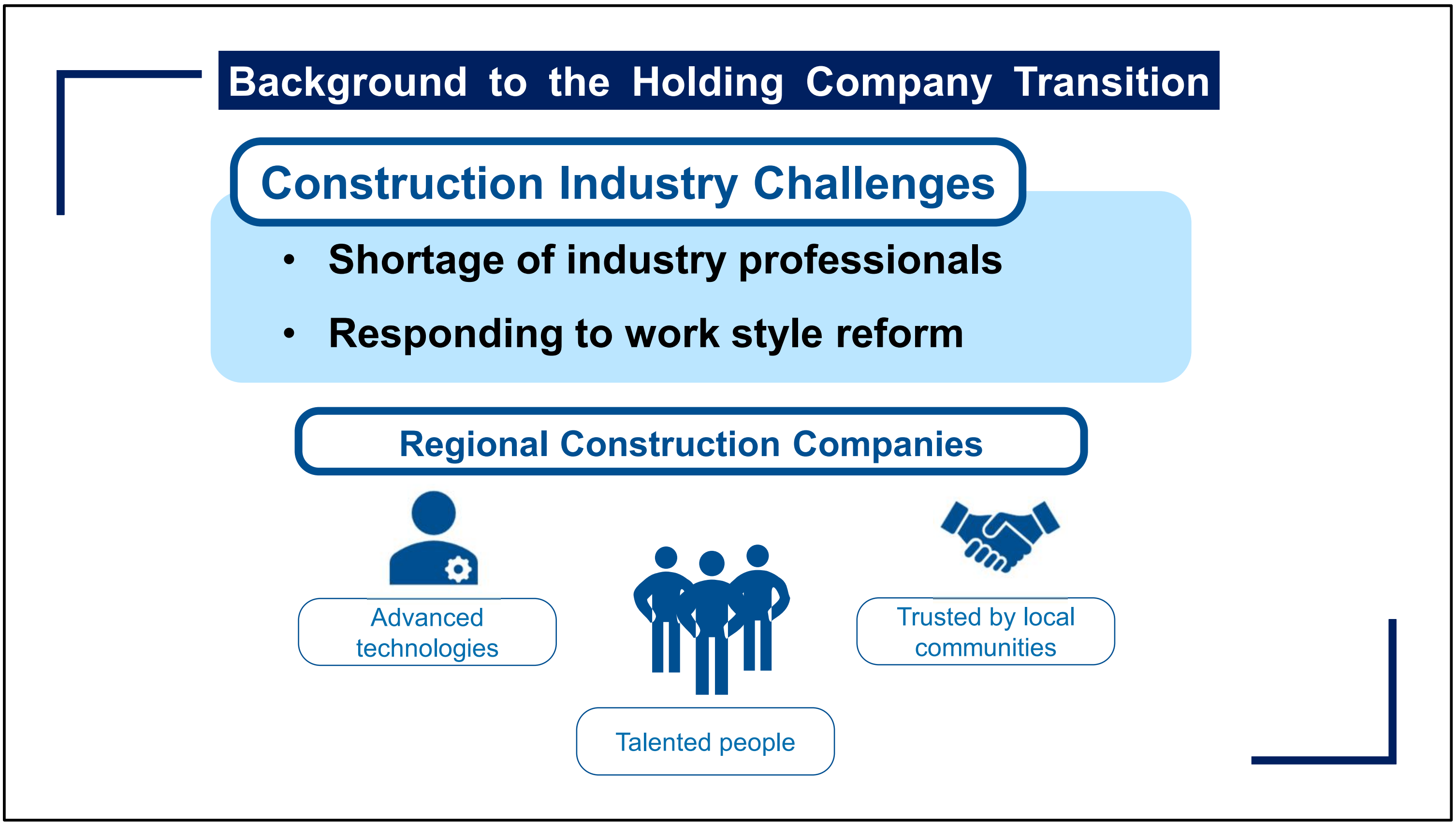
The national challenges related to social infrastructure include the declining birthrate and aging population, aging infrastructure, and increasingly severe natural disasters.

