

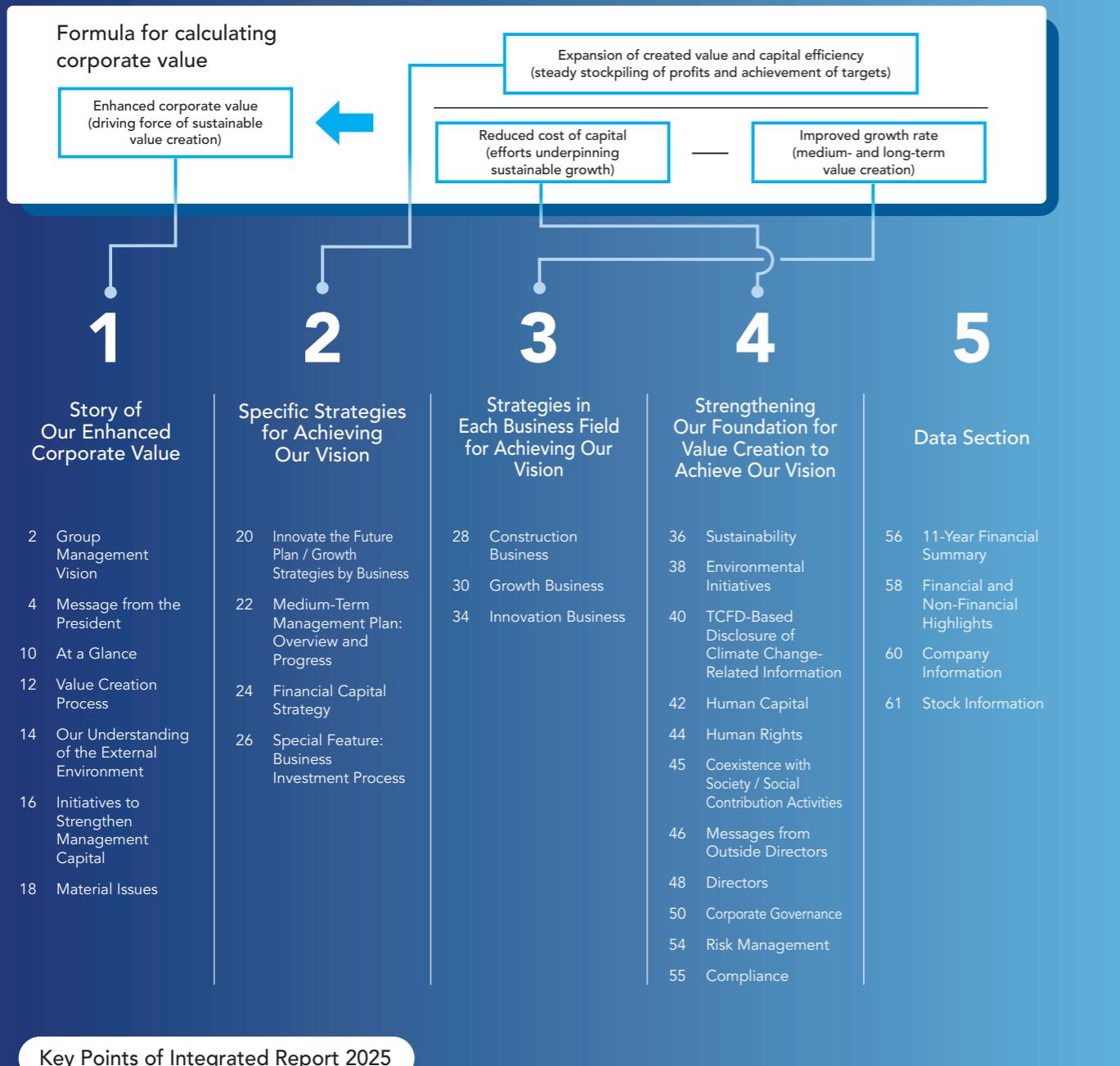
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TOBISHIMA
HOLDINGS
Integrated Report

2025

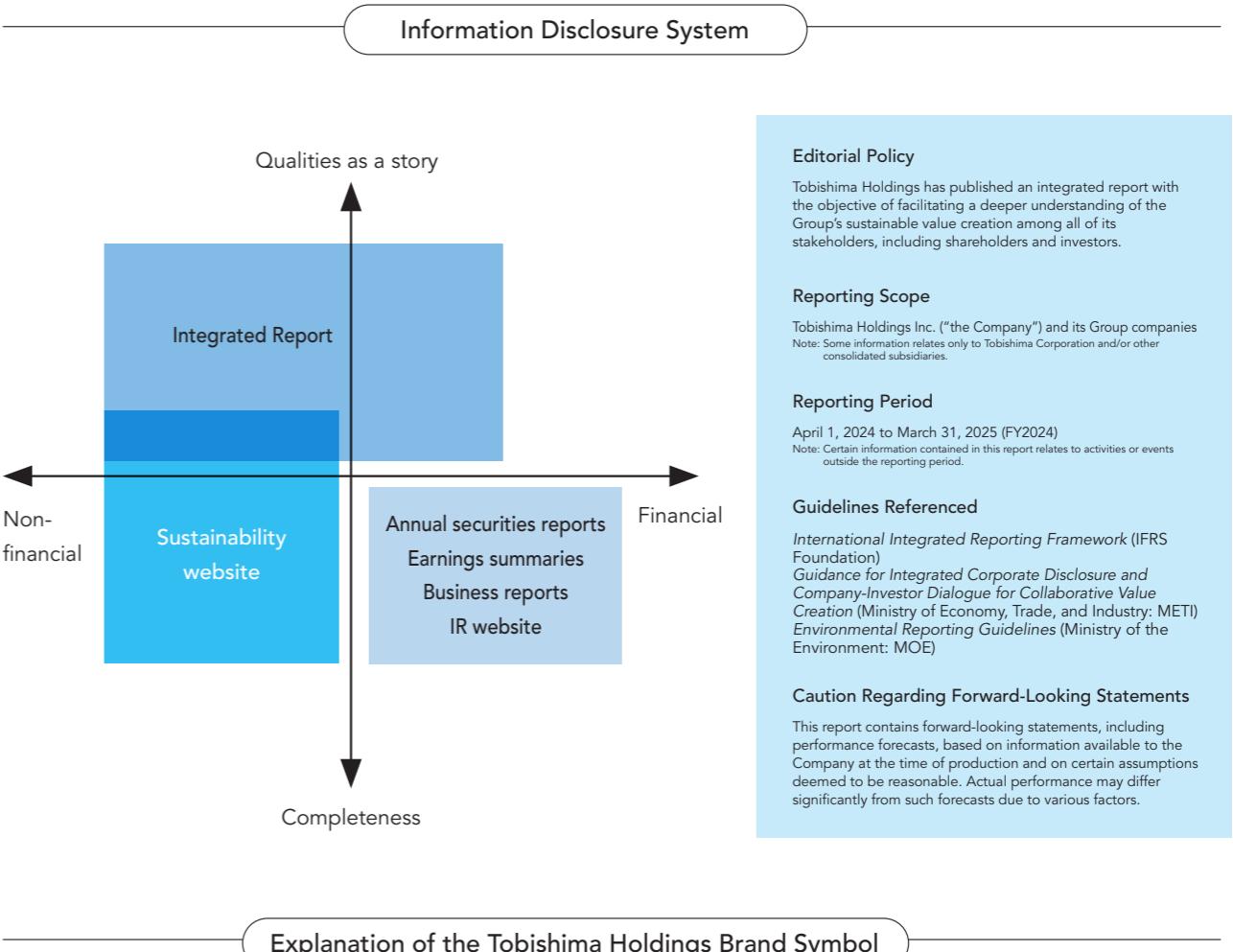
Contents & Key Points for 2025

Tobishima Holdings Integrated Report 2025 presents our efforts to enhance our corporate value in the form of a logic tree and explains them with a focus on how each is related to the others and how they are connected to enhancing our overall corporate value.



Key point	Overall structure based on formula for calculating corporate value	New section on financial capital strategy	Special feature on business investment process
1	The overall structure of this report revolves around the formula for calculating corporate value, which integrates both financial and non-financial aspects, and tells a coherent story that presents an overview of our value creation.	We added a new section on our financial capital strategy to outline our cost of capital and ROE targets and describe our cash allocation policy. The section depicts our capital efficiency-focused style of management.	This special feature reveals our process, from investment decisions to PMI and monitoring. Here, we explain in detail our efforts to enhance transparency for investors and pursue sustainable growth.

Editorial Policy & Information Disclosure System

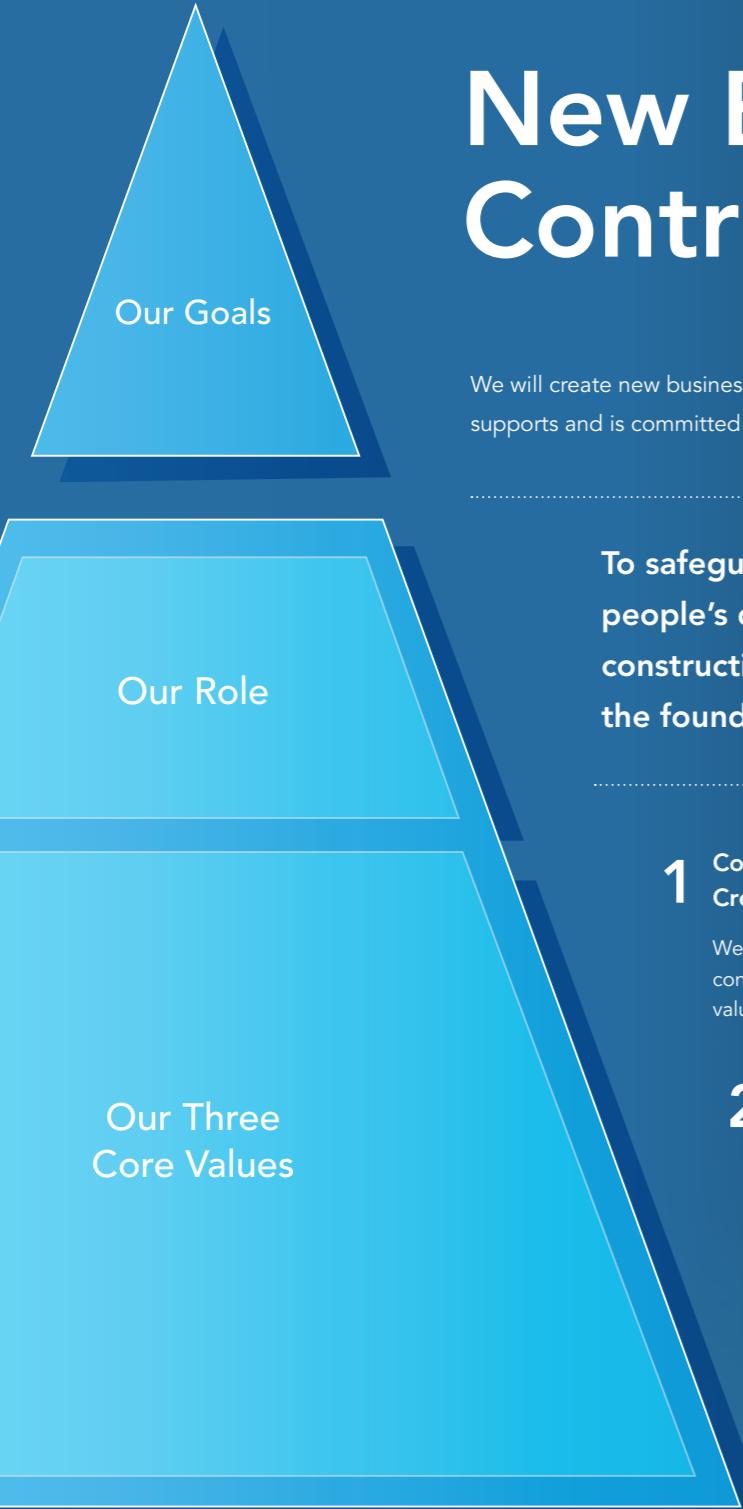


TOBISHIMA
HOLDINGS

The symbol, which comprises three overlapping rings, expresses our vision to be a New Business Contractor. The rings represent diverse individuals uniting to co-create and drive continuous innovation, with their efforts and impact spreading outward into society.

- One ring representing the cooperation of our core construction business with other businesses to harness synergies
- One ring representing the organic connection between unique, specialized groups—Like the human nervous system
- One ring representing creation, co-creation, and coexistence with people and society accomplished through these connections

The brand symbol features the blue corporate color of the Group's core company, Tobishima Corporation, as a base tone, expanding to a lighter blue to express the spread of Tobishima Holdings' activities and influence.



New Business Contractor

We will create new businesses ourselves, while also acting as a business partner that supports and is committed to the creation of businesses driven by diverse people.

To safeguard the infrastructure that supports people's daily lifestyles and create the future of construction—ensuring it continues to serve as the foundation for economic development.

1 Construction Innovation Creating the future of construction

We will continue exploring new approaches to create the future of construction, while staying attuned to the times and changes in values, to evolve further and enhance our corporate value.

2 Alliance Innovation Co-creation with diverse partners

We will accelerate innovation through co-creation with partners who have outstanding strengths and evolve as a platform company.

3 Social Innovation Continuing to coexist with people and society

We will share our vision, passion, knowledge and technologies with society, as well as our dedication, inspiration and creativity. We remain committed to harmoniously coexisting with people and society as a trusted business partner, while contributing to the realization of a brighter future.



Meet the new corporate ambassador of Tobishima Holdings: Risa Shimizu

The soccer star is a partner that embodies the Tobishima Group's future-oriented, pioneering spirit.

We are pleased to announce that we have appointed professional soccer player Risa Shimizu as our corporate ambassador.

As a leading member of the Japanese national team, Risa Shimizu has risen to the occasion at the Tokyo Olympics and other international events and now plays against the best in the world in the Women's Super League (WSL) in England. Her image epitomizes the Tobishima Group's ability to continuously pioneer.

Her pioneering spirit and intent to serve as a role model in the world of women's soccer resonate with the Tobishima Group's innovation mindset and intent to serve as a role model for the construction industry of the future, making her an apt choice as our corporate ambassador.



Risa Shimizu and President Mitsuhiro Takahashi

Message from the President



Transformation and collaboration define the next stage for the Tobishima Group

Mitsuhiko Takahashi

President and Representative Director



1 Management in Touch With the Times — My Beliefs and Approach

Many people assume that top executives are only tasked with deciding, delegating, and taking responsibility. These duties are obviously important, but it is deeper than that. To me, the most critical responsibility we need future leaders to fulfill is proactively developing the ability to keep in step with the times and anticipating whatever lies ahead.

An excellent company is not one that is inherently superior, but one that continuously generates outstanding businesses. No matter how brilliant a company's track record, it can vanish from the market in the blink of an eye if it fails to respond swiftly to changing circumstances. In my view, management personnel must primarily anticipate upcoming changes in social and industrial structures, work

backward from a vision, and then continuously lay the groundwork to reach it.

For the Tobishima Group, we must go beyond this forward looking mindset to seek both overall and individual optimization based on shared values. This will organically unite the companies in the Group, each with its own corporate culture. The essence of strategist management is managing a company the way a good soccer team passes the ball; in other words, we maximize individual strengths while maintaining overall strategic alignment. I am convinced that this is the management style the Tobishima Group should pursue.

2 Growth through transformation and collaboration: Examples and results from FY2024

The basic policy of the Medium-Term Management Plan we launched in 2024 is "growth through transformation and collaboration." Transformation means ensuring that our knowledge matches our actions, and vice versa. It means our convictions—what we believe in our hearts—and the actions they inspire are aligned and that changing our thinking results in different behavior. Individuals modify their behavior, and the sum of these changes causes the Company to grow.

Collaboration requires innovation. When I say "innovation," I do not mean creating something from nothing; rather, I am referring to the mindset that drives people to add outside elements to an established domain, amalgamating a variety of knowledge and skills to enhance the value of the domain. In this sense, innovation—which is the demonstration of collaborative power—improves the management efficiency of the entire Group and enhances the competitiveness of each company's core business.

The foundation for all of this is communication. Transformation is a form of communication with the changes in the times and society, while collaboration is a form of communication in which people and companies share their expertise. We teach the importance of innovation and communication in all situations to all members of Group companies.

In this context, the entire Group posted solid performance in FY2024. Three measures were particularly effective. First, we made every effort to make investment decisions and determine which orders to accept based on ROIC Company-wide with our sights set on improving ROE, which allowed us to raise the baseline profit level from where it was at project launch. Second, at Tobishima Corporation—our core company—we used FSC¹ (a function for centralized production management) to promote process streamlining; created an environment more conducive to business sites' focus on quality, cost, delivery, and service (QCDS); and expedited the process for young talent to develop the skills to make a meaningful contribution. Third, in addition to business expansion at existing growth companies, participation in the Group by new companies broadened our earnings base.

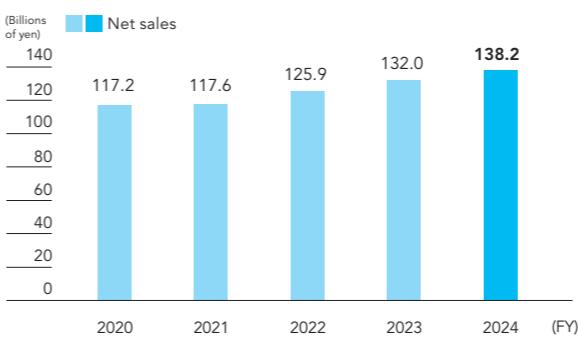
However, the productivity gains from FSC were offset by recent cost increases due to rising personnel costs, the increased cost of living, and labor regulations, resulting in limited net effects.² Accordingly, we will continue initiatives to further strengthen profitability, including negotiating prices with clients, revising procurement strategies, and saving labor with ICT-based construction.

1. FSC: Field Success Center, a centralized site management system for enhancing labor savings, quality, safety, and productivity at construction sites

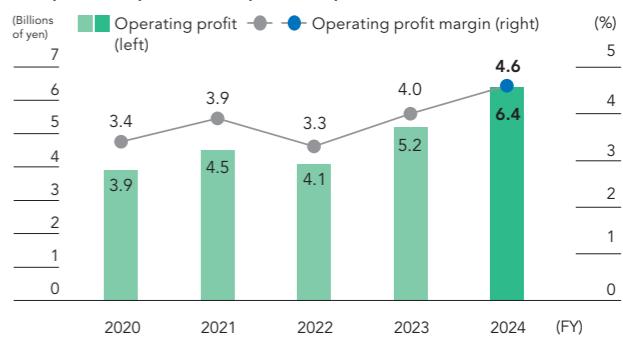
2. Net effects: The budget within the central government's economic measures that has the effect of boosting economic growth rates through direct government spending

Recent results

Net sales



Operating profit and operating profit margin



3 Structural reforms to innovate the future: Progress of the Medium-Term Management Plan

We transitioned to a holding company structure in October 2024 to restructure our corporate framework to enable us to pursue new innovations and business models for future growth while continuing to efficiently operate our existing businesses. Our aim is not merely to change the organization; it is to realize comprehensive transformation

across all domains, portfolios, strategies, business models, and operations as a conglomerate.

We presented our "Innovate the Future Plan" as the roadmap for this transformation. The plan is a clear departure from what is known as "ambidextrous management," or furthering existing businesses and

Message from the President

exploring new ones in parallel. Simply digging deeper into existing businesses has its limits; we cannot achieve sustainable growth in new businesses unless we can connect them with the strengths of existing businesses. Our true strength lies in our civil engineering and construction technology as well as our capacity for coordination—our ability to work with and align diverse stakeholders and translate the results into cohesive businesses.

We are using this capacity for coordination to promote strategic actions toward becoming a new form of general contractor with expanded functions while also expanding the construction industry itself. This involves combining existing businesses with different valuable elements to use our strengths in new ways and lead the way to new business models and growth fields. Specifically, we have positioned expansion into the infrastructure longevity market, which looks beyond conventional maintenance and service life extension to future resilience, as a growth strategy field for Japan's aging public infrastructure. This expansion extends beyond measures to address deteriorating infrastructure and into the domain of strategic, future-oriented infrastructure redevelopment in anticipation of structural changes, namely climate change, natural disasters, and demographics. We view this domain as an investment market supporting the future value of Japanese society, and have steadily laid the groundwork to leverage our comprehensive solutions capabilities as a conglomerate.

That said, challenges remain in achieving the numerical targets of our Medium-Term Management Plan. The challenge for the general construction segment is finding a balance between securing a construction system and

improving profitability. Supply constraints prevent sales from growing. The limits of cooperating partners and other human resources are an increasingly acute force suppressing growth. We are advancing construction DX to address labor shortages and support work style reform; however, the benefits of digital technology still do not reach beyond saving labor and replacing construction processes, and thus have not yet produced the desired result of enhancing value through transformation. At construction sites, we tend to want to have extra people on hand in case circumstances change, which can both reduce productivity and tax the already limited labor pool. Therefore, we are conducting a full inquiry into the best way to use digital technology to achieve transformation in pursuit of true DX.

Our growth businesses face the twin challenges of portfolio review and scaling up. We will continue welcoming new partners while also considering effective ways to integrate and collaborate with existing partners. To that end, the Company will centrally implement the Group's management strategy functions to enhance efforts to create a structure that enables each Group company to focus purely on its business and an environment that makes the resources of each available to the others.

Looking ahead, over the three years of the Medium-Term Management Plan, we plan to create a driver of growth investments by adding 20.0 billion yen in new investments—15.0 billion yen in infrastructure longevity and 5.0 billion yen in construction reskilling—to existing investments, which exceed 35.0 billion yen.

([p. 20](#) Innovate the Future Plan, [p. 22](#) Medium-Term Management Plan)



4 Improving capital efficiency and strengthening governance: Taking bold steps to enhance our corporate value

To sustainably enhance our corporate value, we are promoting strategic initiatives with the dual aims of improving capital efficiency and enhancing management transparency. The key is to make investment decisions that balance ROE and ROIC. We have set a target of 10% ROE by FY2027 and will pursue multifaceted measures to improve our P/B ratio, including making investment decisions with ROIC in mind, selling cross-shareholdings, and using issuer ratings to diversify sources of funding.

These measures are predicated on growth investments contributing to enhancing our corporate value. Therefore, ROIC is a critical indicator for measuring profitability against invested capital, and is especially effective for assessing the economic rationality of investments by comparing them to the weighted average cost of capital (WACC). However, it takes some time for the results of M&As and other growth investments to materialize, and ROIC may decline temporarily due to integration costs and other factors. Based on this, we make management decisions focused on ROE, which reflects medium- and long-term corporate value enhancement and shareholder returns, rather than evaluating solely using ROIC, which only concerns short-term capital efficiency.

We engage in management for the sustainable creation of corporate value with an eye toward the medium and long term. Our P/B ratio is current below 1x, and we consider this to be more than a market valuation issue; we also see it as a gap between our true value and market expectations for the future stemming from our lack of communication about our growth strategies and other initiatives. To bridge this gap, we must not only achieve the numerical targets, but also provide qualitative explanations,

namely why and how we execute certain strategies. We will continue to use earnings briefings and integrated reports to thoughtfully communicate our strategic rationale and value creation story in addition to the numbers.

As for shareholder returns, we prioritize stable, continuous dividends consistent with our basic stance of providing all shareholders with fair, intrinsic value returns. One effort to accomplish this was shifting the metric for our dividend policy from payout ratio to dividend on equity (DOE) ratio, moving from a profit-linked approach to a capital-linked approach by ensuring stable returns relative to the company's financial base. We are building a mechanism to link corporate growth and shareholder returns over the medium and long term with the aim of achieving a DOE ratio of 4.0% or higher by the fiscal year ending March 2028.

In terms of governance, we have enhanced our corporate structure by implementing a transparent governance framework, including a Board with a majority of external directors and an Audit & Supervisory Committee. We have also voluntarily established a Nomination and Remuneration Committee that, thanks to the involvement of outside directors, ensures the objectivity and soundness of decisions on management team and director appointments, dismissals, and remuneration.

We will maintain our commitment to the essence of value and earnestly work to enhance our corporate value over the medium and long term through dialogue with our shareholders and transparent organizational management.

([p. 24](#) Financial Capital Strategy, [p. 50](#) Corporate Governance)

5 A future pioneered through the supply chain: Sustainability initiatives

The Tobishima Group views advancing sustainability management as a key management issue and has established a Group-wide supply chain management framework accordingly. Centered on the new Sustainability Promotion Department, we have established themes for each process in pursuit of ESG and built a full PDCA cycle covering issue identification, policy and framework development, planning, and execution and checking. We are steadily transitioning into the execution phase as part of our evolution into a sustainable company.

We recognize that taking action to achieve a decarbonized society is an urgent task and have

established CO₂ emission reduction targets and formulated a detailed roadmap. Under Science Based Targets (SBT) certification, we have set Scope 1 and 2 emissions reduction targets of 30% by FY2027 and 42% by FY2030 (compared with FY2020) and are promoting conversions to renewable energy as sources of electricity for all offices Group-wide. We are striving for transparent information disclosure by publishing risk and opportunity scenarios in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

As for Scope 3 emissions, we are targeting reductions of 18% by FY2027 and 25% by FY2030 for CO₂ emissions

Message from the President

across all processes from upstream to downstream, including the manufacturing, transport, use, and demolition of building materials. We are actively implementing measures to achieve these targets, for example, promoting ZEB- and ZEH-compliant and energy-saving construction, engaging in renewable energy businesses, and offering environmentally friendly designs and technical proposals. We are redesigning our supply chain to integrate decarbonization and human rights due diligence.

At Tobishima Corporation, we are contributing to environmental efforts in terms of both carbon storage and ground improvement by introducing carbon stock technologies³ in which we use wood as a countermeasure against weak ground and liquefaction. E&CS implements small- and medium-sized hydropower projects that both revitalize local farming infrastructure and supply renewable energy. Tequanauts contributes to water purification in lakes, dam reservoirs, and reservoirs with underwater

construction technology and proprietary water circulation devices. Kyokuto Construction has used biodegradable hydraulics technology to develop remote, fully automated underwater heavy machinery, both ensuring operational safety and reducing the environmental impact on marine areas.

We will further promote sustainable products and services and develop environmentally friendly technology with our sights set on a circular society and economy characterized by optimal production, optimal consumption, and resource circulation. We are looking to not only reduce environmental impact, but also to build a co-creation supply chain, with the view that resolving social issues is a business opportunity, and achieve a sustainable society while enhancing our corporate value.

(► [p. 36](#) Sustainability, [p. 38](#) Environment, [p. 44](#) Human Rights)

3. Carbon stock technologies: Tobishima's proprietary technologies for sequestering large volumes of lumber for extended periods to reduce CO₂

6 A company is driven by its people: Implementing human capital management

A company's people are collectively the driving force behind its sustainable growth. I believe that to maximize their strengths, it is imperative to build trust between management and employees. The key to building trust is for the company to keep its promises by ensuring fair pay and benefits, defining clear career paths, and consistently offering growth opportunities.

The Tobishima Group is in the process of introducing a talent management system to centralize operation of personnel strategies for the entire Group. The system will enable us to implement succession plans for both engineering and corporate departments focused on preparing people for management roles through our specialist development program, and we are building a system to cultivate everyone's expertise and potential as future management assets.

We have already introduced the COMPANY integrated personnel system and are using it to establish infrastructure for work style reform, for example consolidating and visualizing personnel information, streamlining business processes, and visualizing working hours. Looking ahead, we will set our sights on integrating talent databases across the Group to promote job rotation and career path changes internally as well as throughout the entire Group. With these mechanisms, we will build a model for the coevolution of talent and the Company that will enable

employees to act on their desire for growth and enhance their skills, ultimately improving their wages.

Additionally, a key to our talent strategy is the behavioral philosophy of aligning our knowledge with our actions. This philosophy holds that organizational transformation occurs when people put management philosophies and policies into action rather than simply knowing them. To institutionalize this mindset, we have introduced hybrid quantitative-qualitative evaluation based on behavioral KPIs, awards like the Knowledge-Action Award for exemplary conduct, and an interactive evaluation system with supervisors with the aim of evolving into an organizational culture where actions speak louder than words.

In recruiting, we are moving beyond the conventional approach of hiring many new graduates at the same time in favor of year-round hiring of mid-career individuals and other talent with diverse backgrounds. We believe that people with expertise and initiative will be the core drivers of corporate transformation going forward, regardless of their gender, age, or nationality.