Background to the Holding Company Transition

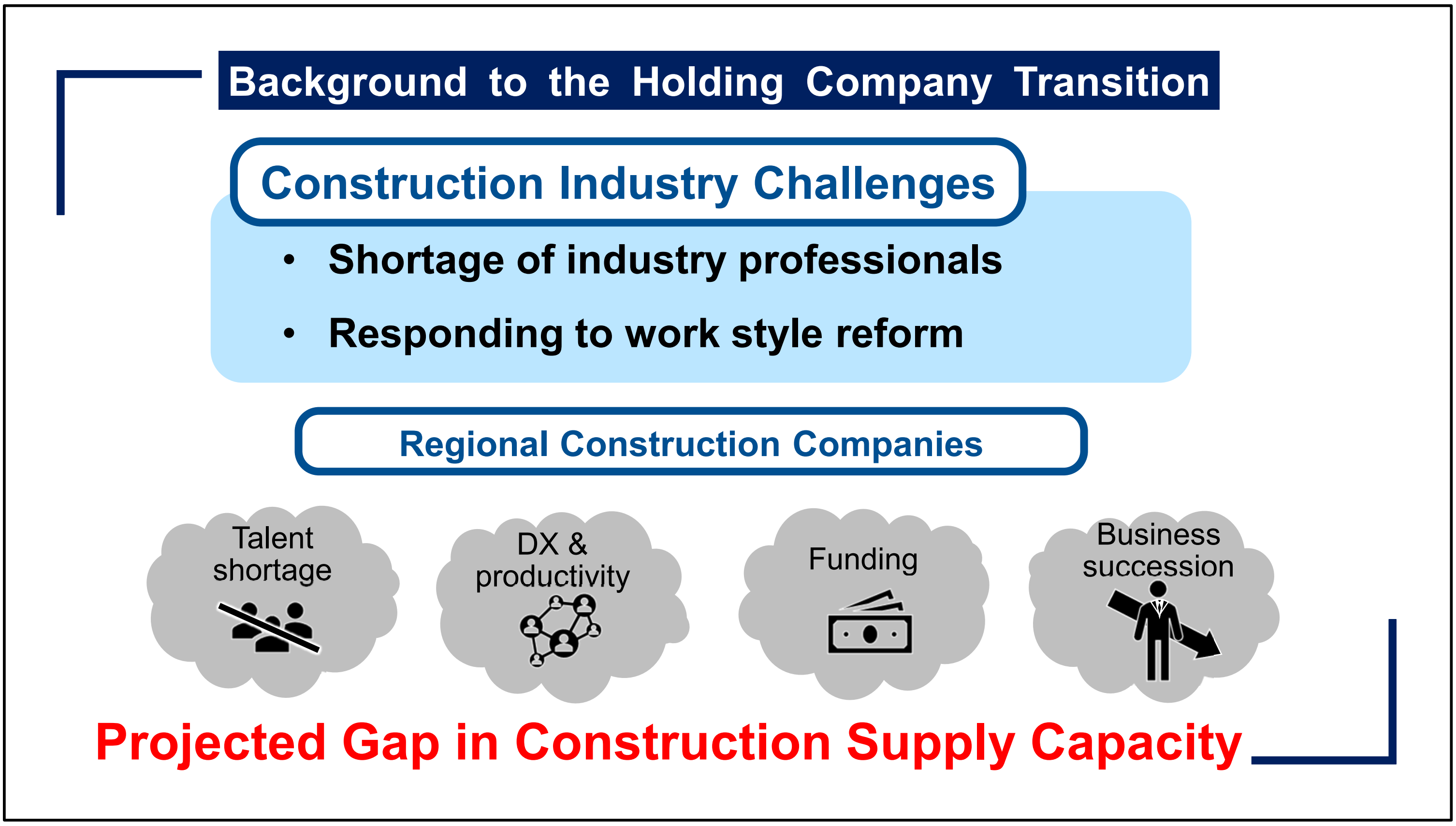
Construction Industry Challenges

- **Shortage of industry professionals**
- **Responding to work style reform**

The challenges facing the construction industry include a shortage of industry professionals and responding to work style reform.