Establishing succession plans is another important topic in human capital management. Succession plans are more than guidelines for selecting replacements; they are long-term strategies for developing management assets and building organizations. By eliminating personal bias from the selection process and choosing from diverse

candidates both within and outside the Company, and through training that fosters management perspectives and experience in the field, we will cultivate next-generation leaders who embody our management philosophy and culture. The Nomination and Remuneration Committee and outside directors are also involved in the selection process; by ensuring highly transparent, objective hiring practices, we fulfill our obligations regarding human capital disclosure.

Beyond this, I offer three key thoughts about succession planning. First, we need people who can grapple with questions that do not have clear answers. Given the uncertain times ahead, we need leaders with the

7 Earning trust for the future: Message to stakeholders

The Innovate the Future Plan outlines the Tobishima Group's vision and path of transformation; it is our blueprint for evolution. In the construction industry—a mature sector—it is now impossible to achieve growth solely by increasing sales in existing businesses. As we face population decline and aging, global environmental changes, and increasingly complex social challenges, we cannot expect to create any kind of future with a business model focused only on continuing to build.

Our transformation is not about changing our business, nor is it an effort to exit the construction industry. It is a practical form of transformation in which we leverage our core strengths—the experience and expertise gained from coordinating the needs of diverse stakeholders into businesses—to discover new markets and applications for our technologies and knowledge. One of these is addressing

flexibility and initiative to create workable answers through their own actions rather than searching for something that already exists. Second, we need people who can unlock others' potential. No matter how talented someone may be, they cannot do it all alone; trust between people strengthens organizations. Third, we need people who can act in ways that inspire others to act. In the years ahead, we will value what people do more than their titles. I believe leaders who earn trust with their actions rather than their words will be the ones who carve out the path of Tobishima's future.

(► [p. 42](#) Human Capital)

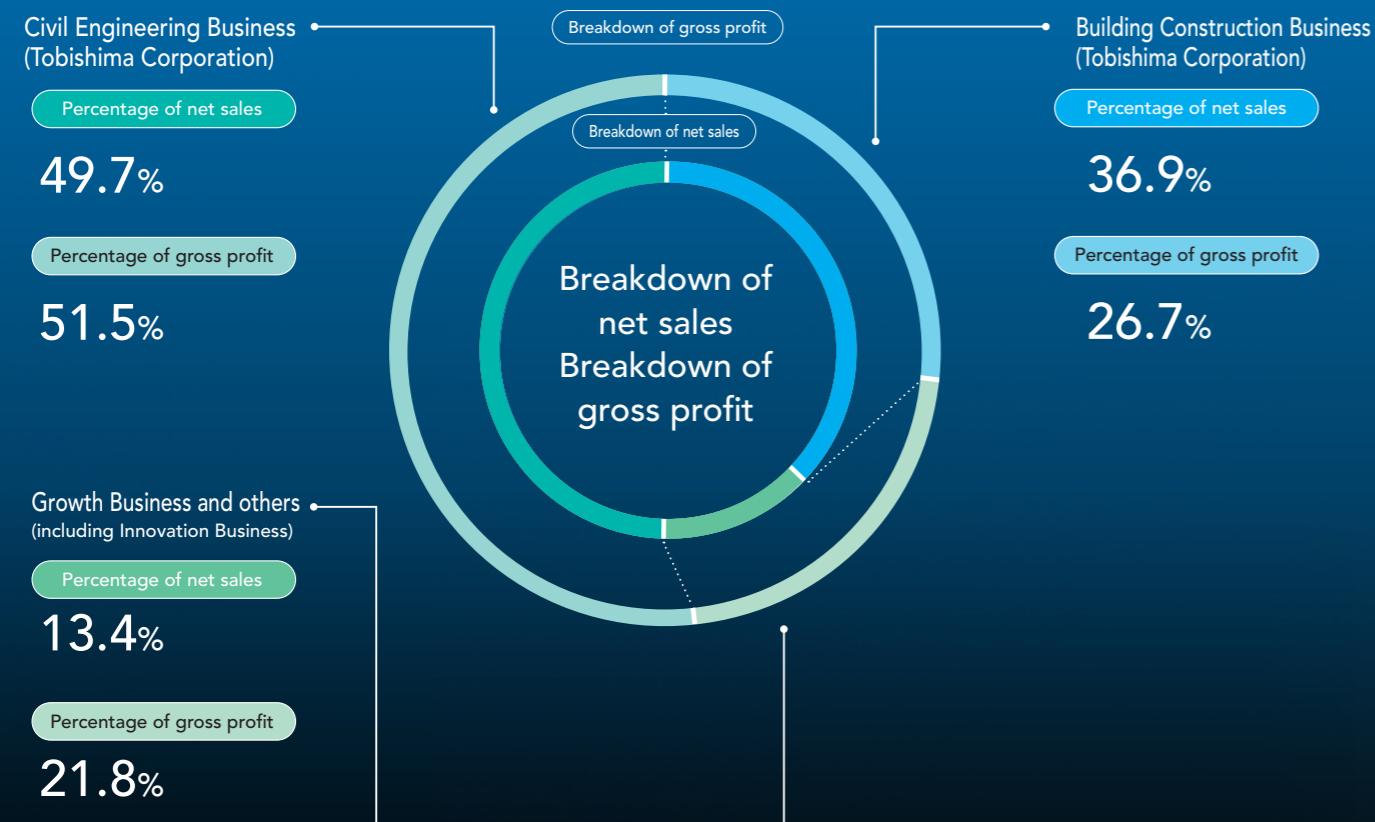
Japan's aging infrastructure, which will require not only repairs, but also strategic redevelopment combining ICT and the pursuit of resilience, and we will be one of the first to develop this market for infrastructure longevity.

To achieve this, we must create a business domain that extends beyond general contracting through cross-sectoral collaboration and evolve into what I call a "smart engineering collective" equipped with digital management skills. Now, as humanity finds itself in an unprecedented period of transformation, we are re-examining our purpose and steadily promoting transformation as a company responsible for the future of society.

We will continue to explore the frontiers and lead the way to the future along with our shareholders and all other stakeholders, and sincerely ask for your continued support toward that end.



At a Glance



Financial information



Net sales

138.2 billion yen



Operating profit

6.4 billion yen



ROE

7.5%

Non-financial information



Number of Group companies

14



Number of employees

1,470



Work engagement deviation score

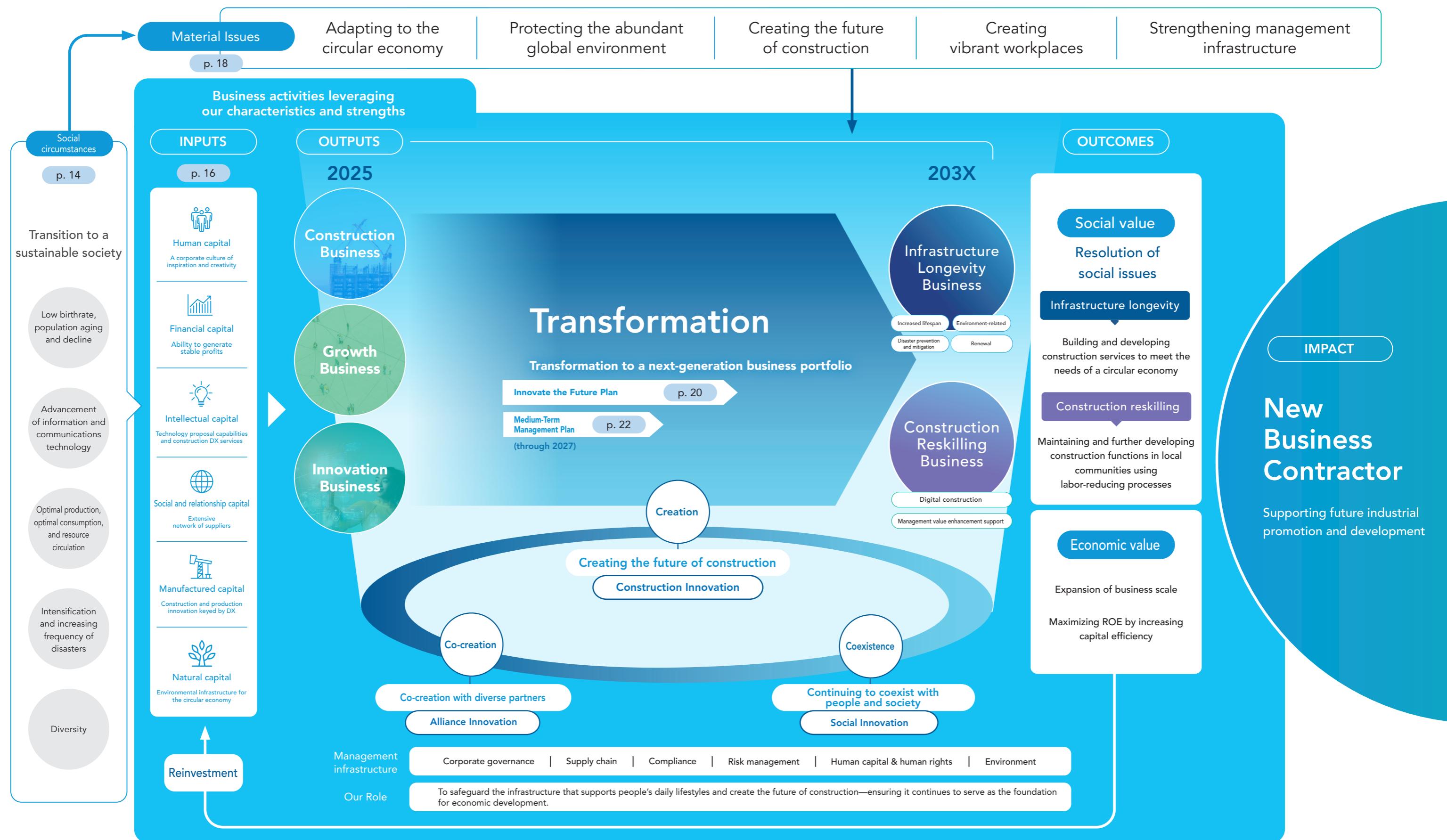
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(All figures from FY2024)

Tobishima Holdings Inc.



Value Creation Process



Our Understanding of the External Environment

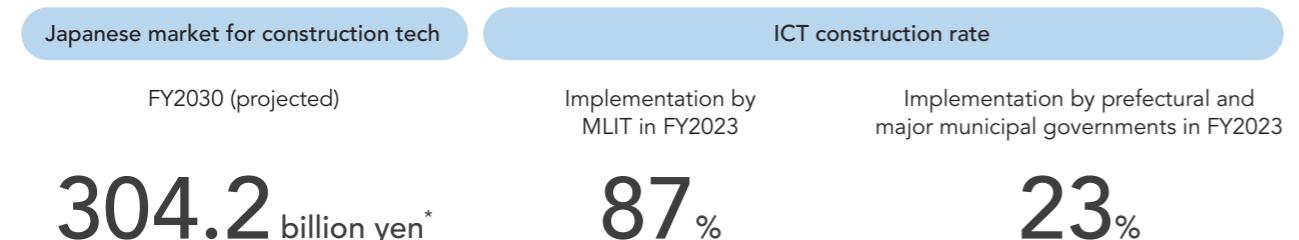
The low birthrate and population aging and decline are substantially transforming the shape of society. At the same time, awareness of sustainability is also growing, specifically for advancing information and communications technology and achieving optimal production, optimal consumption, and resource circulation. Our role is to flexibly adapt to these changes and continue creating the value that society needs.

Low birthrate, population aging and decline



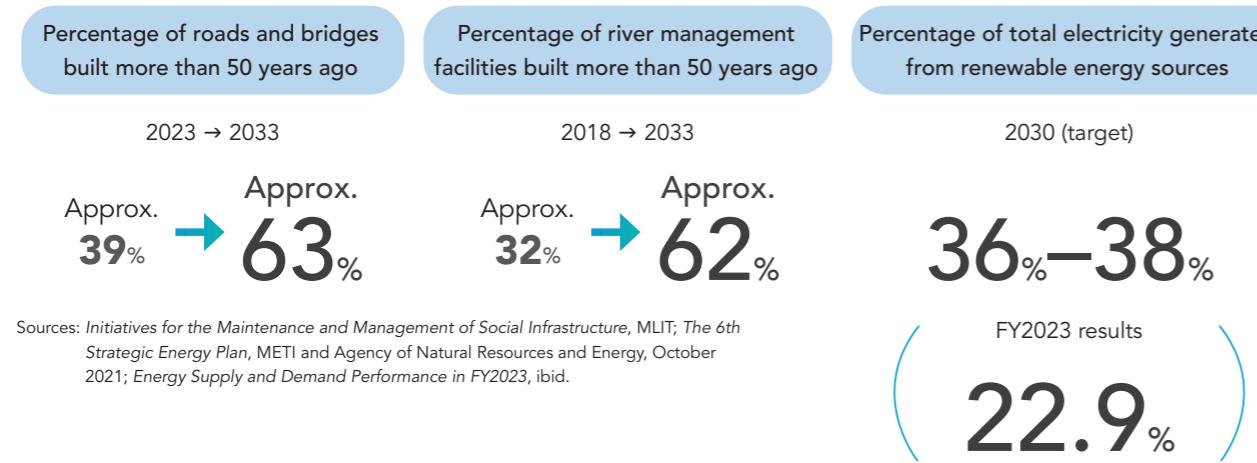
Sources: White Paper on Land, Infrastructure, Transport and Tourism in Japan, 2024, MLIT; Digital Construction Handbook, Japan Federation of Construction Contractors; Projected Number of Construction Engineers and Technicians in 2040, Human Resocia Co., Ltd., 2024

Advancement of information and communications technology



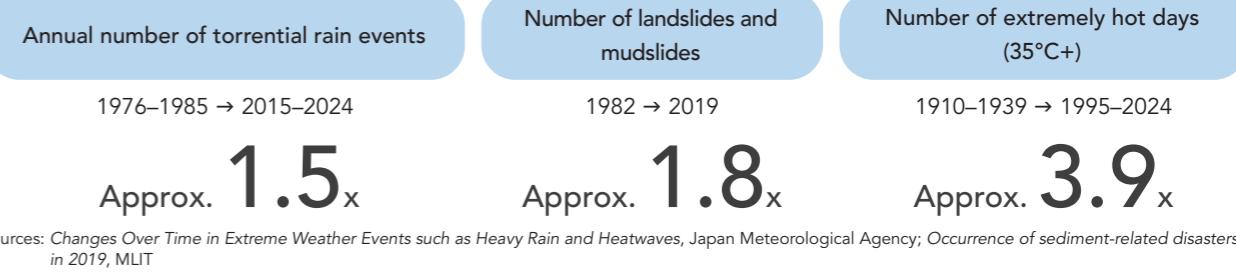
* According to the "Survey of the Construction Tech Market in the Construction Sector" published by Yano Research Institute Ltd. in April 2025, the Japanese market for construction tech is projected to expand from approx. 184.5 billion yen in FY2023 to approx. 304.2 billion yen by FY2030. The "DX White Paper" released by MIC and METI and other publications report that the DX progress rate for the entire construction industry is approx. 11% on average; this indicator suggests substantial potential for construction tech adoption.

Optimal production, optimal consumption, and resource circulation



Sources: Initiatives for the Maintenance and Management of Social Infrastructure, MLIT; The 6th Strategic Energy Plan, METI and Agency of Natural Resources and Energy, October 2021; Energy Supply and Demand Performance in FY2023, ibid.

Intensification and increasing frequency of disasters



Sources: Changes Over Time in Extreme Weather Events such as Heavy Rain and Heatwaves, Japan Meteorological Agency; Occurrence of sediment-related disasters in 2019, MLIT

Diversity



Sources: "Percentage of women among workers," Digital Construction Handbook, Japan Federation of Construction Contractors; Survey on the Employment Status of Foreign Workers in 2024, MLIT (number of foreign workers by industry and residence status)

i-Construction2.0

i-Construction2.0 is a new initiative formulated by MLIT in April 2024 with the aim of labor saving, automation, and productivity improvement at construction sites. It is an advanced iteration of i-Construction (launched in 2016), and contains the following three fundamental goals:

- Automation of construction work
- Automation of data linkage
- Automation of construction management

Accomplishing these goals should bring many benefits, including shortening construction schedules, mitigating risks in the field, reducing personnel costs, supporting the transfer of skills, and accommodating diverse work styles.

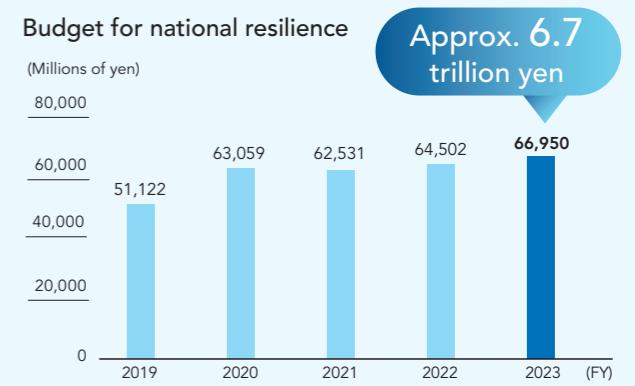
Working-age population

FY2040
Approx. 20% reduction
(vs. FY2020)

Source: Population Projections for Japan (Nationwide), National Institute of Population and Social Security Research
Goal: Labor saving of 30% (1.5x productivity improvement) at construction sites by FY2040

Fundamental Plan for National Resilience

Public works-related spending remains high, driven by the promotion of the Fundamental Plan for National Resilience. From approx. 5.1 trillion yen in FY2019, it reached approx. 6.7 trillion yen in FY2023 (including the Digital Agency portion) due to increased demand for disaster response and updating of aging infrastructure. Since then, spending has generally stayed in the low 6 trillion-yen range, with the focus on disaster risk reduction and mitigation and digital utilization. National resilience-related investments are expected to be secured in FY2025 as well, and the government has announced a project scale exceeding 20 trillion yen over five years starting in FY2026, with plans for stable, sustained expansion.



Sources: Overview of the Budget Proposal Related to National Resilience, National Resilience Promotion Office, Cabinet Secretariat; Overview of the Supplementary Budget Proposal Related to National Resilience, ibid., FY2019–2023

Initiatives to Strengthen Management Capital

The Group aims to sustainably enhance its corporate value by engaging in business activities that resolve social issues and create social and economic value. The driving force for these efforts is diverse management capital.

On this page, we provide status updates on the various forms of capital that underpin our value creation story and explain our strengths, characteristics, and specific efforts to maximize value.

			Story of Our Enhanced Corporate Value	Specific Strategies for Achieving Our Vision	Strategies in Each Business Field for Achieving Our Vision	Strengthening Our Foundation for Value Creation to Achieve Our Vision		
			Human Capital	Financial Capital	Intellectual Capital	Social and Relationship Capital	Manufactured Capital	Natural Capital
Aim	Create sustainable corporate value by building a model for the coevolution of talent and the Company to create a feedback loop of individual growth and organizational evolution	Strengthen our corporate structure and establish infrastructure for sustainable growth with optimal capital allocation centered on improving capital efficiency	Use our innovation mindset to drive the advancement of creativity and organizational intellectual productivity and co-create with people inside and outside the Company to foster and pass down a corporate culture that supports pioneering	Cultivate a corporate structure that flexibly responds to social issues by basing corporate activities on coexistence with society and building sustainable relationships with local communities, people, and the environment	Contribute to creating and sustainably maintaining public infrastructure by advancing construction functions, promoting construction DX, and building a sustainable supply chain	Promote corporate activities focused on the sustainability of environmental capital, including addressing climate change, establishing a circular economy, protecting biodiversity, and effectively using water resources		
Status update, strengths, and characteristics	Number of employees (consolidated): 1,470 The fusion of diverse talent as a platform and professionals driving distinctive businesses is the driving force for sustainable growth toward the future.	Equity ratio: 32.0% With a sound financial structure that ensures management stability while enabling steady execution of growth investments for the future, we aim to achieve sustainable growth for the entire Group and enhance our corporate value.	Research and development costs: 679 million yen Focusing on civil engineering, construction, and the environment, we engage in research and development on innovation in construction production systems, maintenance of public infrastructure facilities, well-being, national land conservation, and disaster risk reduction and mitigation.	Regional contribution activities: 5,223 We proactively communicate with members of local communities and constantly engage in social contribution activities with the aim of building trust with local communities.	Property, plant, and equipment turnover rate: 7.5x We take steps to improve asset efficiency through off-balance-sheet asset management, primarily by procuring construction machinery and heavy equipment through the supply chain and leasing offices and facilities.	Energy consumption: 158 GWh We strive to build a construction system that reduces environmental impact, for example by proactively introducing hybrid heavy machinery and fuel-efficient construction equipment, rigorously restricting idling of motor vehicles, and using high-efficiency lighting.		
	Work engagement deviation score: 50.1 (FY2024) We practice people-centered management, supporting employees' fulfillment and growth to enhance our competitiveness and sustainability.	Return on equity: 7.5% By rigorously prioritizing profitability when deciding which orders to accept and having highly capital-efficient companies participate in the Group, we pursue maximized returns on invested capital and aim to strengthen our earnings base.	Number of patents held: 153 We continuously create unique solutions, including developing and marketing construction methods and techniques that address social needs and challenges in construction.	Engineer dispatches to the Antarctic Research Expedition: 31 We use our sophisticated engineering expertise and accurate judgment cultivated over many years to help promote Antarctic research and observation by advancing infrastructure development in the highly challenging environment of Showa Station.	Kyoei-kai member companies: 288 Our outstanding, flexible supply chain is an essential manufacturing asset for the Company, and has enabled us to build a robust construction system capable of responding swiftly to ever-changing construction needs.	Construction waste recycling rate: 99.8% Given the many different types of construction waste, we sort, collect, and dispose of it properly to reduce environmental impact through recycling.		
	Diversity rate: 26.6% We take steps to foster and institutionalize a corporate culture that promotes diversity by respecting each employee's individuality and providing environments where they can demonstrate their abilities to the fullest.	Total assets: 157.1 billion yen We evaluate the profitability and growth potential of our assets to ensure effective capital utilization, and aim to sustainably enhance our corporate value while maintaining financial soundness.	Qualifications held: 4,223 We employ many engineers with advanced expertise across diverse fields, which has enabled us to build an engineering system capable of flexibly and accurately accommodating highly challenging projects.	Employment rate of people with disabilities: 2.59% (as of June 2025) We view the employment and active participation of people with disabilities not only as a corporate social responsibility, but also as an essential component of social and relationship capital for building trust with local communities.	Supply chain DD sales coverage rate: 14.3% We implement supply chain due diligence to prevent risks involving human rights, the environment, and more within our transaction systems and achieve mutual prosperity through legal compliance.	Environmental conservation costs: 2.424 billion yen As a business intertwined with a broad range of different local communities and natural environments, we recognize that managing the cost-effectiveness of conservation efforts is essential to fulfilling our responsibility for a sustainable society.		
Strengthening initiatives	<ul style="list-style-type: none"> To maximize synergy throughout the Group, we aim to circulate knowledge and skills through personnel exchanges and mutual dispatch of expert talent between Group companies. We will promote an integrated human resources strategy aimed at optimal talent allocation and career development by establishing common personnel systems and evaluation criteria. We will provide early growth opportunities through consistent career support to everyone from younger employees to management personnel, creating workplaces where everyone can demonstrate their abilities. 	<ul style="list-style-type: none"> We will take steps to maximize capital efficiency by enhancing cash flow management and consolidating sources of funding at Group companies and implementing centralized capital management and strategic utilization across the Group. We will improve return on capital by maximizing generated profits by further strengthening hurdle rate management and building a robust financial base by pursuing an optimal capital structure. We will engage in management practices that enhance asset liquidity through concrete measures, namely reviewing asset composition under a policy of eliminating cross-shareholdings and promoting the sale of idle real estate. 	<ul style="list-style-type: none"> To enhance our engineering expertise, we will blend the latest knowledge with challenges in construction through joint research and technology development with multiple universities, including a comprehensive collaboration agreement with Kyoto University. To differentiate our business, we will acquire and utilize patents and utility models and otherwise engage in strategic intellectual property management to protect and cultivate our engineering expertise as an intellectual asset and return the benefits to society. We will take steps to accumulate and pass down time-tested experience and insights from skilled engineers, promote the transition to mass construction data and expertise, and drive the elevation of individual tacit knowledge into organizational strength. 	<ul style="list-style-type: none"> We will consider the Group's field to extend beyond construction and business areas into co-creation spaces where value is created together with communities to further strengthen collaboration with local residents and governments. We will consider initiatives for public infrastructure development, utilizing PFI and other public-private partnerships and collaborating with local governments and community organizations to incorporate resident feedback into designs and construction work. As a vital industry undergirding local communities, particularly in island regions, we will fulfill multifaceted roles, including improving living environments, responding to disasters, and creating jobs. 	<ul style="list-style-type: none"> With the new lease accounting standards in effect, we will take steps to improve asset efficiency and cost competitiveness by optimizing lease agreements and using digital management to raise occupancy rates. We will build long-term, sustainable partnerships by promoting mutual prosperity across the entire supply chain and fostering new collaborations beyond scale and affiliation. Given that insufficient awareness among stakeholders is the primary cause of high-risk factors identified through due diligence, we will mitigate risks by formulating procurement guidelines and explicitly requiring compliance in contracts. 	<ul style="list-style-type: none"> We will reduce indirect (Scope 2) greenhouse gas emissions by introducing CO₂-free electricity from renewable energy sources. We will contribute to building a sustainable society through both resource circulation and infrastructure rehabilitation, and reduce the volume of waste and take action to achieve a circular economy. We will strengthen collaboration among Group companies operating near or on inland and coastal waters, promote initiatives to conserve water quality, and contribute to maintaining sustainable aquatic environments. 		

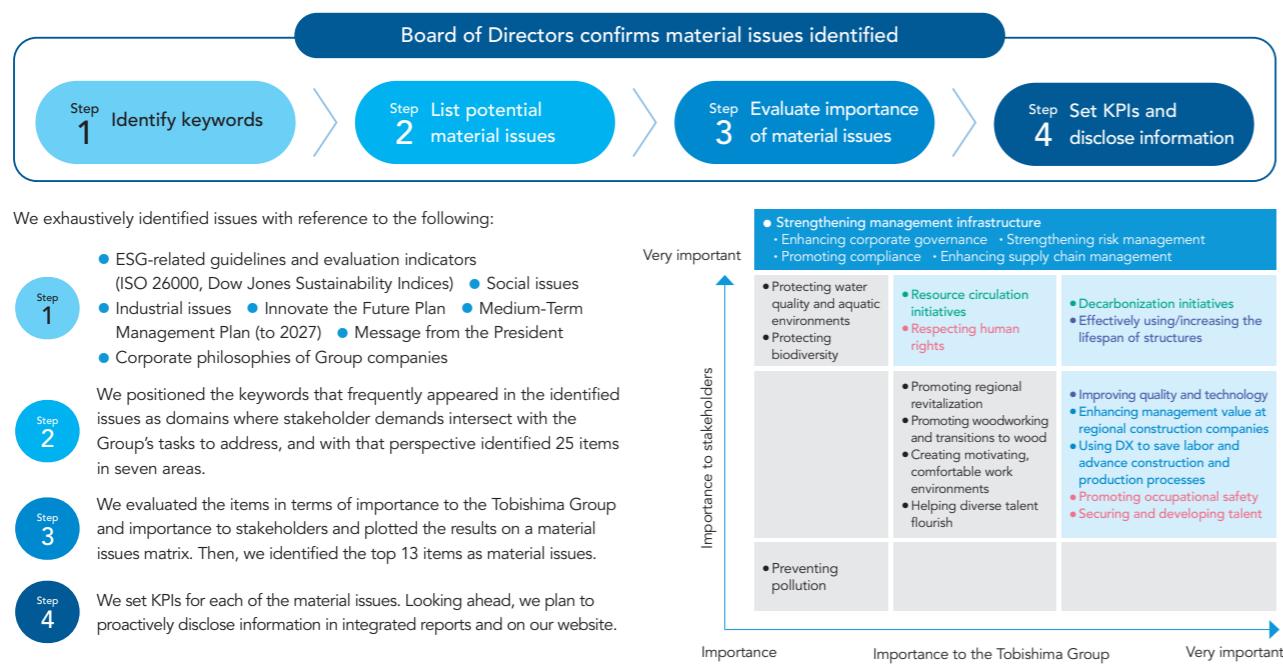
(All figures from FY2024 (as of March 31, 2025) unless otherwise noted)

Material Issues

We formulated a new Tobishima Group Basic Policy on Sustainability under which each Group company promotes initiatives for sustainability. Additionally, to realize our vision to become a New Business Contractor, we identified material issues—key issues to address over the long term based on the Group's overall efforts and analysis of circumstances—set KPIs to visualize our progress on them, and are working toward resolving them and achieving our goals.