In particular, regional construction companies possess advanced technologies and talented people and have the trust of the local communities.



However, they have limitations in responding to technological innovation and investing in human resources on their own, making business succession increasingly difficult.

Against this backdrop, addressing the projected gap in construction supply capacity has become the construction industry's most critical challenge.

Background to the Holding Company Transition

Challenges We Face

Limited growth potential as a general contractor

→ Recognizing the limits of our role of simply delivering high-quality products at low cost

On the other hand, we have been feeling the limits of our growth potential as a general contractor.

In other words, we felt that our role would be limited if our focus was only on delivering high-quality products at low cost.

Background to the Holding Company Transition

National Infrastructure Challenges

- **Declining birthrate and aging population**
- **Aging infrastructure**
- **Increasingly severe natural disasters**

Construction Industry Challenges

- **Shortage of industry professionals**
- **Responding to work style reform**

Challenges We Face

Limited growth potential as a general contractor
→ Recognizing the limits of our role of simply delivering high-quality products at low cost

Against this background and driven by a sense of urgency, we aim to establish a unique position so as to address the social challenges and overcome the limits of our growth potential, while fulfilling our mission in the construction industry.

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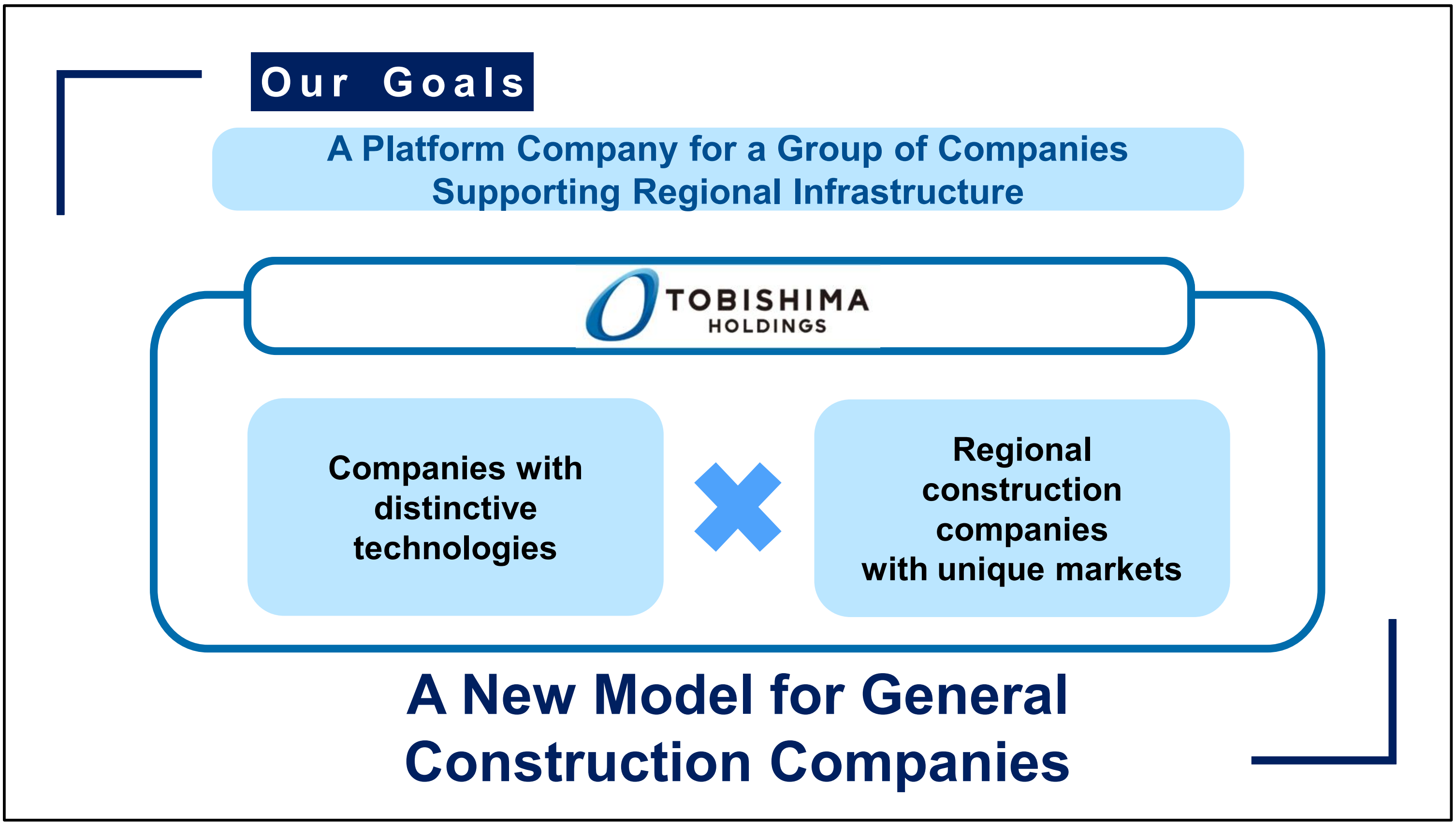
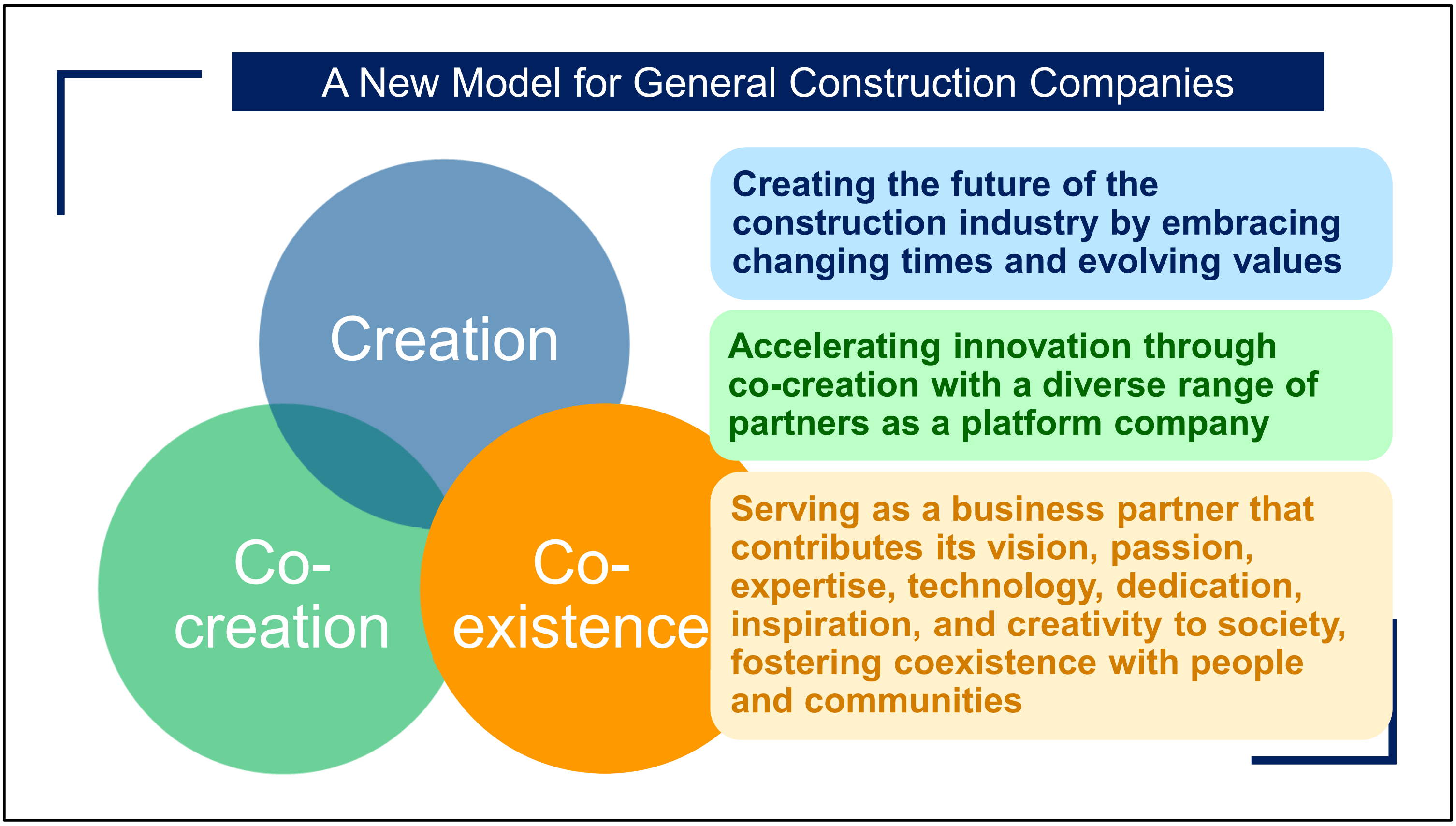
This was the starting point for establishing Tobishima Holdings.