Process of identifying material issues



Reasoning behind material issues of Tobishima Holdings

Reasoning		
E Adapting to the circular economy	Effectively using/increasing the lifespan of structures	We anticipate shifting the basis of infrastructure construction from the scrap-and-build approach to the circular economy to contribute to the transition to a sustainable society.
	Improving quality and technology	Given that quality and technology are the bedrock of corporate management, we aim to further improve them so that we can continue to meet the increasingly diverse and advanced needs of customers.
E Protecting the abundant global environment	Decarbonization initiatives	Given that using heavy machinery, concrete, and other construction machinery and materials increases CO ₂ emissions—a characteristic of construction, the Group's core business—we will take proactive steps to reduce emissions.
	Resource circulation initiatives	As attention shifts from a linear economy to a circular economy, the Group must join others in working under the three principles of preventing the generation of waste and pollution, continuing to circulate high-quality products and materials, and rehabilitating nature.
S Creating the future of construction	Saving labor and advancing construction and production processes	As the working population declines, we must make efforts to reduce the expertise required for operations with simplified production processes structured to pursue efficiency rather than outdated aims.
	Enhancing management value at regional construction companies	We will contribute to regional revitalization by providing support including DX services, construction technology, human resources, and funding to companies facing issues such as lack of successors or human resources, with the goal of helping to maintain regional construction companies by providing essential functions for preserving the safety and security of local communities.
S Creating vibrant workplaces	Respecting human rights	Amid mounting interest in harassment and other human rights issues, we must strengthen the Tobishima Group's response in this area.
	Promoting occupational safety	Given industrial accidents involving skilled workers, who are older and increasingly multinational, in construction, the Group's core business, efforts to promote mental health and other aspects of well-being among Group employees are necessary.
G Strengthening management infrastructure	Employing diverse human resources and providing effective workplaces	We must maximize synergy by revitalizing personnel exchanges within the Group to achieve sustainable growth for both Group companies and employees.
	Enhancing corporate governance	Group companies will continue to address the key corporate management issues of governance, risk management, and compliance.
G Strengthening management infrastructure	Strengthening risk management	
	Promoting compliance	
G Strengthening management infrastructure	Enhancing supply chain management	Efforts to accommodate social demand for ESG and other corporate actions are required not only of the Group, but also throughout the supply chain.

Material issues and KPIs

Material issue	Our goals	Indicator	Target
Effectively using/increasing the lifespan of structures	Net sales for renewal work	FY2027	30.0 billion yen or more
Adapting to the circular economy 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION	Percentage of construction work satisfying or exceeding the standard of excellence (Scope: Construction for clients capable of sharing feedback)	FY2027	70% or higher
Improving quality and technology	Percentage of job satisfaction survey scores of 90 points or higher	FY2027	100%
Protecting the abundant global environment 7 INCLUSIVE AND CLEAN ENERGY 12 INDUSTRIAL, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION	Scope 1 + 2 emissions	FY2027	-30% compared with FY2020
Decarbonization initiatives	Scope 3 emissions	FY2027	-18% compared with FY2020
Resource circulation initiatives	Construction waste recycling rate	Every fiscal year	97% or higher
Creating the future of construction 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRIAL, INNOVATION AND INFRASTRUCTURE	Working hour compression compared with FY2023	FY2027	-8%
Enhancing management value at regional construction companies	Number of companies deploying DX tools	FY2027	100
Respecting human rights	Rate of participation in human rights awareness training	Every fiscal year	100%
Creating vibrant workplaces 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 INCLUSIVE AND CLEAN ENERGY	Incidence (revise every fiscal year)	FY2025	0.50 or lower
Promoting occupational safety	Severity (revise every fiscal year)	FY2025	0.05 or lower
Employing diverse human resources and providing effective workplaces 10 INCLUSIVE AND CLEAN ENERGY	Number of fatal incidents	Every fiscal year	0
Develop talent to help us become a corporate group that supports future industrial promotion and development. These outstanding professionals should have advanced expertise; broad insight; a tireless spirit of innovation and pioneering that refuses to be satisfied with the status quo; and the ability to proactively learn new things, boldly propose new ideas, and think and act independently. Promote and embed a corporate culture that values diversity by respecting individuality and creating environments where employees can fully utilize their abilities.	Work engagement ¹ deviation score	FY2027	51 or higher
Enhancing corporate governance	Diversity rate ²	FY2027	30% or higher
Strengthening management infrastructure 16 PEACE, JUSTICE AND INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS	Instances of dialogue with stakeholders	FY2027	30 or more
Strengthening risk management	Number of major incidents requiring timely disclosure	Every fiscal year	0
Promoting compliance	Rate of participation in information security training	Every fiscal year	100%
Enhancing supply chain management	Rate of participation in compliance training	Every fiscal year	100%
	Supplier survey coverage rate	FY2027	50%

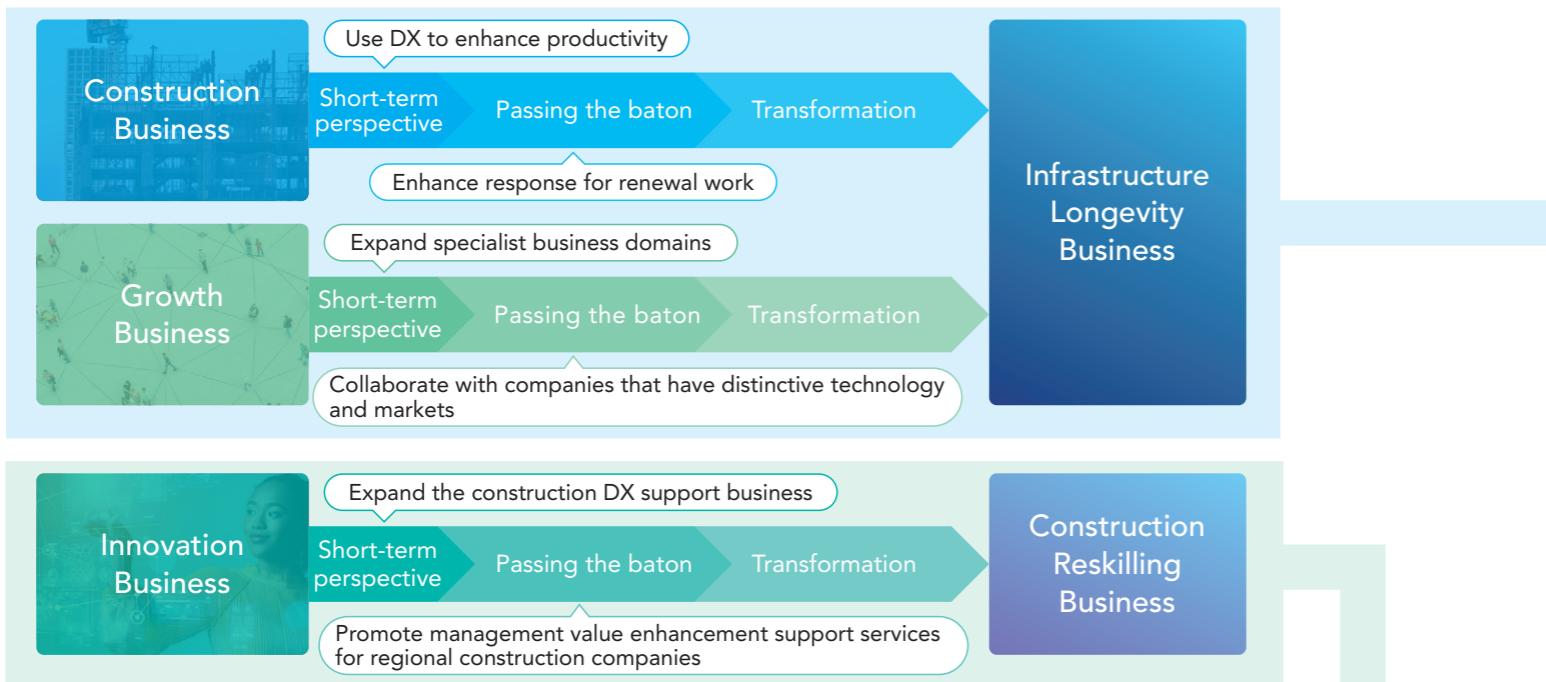
1. Work engagement calculation method: Convert to a deviation score based on questions and indicators drafted by an outside institution

2. Diversity rate: Percentage of women, mid-career hires, and foreign nationals among employees

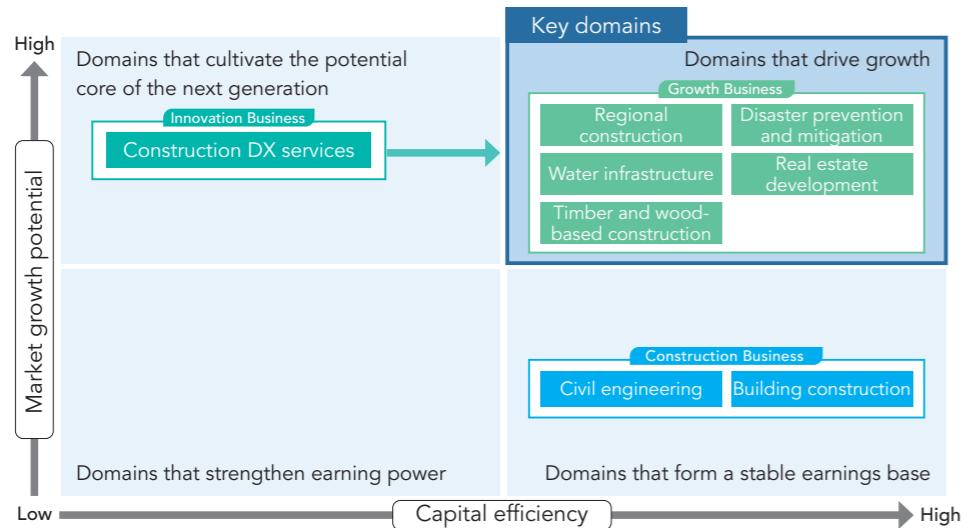
Innovate the Future Plan

Innovate the Future Plan: Process of Transformation

In this process of transformation, we will apply three approaches: the short-term perspective, the long-term perspective, and "Passing the baton" to connect the short term and long term.



Position each business in the business portfolio



While continuing to expand and enhance the profitability of our existing Construction Business by resolving immediate issues, we will strive to improve our corporate value for the future and invest in sustainable growth in the Growth and Innovation businesses, which we view as the potential core of the next generation.

Story of Our Enhanced Corporate Value

Specific Strategies for Achieving Our Vision

Strategies in Each Business Field for Achieving Our Vision

Strengthening Our Foundation for Value Creation to Achieve Our Vision

Data Section

Growth Strategies by Business

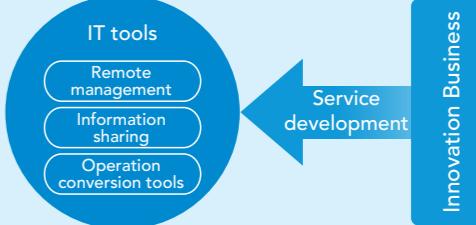
Construction Business p. 28

Short-term perspective

- Cultivate the construction business (promote labor saving using DX)
- Promote labor saving in construction processes by reviewing operations using digital technology



X



* Field Success Center (FSC): A centralized site management system for enhancing labor savings, quality, safety, and productivity at construction sites

Passing the baton

- Strengthen response to the renewal market, looking ahead to the transition to a circular economy
- Promote differentiation from competition through technological advancement
- Increase cost competitiveness of renewal work

Growth Business p. 30

Short-term perspective

- Expand Growth Business domains



Passing the baton

- Promote partnerships with companies that possess infrastructure longevity technologies (Technology development/human resource development/public-private partnerships)

Expansion of new domains and technology development
Lifespan extension/environmental domain/disaster prevention and mitigation

Innovation Business p. 34

Short-term perspective

- Expansion of construction DX services



Passing the baton

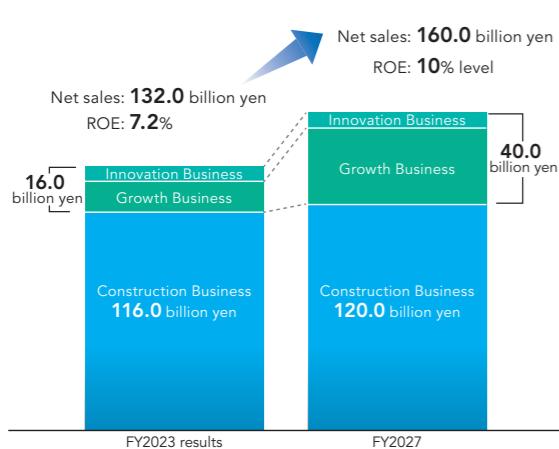
- Expand management value enhancement support services that leverage construction DX support services for regional construction companies

Expansion of Construction Value Enhancement Support Services
Support for regional construction companies
• Implementation of DX support system
• Construction technology support including personnel exchange
• Capital alliances
• Provision of funding and other assistance

Medium-Term Management Plan: Overview and Progress

Overview of Medium-Term Management Plan (to 2027)

To enhance our corporate value and achieve sustainable growth, we formulated the Medium-Term Management Plan (to 2027) for the Group. Leveraging our holding company structure, we will review our business portfolio in terms of capital efficiency, business growth, and pursuing sustainability, and strengthen our earnings base through growth investments and corporate alliances. By FY2027, we will invest 20.0 billion yen in growth strategies and achieve consolidated net sales of 160.0 billion yen.



	FY2024 results	FY2025 forecast	FY2027 target
Net sales	138.2	140.0	160.0
Operating profit	6.4	6.5	9.6
Ordinary profit	5.7	5.8	8.1
Profit	3.7	3.9	5.5
ROE	7.5%	—	10.0% or higher

(Billions of yen)

Action plan	Targets (to FY2027) and measures	KPIs (FY2027)
1 Strengthen earnings base p. 20	Target (1) Business scale: 160.0 billion yen (2) Strategic investment: 20.0 billion yen (Growth Business: 15.0 billion yen; Innovation Business: 5.0 billion yen) Strategy Create new businesses through investments for growth and the expansion of corporate alliances	<ul style="list-style-type: none"> Reduce total annual work hours by 8% compared with FY2023 Business scale of 160.0 billion yen Strategic investment of 20.0 billion yen (three-year total) Ongoing renewal work comprising 40% or more of the construction business
2 Increase capital efficiency p. 24, p. 53	Target Restructure investment flows, targeting ROE at the 10% level Strategy Reform management processes based on cost of capital	<ul style="list-style-type: none"> ROE: 10% or higher Reduce cross-shareholdings to zero
3 Restructure the supply chain p. 36	Target Set KPIs; develop and operate a supply chain management system Strategy Implement supply chain management with a view to the circular economy	<ul style="list-style-type: none"> Reduce GHG emissions Scope 1 & 2: -30% Scope 3: -18% (vs. FY2020) Implementation rate of human rights impact assessment within the Group: 100% Investment in technology development for the circular economy: 500 million yen Formulate and begin applying supply chain management policy
4 Transform our corporate culture and redesign our human resources strategy p. 42	Target Creating an Organization and Culture that Generate Comprehensive Synergy between the Company and Individuals Strategy Centralize operation of personnel strategies for the entire Group by introducing a talent management system	<ul style="list-style-type: none"> Work engagement deviation score: 51 or higher Diversity rate: 30% or higher
5 Enhance governance p. 50	Target Increase transparency in management decisions and strengthen sustainable management Strategy Complete the transition to becoming a holding company and a company with an audit & supervisory committee	<ul style="list-style-type: none"> Investor meetings: 10 times/year
6 Stable returns to shareholders p. 24	Target DOE ratio: 4% or higher Strategy Stable returns to shareholders based on DOE ratio	<ul style="list-style-type: none"> DOE ratio: 4% or higher



① Strengthen earnings base

- Create new businesses through investments for growth and expand corporate alliances to achieve the Group business scale target of 160.0 billion yen by FY2027.
- We will proactively use M&As to drive growth investments with the aim of making 15.0 billion yen and 5.0 billion yen of strategic investments in new growth and innovation businesses, respectively, by FY2027.



Example of strategic investment

To expand the underwater construction domain, we made Kyokuto Construction—a company with specialized technology including proprietary technology for underwater civil engineering work and underwater machinery—into a Group company.

p. 32



③ Restructure the supply chain

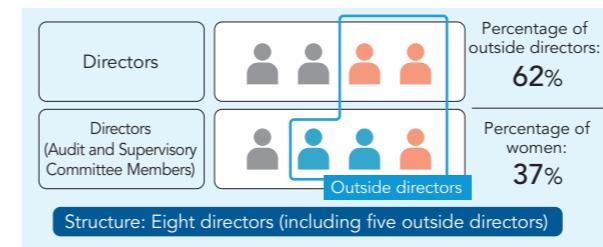
- As a supply chain management practice, we formulated GHG reduction targets for each process of our corporate activities and a roadmap for achieving them.
- In preparation for the circular economy that many envision for the future, we will build a supply chain that shows consideration for the environment and society through the development of sustainable products and services and of technologies that reduce environmental impact.

Reduction of Scope 1 & 2 GHG emissions



⑤ Enhance governance

- Upon completing the transition to becoming a holding company, we transitioned from a Company with an Audit & Supervisory Board to a company with an audit & supervisory committee.
- By transitioning to a company with an audit & supervisory committee, we strengthened our capacity to supervise directors' and executive officers' execution of duties, the monitoring structure of our internal controls, and governance to ensure that our management focuses on capital efficiency in principle and in practice.
- Outside directors comprise 62% of our Board of Directors, and 37% of our directors are women.



② Increase capital efficiency

- Target: Raise ROE to 10% or higher by FY2027.
- Recognizing that facing stock market expectations for management that is conscious of the cost of capital and share price head on will help us enhance our long-term corporate value, we will use ROE as an indicator of capital efficiency for all of the Group's business initiatives and use our findings to improve our P/B ratio.

ROE in recent years



④ Transform our corporate culture and redesign our human resources strategy

- We will centralize operation of personnel strategies for the entire Group by building a talent management system by FY2027.
- We will implement succession plans for promoting people to management positions and set goals and invest in development based on employees' expertise. We will also conduct job rotations across departments and between Group companies to provide opportunities for individuals to craft new careers and tackle challenges.

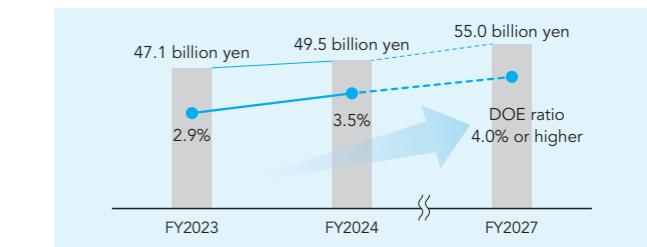
Work engagement deviation score in recent years



⑥ Stable returns to shareholders

- The return of profits to our shareholders is an important management priority. Accordingly, to better ensure stable dividends, we changed our dividend policy from the previous policy based on dividend payout ratio of single-year profits to the new policy based on the dividend on equity (DOE) ratio.
- By linking medium- and long-term corporate growth to dividends, we will provide stable shareholder returns that are not subject to short-term fluctuations in profit.

Shareholders' equity and DOE ratio



Financial Capital Strategy

Increasing capital efficiency and implementing management based on cost of capital

- In pursuit of increasing capital efficiency and implementing management based on cost of capital, we will assume a cost of shareholders' equity of 6%–7% and achieve an ROE of 10% or higher by the fiscal year ending March 2028 with the aim of securing an equity spread of 3%–4% or higher.
- We calculate the cost of shareholders' equity based primarily on a capital asset pricing model (CAPM) and interviews with financial institutions. Our policy also calls for us to continuously monitor the proper level through dialogue with investors and reflect our findings in management decisions.
- To implement management based on cost of capital, we will use ROE as an indicator of capital efficiency for all of the Group's business initiatives and make investment decisions and decide on projects to undertake based on return on invested capital (ROIC).

Internal management for enhancing our corporate value

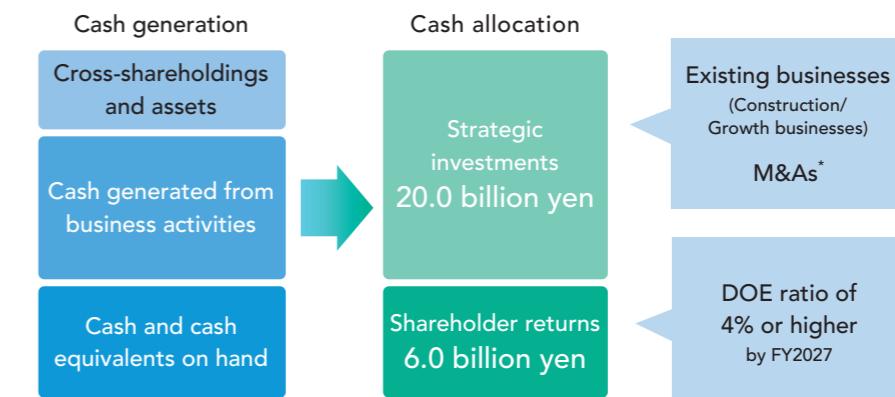
We will strive to strengthen our earning power and financial base in addition to promoting human capital management, strengthening investor and shareholder relations activities, promoting sustainability management, and otherwise enhancing non-financial value to comprehensively enhance our corporate value.



Cash allocation

By March 2028, we will invest cash from three sources—cash generated by revising cross-shareholdings and assets, new cash acquired from business activities, and cash and cash equivalents on hand—into existing businesses (Construction and Growth businesses) and M&As, and then allocate the cash to shareholder returns accordingly.

Notably, our considerations for M&As will include using interest-bearing debt, depending on the circumstances.



* Considerations for M&As to include using interest-bearing debt, depending on the circumstances

Reduction of Cross-Shareholdings

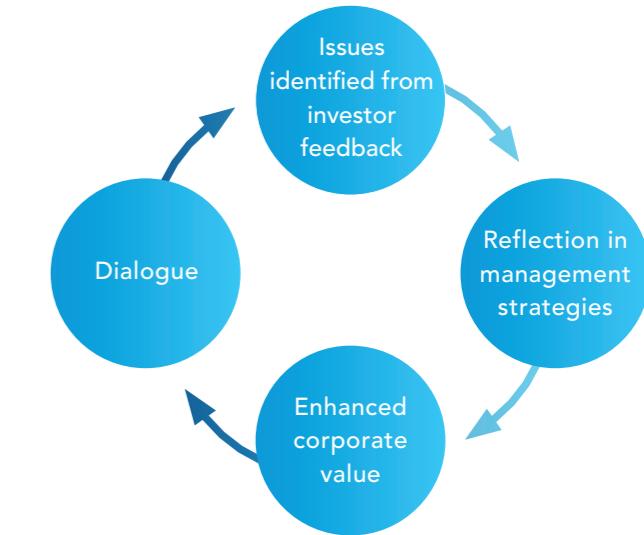
We plan to reduce cross-shareholdings to zero by FY2027. To improve capital efficiency, we will revise our assets to ensure cash flow and thereby improve the cost of capital.

Shareholder returns

We view returning profits to our shareholders as a key management issue. Our basic policy is to strive to enhance capital efficiency and shareholder returns while providing stable shareholder returns with a balanced approach that also considers investments for growth to increase corporate value and financial soundness. Specifically, we use the dividend on equity (DOE) ratio as the dividend indicator, and will provide stable dividends to shareholders in pursuit of the Medium-Term Management Plan goal to achieve a DOE ratio of 4.0% or higher by FY2027.

Reflection of dialogue with markets in management strategies

We consider dialogue with our shareholders and investors to be a key element of our management and are taking steps to strengthen investor and shareholder relations activities. Our meetings with multiple investors were valuable opportunities to learn their understanding of our business and their opinions about our disclosures. Their helpful feedback and requests in these meetings will be reported and discussed repeatedly at meetings of the Management Committee and the Board of Directors and reflected in future management strategies.

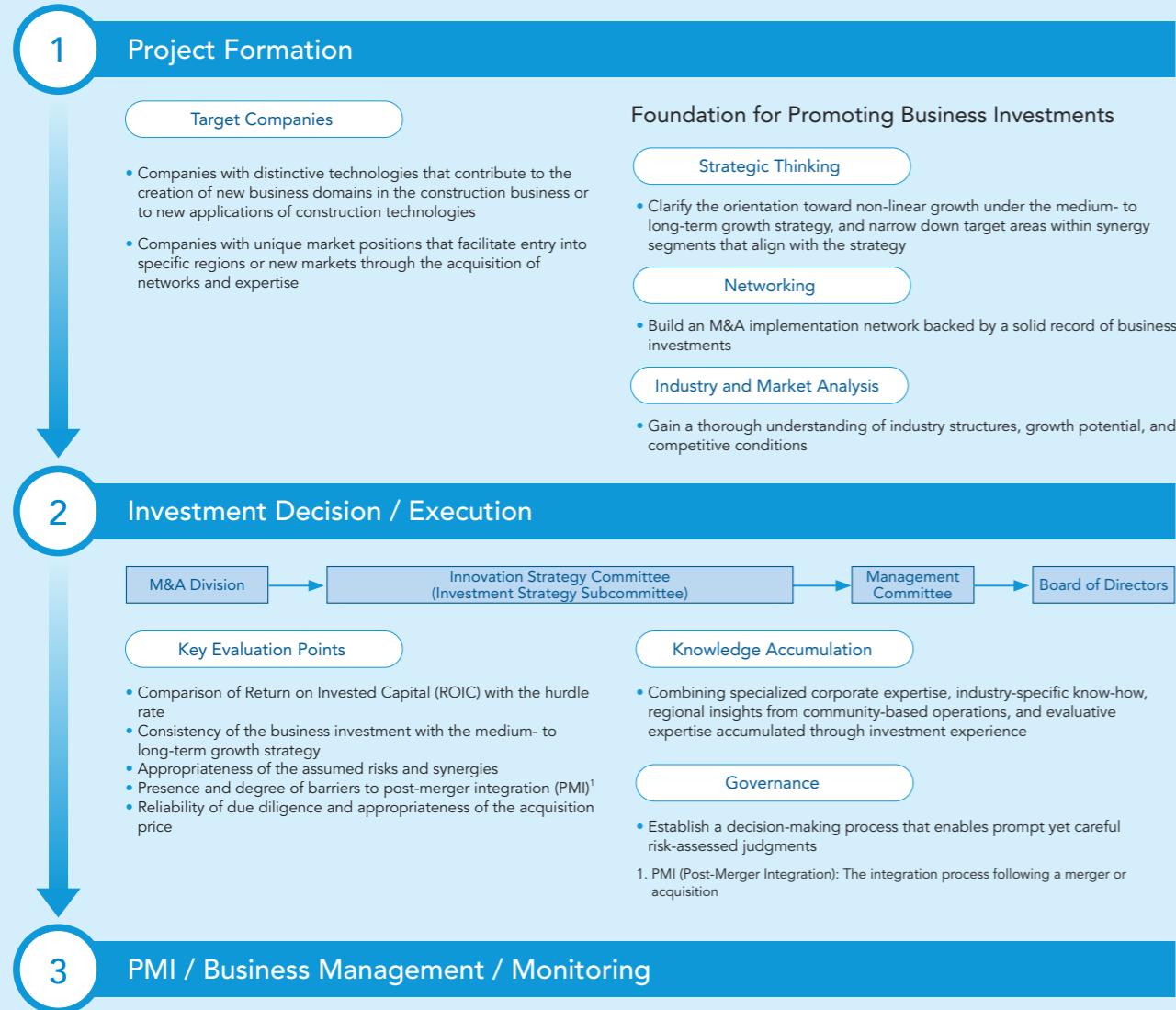


Business Investment Process

Business Investment Policy

At our company, we will actively utilize mergers and acquisitions (M&A) not merely as a means of expanding scale, but as a strategic tool for securing access to key technologies, markets, and the reconstruction of supply chains, which are the main drivers of our growth. Through collaboration with companies that possess distinctive technologies or unique market positions, we aim to incorporate new networks and expertise, generate innovation through integration with existing businesses, and realize our vision of becoming a new form of general contractor with expanded functions.

Business Investment Process



Examples of Value Creation

Case 1 Became a consolidated subsidiary in 2017 Sugita Construction Corporation

1 Project Formation

Key Points

- A construction company based in Chiba Prefecture with an exclusive business base in the special region of the Ogasawara Islands (remote islands)
- Maintains concrete plants on both Chichijima and Hahajima Islands, securing a competitive advantage on the remote islands
- No successor in management, raising concerns about the company's sustainability

Expected Synergies

- Development of a new market in the Ogasawara Islands
- Expansion and strengthening of operational functions in the Chiba area
- Contribution to regional revitalization through collaboration with regional construction companies

Industry and Market Analysis

- Under the Ogasawara Islands Development Plan, formulated in line with the Basic Policy for Remote Island Revitalization, concentrated infrastructure investment is anticipated.