Our unique positioning is to evolve into a “platform company for a group of companies supporting regional infrastructure.”

Our goal is to create a new model for general construction companies through group management, by collaborating with companies that have distinctive technologies (left) and regional construction companies with unique markets (right).



A new model for general construction companies means pursuing the creation of the future of the construction industry by embracing changing times and evolving values.

It also means accelerating innovation through co-creation with a diverse range of partners as a platform company.

Finally, it means remaining a business partner that contributes its vision, passion, expertise, technology, dedication, inspiration, and creativity to society, fostering coexistence with people and communities.

Roadmap to Corporate Transformation

Innovate the future plan

Strategic Direction for Sustainable Growth and Enhancement of Corporate Value

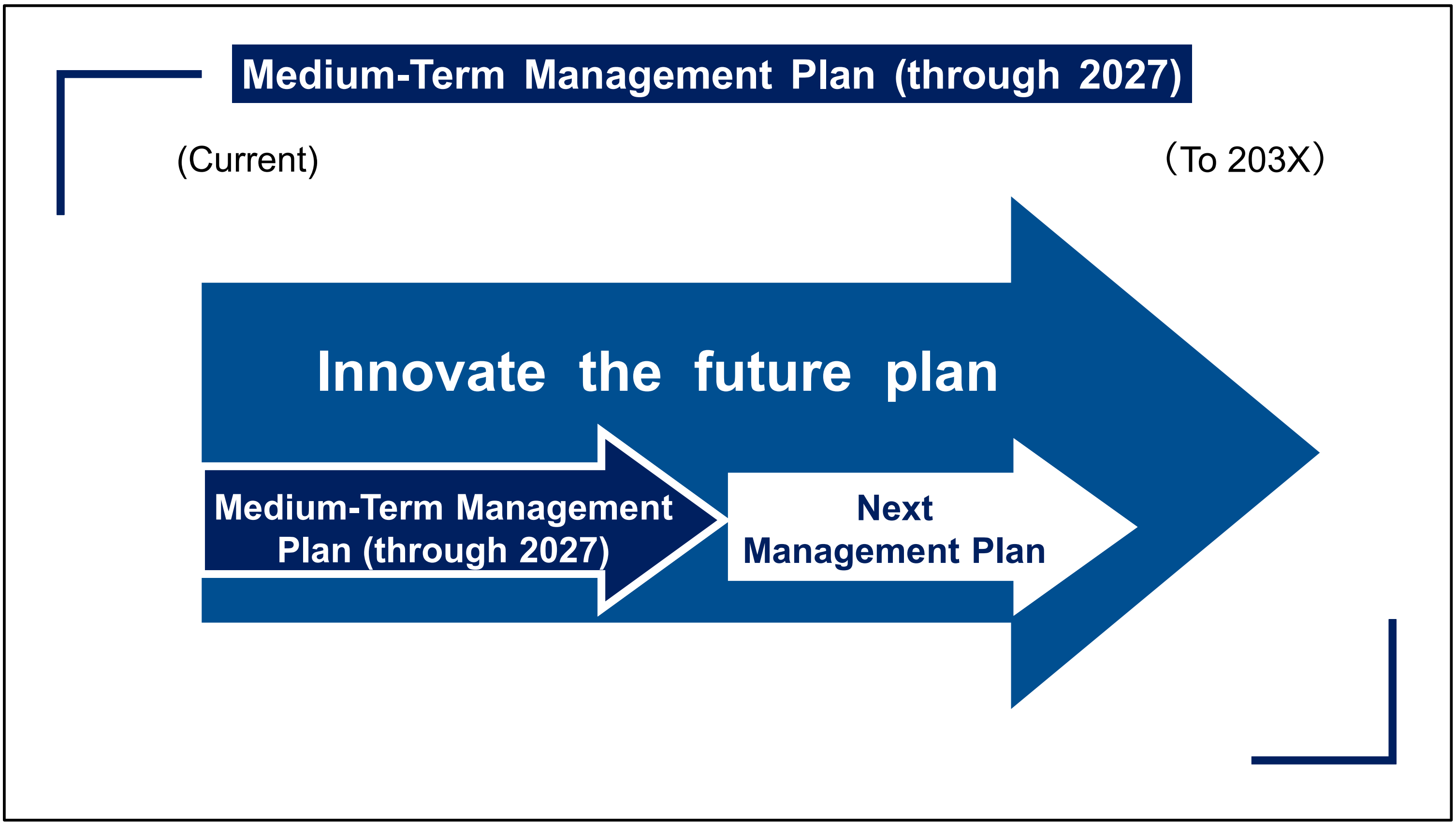
“Innovate the future plan” outlines our Group’s roadmap to corporate transformation and provides strategic direction for sustainable growth and enhancement of corporate value.

Three Pillars for Enhancing Corporate Value

1. Rebuilding our earnings base with an eye on the future construction market
2. Improving profitability through stronger governance
3. Strengthening shareholder returns as a key management priority

To enhance corporate value over the medium to long term, we are advancing initiatives built on three pillars:

rebuilding our earnings base with an eye on the future construction market, improving profitability through stronger governance, and strengthening shareholder returns as a key management priority.



In line with the Innovate the future plan, the current Medium-Term Management Plan sets three key targets as an action plan for “passing the baton” to the next phase of growth through 2027.

Medium-Term Management Plan (to 2027)

1. Rebuilding our earnings base

Achieve Group business scale of ¥160 billion by pursuing corporate alliances through growth investments

2. Improving profitability

Increase Group ROE to 10% through management based on cost of capital

3. Strengthening shareholder returns

Deliver dividends with a DOE of 4% or higher as stable shareholder returns

The first target is rebuilding our earnings base. We aim to achieve a Group business scale of ¥160 billion by pursuing corporate alliances through growth investments.

The second target is improving profitability. We aim to increase Group ROE to 10% through management based on cost of capital.

The third target is strengthening shareholder returns. As part of our commitment towards stable shareholder returns, we aim to deliver dividends with a DOE of 4% or higher.