2 Investment Decision / Execution

Investment Decision

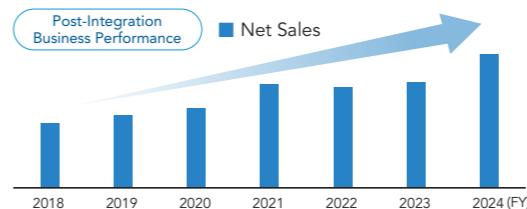
- Request for consideration from M&A intermediary company
- Responsible department: M&A review / top management meeting
- Management Committee / Board of Directors (Conclusion of Basic Agreement)
- Conclusion of Basic Agreement

- The company has secured a foundational market base in the Ogasawara Islands, and stable sales and profits are expected, contributing to consolidated performance.
- The investment is aligned with the management strategy set forth in the Medium-Term Management Plan, and expected synergies are anticipated.
- The company's financial condition and the assumed acquisition price are considered to meet our investment criteria.

3 PMI / Business Management / Monitoring

Value Enhancement

- Dispatch of executives and auditors
- Providing of management guidance and administrative support
- Joint recruitment activities across the Group
- Participation in large-scale construction projects through formation of joint ventures (JVs) with Tobishima Corporation
- Enhancement of core values such as technology, quality, and safety through the dispatch of engineers from Tobishima Corporation
- Support for digital transformation (DX) implementation provided by Axisware, Inc.
- Expansion into marine and underwater domains through Group collaboration with Tequanauts Co., Ltd. and Kyukuto Construction Co., Ltd.
- Improvement of internal control standards through the adoption of Group governance



Case 2 Became a consolidated subsidiary in 2018 Tequanauts Co., Ltd.

1 Project Formation

Key Points

- Engaged mainly in diving operations, boasting top-tier performance in inland waters
- Possesses unique water-quality conservation technology and holds an exclusive business base
- Has received orders from our company and is highly regarded for its technical capabilities and management structure
- No successor in management, raising concerns about the company's sustainability

Expected Synergies

- Revitalization of infrastructure renewal initiatives through Group integration in the specialized field of diving construction

Industry and Market Analysis

- Dam rehabilitation projects are being promoted under government leadership, and accompanying diving works related to the rehabilitation of several hundred dams are expected to increase in the future.
- Due to the effects of global warming, demand for measures to control aquatic weeds and blue-green algae in lakes and ponds is expected to rise further.

2 Investment Decision / Execution

Investment Decision

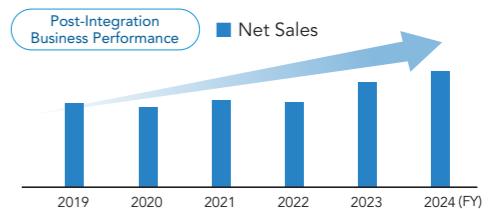
- Request for consideration from M&A intermediary company
- Responsible department: M&A review / top management meeting
- Management Committee / Board of Directors (Conclusion of Basic Agreement)
- Conclusion of Basic Agreement
- Due diligence (business / financial / legal)
- Management Committee / Board of Directors (Final agreement)
- Share transfer: Contract signing

- The company has established a niche market through differentiated businesses such as freshwater diving and water quality conservation, and stable sales and profits are expected, contributing to consolidated performance.
- The investment is expected to invigorate our initiatives for water infrastructure renewal, particularly enhancing response capabilities for large-scale dam renewal projects.
- The investment is aligned with the management strategy set forth in the Medium-Term Management Plan, and expected synergies are anticipated.
- The company's financial condition and the assumed acquisition price are considered to meet our investment criteria.

3 PMI / Business Management / Monitoring

Value Enhancement

- Dispatch of executives and auditors
- Providing of management guidance and administrative support
- Joint recruitment activities across the Group
- Order recruitment from prime contracts led by Tobishima Corporation
- Promotion of technological development through utilization of Tobishima Corporation's technical research laboratories
- Support for digital transformation (DX) implementation provided by Axisware, Inc.
- Market expansion into the Tohoku region through utilization of Tobishima Corporation's network
- Improvement of internal control standards through the adoption of Group governance





Construction Business

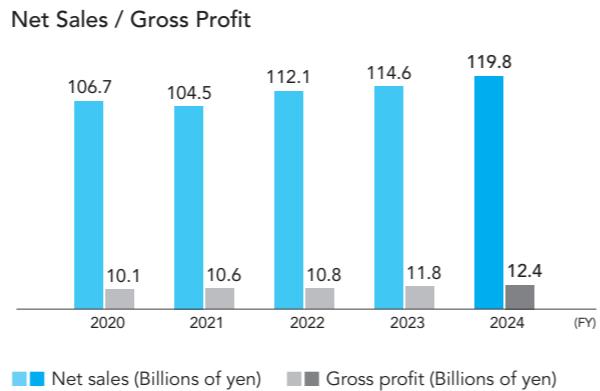
Business Fields

Going beyond the conventional framework of the infrastructure renewal business, we treat the series of construction-related businesses aimed at extending the service life of aging infrastructure, maintaining its safety and reliability, and reducing the risk of future large-scale disasters as our Infrastructure Longevity Business. Through these initiatives, we aim to establish a business foundation that supports economically and environmentally sustainable growth.

Market Environment

The market environment surrounding the construction industry is at a major turning point. Against the backdrop of Japan's National Resilience Policy, demand is expanding for disaster prevention and mitigation, as well as for the renewal of aging infrastructure. At the same time, labor shortages resulting from the declining birthrate and aging population are becoming increasingly severe, making skills succession and productivity improvement urgent challenges.

To address these issues, the adoption of construction DX, including BIM/CIM and ICT-based construction, is advancing, creating new growth opportunities through greater efficiency and labor savings.



Risks

Labor shortage

Construction delays due to the decline of skilled workers

Material and cost fluctuations

Risk of changes in construction material prices and labor costs

Regulatory and legal compliance

Increasing obligations to comply with environmental and safety standards

Natural disaster risks

Project and operational impacts from earthquakes, typhoons, and other disasters

Opportunities

Enhanced productivity

Greater efficiency through the adoption of Construction DX and ICT technologies

New market development

Entry into redevelopment and overseas projects

Improved quality and safety

Enhanced construction accuracy and site safety through technology adoption

Creation of environmental value

Use of decarbonized construction methods and sustainable building materials

Key Initiatives

Efforts Related to the Growth Strategy (Infrastructure Longevity Business)

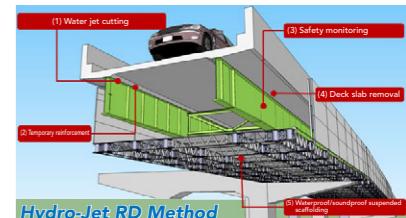
Based on our growth strategy, we are strengthening our response to the renewal market with an eye toward the transition to a circular economy. By leveraging our proprietary technologies to realize a transformation aligned with a sustainable society, we aim to pioneer new fields of growth.

Main Technologies Related to the Infrastructure Longevity Business

Civil Engineering Segment

Hydro-Jet RD Method

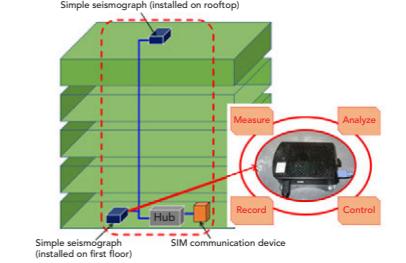
In bridge deck replacement work for composite-girder bridges, which conventionally required long road-closure periods, Tobishima has developed a method that allows the removal of joint sections to be conducted during the preparation period before the start of the closure, without restricting traffic. By setting a larger single deck-removal area regardless of the position of the steel girders, the method shortens both the deck-removal period and the traffic-restriction period.



Building Construction Segment

NAMISIIL™ Compact Seismic Measurement System

Structural health monitoring of buildings has been attracting attention as a source of information for assessing the extent of damage in the event of an earthquake. To promote the widespread adoption of such systems, Tobishima developed the NAMISIIL™ compact seismic measurement system, which resolves issues of cost and installation complexity. By integrating the seismometer (as the sensor) with a control PC, the hardware is simplified, enabling a space-saving and low-cost system configuration.



Future Actions

In the construction industry, against a backdrop of workforce shortages, demands for work-style reforms, and the government's implementation of DX in the infrastructure sector to drive production-process innovation, Tobishima is advancing the deployment of the Field Success Center (FSC) function across both the civil engineering and building construction segments. The FSC aims to achieve labor savings and greater efficiency by centralizing routine tasks such as photo management, as-built management, and process planning that were previously dispersed among sites and branch offices and by providing unified remote support and supervision.

At the FSC, the three pillars are Visualization of construction sites, Data accumulation and analysis, and Remote support. Through the digital-twin transformation of construction sites, the FSC supports more rational and streamlined organizational management. It also plays a role in enabling flexible work locations and hours for helping to eliminate barriers between headquarters, branches, and job sites.

Through these initiatives, Tobishima is establishing a sustainable construction-site framework powered by DX for achieving both strengthened future competitiveness and responsiveness to social demands.

Tobishima Corporation

Established in 1883, Tobishima Corporation is a general construction company that has long been engaged in both civil engineering and building construction businesses. Leveraging its cultivated technological expertise and construction management capabilities, the company has taken on numerous challenging projects both in Japan and overseas. Through the adoption of ICT-based construction and integrated production management systems, Tobishima continues to enhance both efficiency and sustainability as it pursues further growth as a general construction company.



Business Characteristics

- Founded in 1883, with over 140 years of tradition and trust
- Extensive experience in developing social infrastructure such as roads and tunnels
- Implementation of methods for energy-saving building and environmentally friendly construction
- Improved efficiency through ICT construction and BIM/CIM implementation
- Training programs for engineers and initiatives to promote diversity in the workplace

Seismic Reinforcement Work for Kumozu No. 3 Viaduct and Three Other Bridges on the Ise Expressway (2024)

As part of further seismic reinforcement measures on four bridges, namely, the Kumozu No. 3 Viaduct, Shomura Bridge, Kumozu No. 2 Viaduct, and Kumozu River Bridge, Tobishima conducted seismic strengthening using RC jacketing, steel plate jacketing, and bearing replacement methods. (Total: 4 bridges, approx. 80 structural reinforcement points)



Phase II Seismic Retrofit of the Osaka High, District, and Summary Court Main Building (2024)

In the seismic retrofit project for the Osaka High, District, and Summary Court Main Building, Tobishima implemented reinforced concrete wall expansion and installed toggle-type hydraulic damping braces with amplification mechanisms. To minimize noise, vibration, and dust during construction and reduce impact on court operations, Tobishima adopted advanced techniques such as the Disk Shear Key Method and the Blast Key Method.





Growth Business

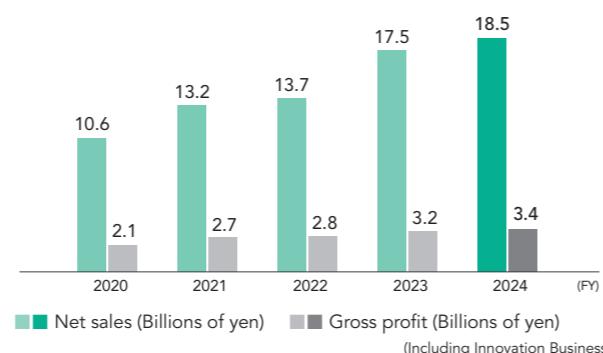
Business Fields

With an eye toward building a circular economy, we aim to evolve beyond the framework of conventional construction and infrastructure renewal businesses to develop a multifaceted Infrastructure Longevity Business that provides a suite of construction-related services contributing to the maintenance of infrastructure safety and reliability. We promote collaboration with companies possessing distinctive technologies and unique markets in fields such as environmental infrastructure (water, timber/wood-based) and disaster prevention and mitigation.

Market Environment

Japan's declining population, aging demographics, and social transformation have brought the growth model centered on new construction to its limits. As environmental challenges such as climate change and water resource constraints intensify, and as the need for earthquake disaster preparedness grows, a rapid transition toward a circular economy has become imperative. There is an increasing need to move away from the mass-production and mass-consumption model toward a sustainable structure based on regeneration, reuse, and resilience. We recognize the importance of creating multifaceted value that extends beyond single-function solutions to benefit the environment, society, and local communities alike.

Net Sales / Gross Profit



Risks

Regional construction
Decline of regional economies and communities and shortage of human resources due to population concentration in urban areas and aging/declining birthrates

Water infrastructure

Business stagnation due to increased risks of heavy rainfall, high waves, and drought associated with climate change

Timber and wood-based construction

- Pressure on earnings due to supply instability and price fluctuations in wood materials caused by the "wood shock" and other factors
- Growing burden of meeting advanced technical requirements associated with the spread of wooden construction

Disaster prevention and mitigation

- Opportunity loss due to insufficient supply capacity to meet surging demand following large-scale earthquakes
- Reduced competitiveness of existing products due to changes in seismic standards

Opportunities

Regional construction

- Increasing urgency to address deterioration of regional infrastructure and the resulting collapse of local living foundations
- Growing momentum for regional revitalization through collaboration among governments, businesses, and local residents

Water infrastructure

Expansion of demand for basin-based flood control and water infrastructure renewal

Timber and wood-based construction

- Growth potential of the building-materials market driven by pro-wood policies
- Enhanced corporate evaluation for environmentally responsible companies amid expansion of ESG investment

Disaster prevention and mitigation

- Growing demand resulting from strengthened seismic regulations
- Higher demand from increased awareness of disaster preparedness amid frequent earthquakes

Group Companies and Technologies

Business Domain	Sugita Construction	Tequanauts	Kyokuto Construction	Wood Engineering	KYOWA SEISAN	E&CS	For You
Regional construction	●						
Water infrastructure		●	●				
Timber and wood-based construction				●	●		
Disaster prevention and mitigation						●	
Real estate development							●

Key Initiatives and Future Actions



Regional Construction

Regional construction companies go beyond simple construction work: they are responsible for maintaining and renewing essential regional infrastructure such as roads, bridges, water and sewer systems, schools, and hospitals. They also serve as "guardians" of local communities by conducting prompt restoration work in the aftermath of natural disasters such as earthquakes, heavy rainfall, and typhoons. Moreover, by creating employment opportunities and sourcing materials locally, they play a vital role in revitalizing regional economies. As such, they are indispensable to building sustainable local communities.



Through collaboration between Sugita Construction Corporation, which is responsible for infrastructure development in the Ogasawara Islands, and NXTEField, Inc., which excels in construction DX, we will support the sustainable growth of regional construction by providing construction DX and digitalization technologies. These efforts will in turn contribute to the development of sustainable local communities and the revitalization of island regions.



Water Infrastructure

Abnormal weather caused by climate change, increasing water consumption accompanying the expansion and diversification of industrial activities, and deterioration of water quality have created complex challenges in water resource environments. These challenges threaten the foundations of daily life in regional communities and affect overall economic activity. In urban areas, uneven distribution of water demand and the aging of water infrastructure have become prominent issues, making the development of safe and sustainable water-resource environments an urgent priority.



Tequanauts Co., Ltd., which engages in underwater infrastructure construction and maintenance utilizing diving technology and proprietary surface machinery, and Kyokuto Construction Co., Ltd., which has strengths in underwater civil engineering and specialized machinery development, are leveraging their respective technical expertise and regional characteristics to mutually reinforce each other. Through these collaborations, the Group is accelerating its development of a competitive edge and value creation.



Timber and Wood-based Construction

Wood-based structural architecture contributes to reducing environmental impact through carbon fixation, revitalizing regional economies using local forest resources and expanding possibilities for mid- and high-rise wooden buildings through innovations such as CLT (cross-laminated timber). As a construction approach that supports the realization of a sustainable society, it is attracting growing attention and is becoming an increasingly important strategic initiative for enhancing corporate value.



Three companies are collaborating to establish a one-stop system for providing wood-based construction solutions: Wood Engineering, Inc., which aims to become a leading company in the non-residential timber and wood-based construction field, KYOWA SEISAN Co., Ltd., a wood-product manufacturer developing high-value-added proprietary brands, and For You, Inc., a comprehensive real estate company promoting the creation of buildings that contribute to global environmental sustainability and social well-being.



Disaster Prevention and Mitigation

Japan, a country prone to frequent earthquakes, faces increasing seismic risk particularly in urban areas where high-rise buildings and infrastructure are densely concentrated. This has led to growing demand for the retrofitting of aging buildings and for ensuring safety performance in new construction. Seismic-control, seismic-isolation, and vibration-damping technologies are also drawing attention as part of corporate BCP (Business Continuity Planning) measures, and their adoption is expanding across a wide range of facilities, including residential, commercial, and public buildings.



E&CS Co., Ltd. contributes to enhancing resilience of buildings by providing a diverse range of proprietary seismic-control and vibration-damping devices, such as the Toggle Seismic Brace, an efficient vibration-control system; the Disk Shear Key, a jointing method applicable to a broad range of seismic retrofitting projects; the Lens Damper®, a simple vibration-control damper that can be installed without obstructing openings; and the iRUD® (I-squared RUD), a U-shaped seismic damper made of FMS alloy. Through collaboration with Tobishima Corporation, E&CS is expanding its portfolio of advanced disaster prevention and mitigation solutions.



Growth Business



Regional Construction



Sugita Construction Corporation

Contributing to island development and Japan's Exclusive Economic Zone (EEZ) security
For nearly half a century, Sugita Construction has been involved in constructing key buildings and infrastructure in the Ogasawara Islands. Sugita Construction supports the lives of the islanders, as well as local industries, and creates comfortable living environments by building the underlying infrastructure. By supporting the infrastructure of the Ogasawara Islands, which account for approximately one-third of Japan's Exclusive Economic Zone, the company plays an important role in protecting Japan's maritime interests.



(Japanese only)

Business Characteristics

- Contributing to customers and local communities through the outstanding technical capabilities of a general construction company.
- Establishing a unique supply chain in the Ogasawara Islands (remote islands) area and consistently delivering functional, high-quality structures.
- Valuing both people and nature while actively engaging in environmental conservation initiatives.



Water Infrastructure



Tequanauts Co., Ltd.

Opening the future through water technology
As a pioneer in "aqua engineering," Tequanauts supports social infrastructure across all aspects of the water environment, with underwater construction as its core business. Its main operations include the design, fabrication, and construction of underwater and floating structures, underwater robotic inspections, and aquatic environmental conservation using proprietary aquatic weed-harvesting vessels. By providing solutions to all types of water-related challenges, the company contributes to preserving and creating a sound water environment where people can live safely, securely, and comfortably.



(Japanese only)

Business Characteristics

- With over 50 years of experience in underwater construction, the company meets diverse customer needs in water infrastructure projects through its advanced technical expertise and numerous skilled divers.
- Operating bases that span from the Tohoku region to Okinawa, Tequanauts covers the entire nation and actively engages in large-scale projects through collaboration with Group companies.
- Promoting improved safety and productivity through IoT adoption and mechanization, including in-house development of underwater robots and aquatic weed-harvesting vessels.

Kyokuto Construction Co., Ltd.



A team of specialists in underwater machinery construction

Through underwater construction focused mainly on marine civil engineering such as port and coastal protection work, Kyokuto Construction plays a vital role in maintaining and developing water-related infrastructure that supports people's daily lives, transportation, and tourism.

By leveraging in-house-developed mechanized underwater construction technologies, the company brings innovation to the safety and productivity of underwater operations for overcoming numerous technical challenges inherent to underwater work.

Its technological development capabilities are highly regarded, including participation in joint research with national research and development agencies on unmanned remote-controlled underwater construction machinery.



(Japanese only)

Business Characteristics

- Since 1980, the company has been developing its own underwater machinery to improve diver safety and work efficiency.
- Developed its own underwater backhoe capable of operating at depths of up to 50 meters, piloted underwater by in-house divers.
- Continuously refines its underwater backhoe design based on feedback from operator-divers, while also developing various peripheral devices for underwater construction for overcoming challenges once considered impossible on site.
- Implementing electrification to reduce environmental impact and mitigate the risk of oil leaks.



Timber and Wood-based Construction

Wood Engineering, Inc.



Promoting the adoption of timber and wood-based construction

Wood Engineering was established as a joint venture between Tobishima Corporation and Nice Corporation with the aim of promoting the wider adoption of medium- to large-scale timber and wood-based buildings, by combining Tobishima's construction expertise with Nice's extensive lumber knowledge. By utilizing environmentally friendly wood to deliver sustainable buildings, the company contributes to improving Japan's forest environment. Building on its engineering experience, it aims to become a leading company in timber and wood-based construction.



(Japanese only)

Business Characteristics

- A collaboration between a general construction company and a major lumber distributor, enabling one-stop services from material procurement and project development support to design, construction, and after-sales service for mid- to large-scale wooden buildings.
- Ensures high quality and safety in timber and wood-based construction through advanced technical expertise and specialization.

KYOWA SEISAN Co., Ltd.



Experts in wooden product processing

KYOWA SEISAN specializes in the processing of wooden products and the planning, design, manufacturing, and sales of original interior and exterior products such as architectural interior panels (partition walls). The company provides high-quality, design-oriented products with added value through advanced technologies and unique ideas.



(Japanese only)

It also actively promotes labor savings and operational efficiency at its manufacturing sites by linking order and design data with each factory manufacturing machine via IoT.

Business Characteristics

- Excels in processing a wide range of surface materials through advanced machining technology supported by diverse manufacturing equipment and has a proven record for ensuring the capability to respond to every customer need from over 40,000 pattern variations.
- Pursuing not only aesthetic design but also functional differentiation, such as acquiring noncombustible certification for interior materials and utilizing IoT for interior panels to streamline on-site installation work.



Disaster Prevention and Mitigation

E&CS Co., Ltd.



Preparing for the future, supporting society in times of need

Through the sale of building materials such as seismic-control devices, E&CS contributes to strengthening the resilience of public-use facilities so that they can remain functional even after earthquakes. Specifically, the company provides technologies and products that enhance the seismic performance of buildings, including Toggle Seismic Dampers and Disk Shear Keys (seismic damping reinforcement joints).



(Japanese only)

Business Characteristics

- Offers a broad range of products and technologies for seismic and vibration control, covering everything from building structures to foundations.
- Possesses proprietary technologies such as the Toggle Seismic System and boasts a proven record backed by a high level of reliability.
- Achieves both disaster prevention and decarbonization through a liquefaction countermeasure method utilizing timber materials.



Real Estate Development

For You, Inc.



Creating from the customer's perspective

As an integrated real estate company focusing primarily on for-sale housing, For You provides comfortable, high-quality, and reliable properties through a fully in-house system covering every stage from land acquisition to project planning, development, design and supervision, and sales.

Furthermore, by actively planning and developing timber and wood-based buildings in collaboration with other Group companies, the company is accelerating its efforts to help realize a decarbonized society.



(Japanese only)

Business Characteristics

- Has operated its for-sale housing business for over 40 years, carefully listening to customer needs and maintaining a customer-first approach.
- Sets industry-leading standards for high quality, safety, and reliability through collaboration with its Group company, an integrated construction firm.



Innovation Business

Business Fields

As part of its contribution to the construction industry as a whole, the company is promoting the digitalization of the sector to advance production processes and enhance workforce efficiency, in order to bridge the anticipated gap in construction supply capacity. Aiming to evolve this initiative into a "Construction Reskilling Business" that provides a foundation for the sustainable growth of the construction industry, the Company is exploring new fields of growth within the construction business.

Market Environment

In the construction industry, declining workforce populations and the transition toward a decarbonized society are driving rapid expansion in demand for greater efficiency and labor savings by using digital technologies. Government policies promoting Infrastructure DX have further accelerated this trend, opening new business opportunities utilizing BIM/CIM, IoT, and other digital tools. At the same time, challenges such as a shortage of skilled professionals, heavy initial investment burdens, and delays in technological standardization continue to pose barriers to adoption. Recognizing these issues, Tobishima positions digital technology at the core of its growth strategy by pursuing both reduced environmental impact and higher productivity to help shape a sustainable future for the construction industry.



Risks

High cost of adoption

Significant upfront investment and system implementation expenses

Material and cost fluctuations

Limited utilization due to insufficient digital proficiency among on-site staff

Cybersecurity risks

Potential for data leaks or unauthorized access

Standardization and compatibility issues

Coordination challenges across different sites and systems

Opportunities

Enhanced productivity

Greater efficiency through the adoption of Construction DX and ICT technologies

New market development

Entry into redevelopment and overseas projects

Improved quality and safety

Enhanced construction accuracy and site safety through technology adoption

Creation of environmental value

Use of decarbonized construction methods and sustainable building materials

Key Initiatives

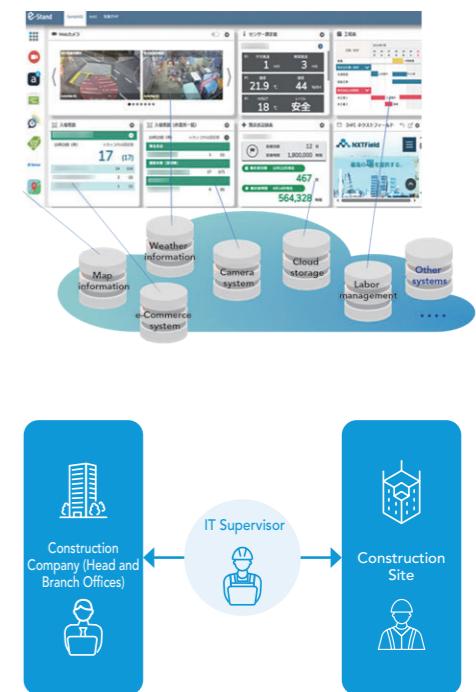
Construction DX Services Business

With a view toward the future development of the Construction Reskilling Business, Tobishima established NXTField, Inc. as a joint venture with Japan's leading telecommunications firm, the NTT Group, to promote an open innovation business in Construction DX. Through this initiative, Tobishima is also expanding into management support services for regional construction firms, assisting through construction DX technologies and specialized personnel.

(1) Construction DX (Digital Transformation)

In the construction industry, companies typically use specialized digital tools at each stage in their flow of operations. However, since these tools operate on independent systems, users are faced with frequent login requirements and complexity when transferring data from one operation to the next.

To address this challenge, NXTField has developed e-Stand, a platform that links with various digital tools, enabling single sign-on and centralized data aggregation and utilization.



(2) Construction BPO (Business Process Outsourcing)¹

In the Construction BPO business, DX training programs conducted by "IT Supervisors"² and support for obtaining "DX Certification" are provided to deliver on-site DX assistance closely aligned with the needs of construction sites.

- Outsourcing a part of a company's business processes to a specialized external service provider, which undertakes all steps from planning and design to execution
- Personnel who undertake IT-related supervisory duties on construction sites (dispatched from NXTField, Inc.)

Future Actions

The construction industry encompasses a broad range of business processes—from sales and estimation to design, construction, and after-sales service. However, each of these functions typically relies on separate software and services, creating barriers to smooth data integration. As a result, there is a growing need for a unified system that enables one-stop management of all business operations across the entire construction workflow.

Going forward, Tobishima aims to develop an integrated platform that seamlessly connects data across every business process, from sales to after-sales service, for achieving end-to-end data integration. Through this initiative, we will expand the scope of our three business pillars and deliver a comprehensive IT platform solution that supports the digital transformation of the construction industry.

NXTField, Inc.



Established to provide comprehensive construction support tailored to the needs of the industry, NXTField combines Tobishima Corporation's construction expertise and field-proven construction engineering knowledge with the advanced ICT capabilities of the NTT Group.

Leveraging its three core strengths of Construction DX, Construction BPO, and Construction Networks (NW), the company continuously takes on unprecedented challenges and drives its own transformation under the vision of "Empowering everyone in the construction industry through DX to create the best possible workplace."



(Japanese only)

Business Characteristics

- Integration of construction know-how with ICT technology
- Comprehensive DX support for construction sites
- Advanced communications infrastructure services
- On-site-oriented proposals and responsive support based on a deep understanding of construction operations

Axisware, Inc.



Axisware is a consulting and IT architecture firm that supports the advancement and realization of management and IT strategies. The company provides optimal solutions tailored to each client's needs, managing every step from making system development proposals to actual development. Its expertise spans a wide range of areas, including web systems and enterprise systems, serving clients across diverse industries. Looking ahead, Axisware will continue contributing to the advancement of DX for its clients, not only through system development but also through AI, RPA, and other emerging technologies.



(Japanese only)

Business Characteristics

- Proven ability to manage projects flexibly, backed by a strong track record across diverse industries
- Comprehensive service coverage, from planning to post-implementation support
- Development of proprietary AI systems in collaboration with the construction industry

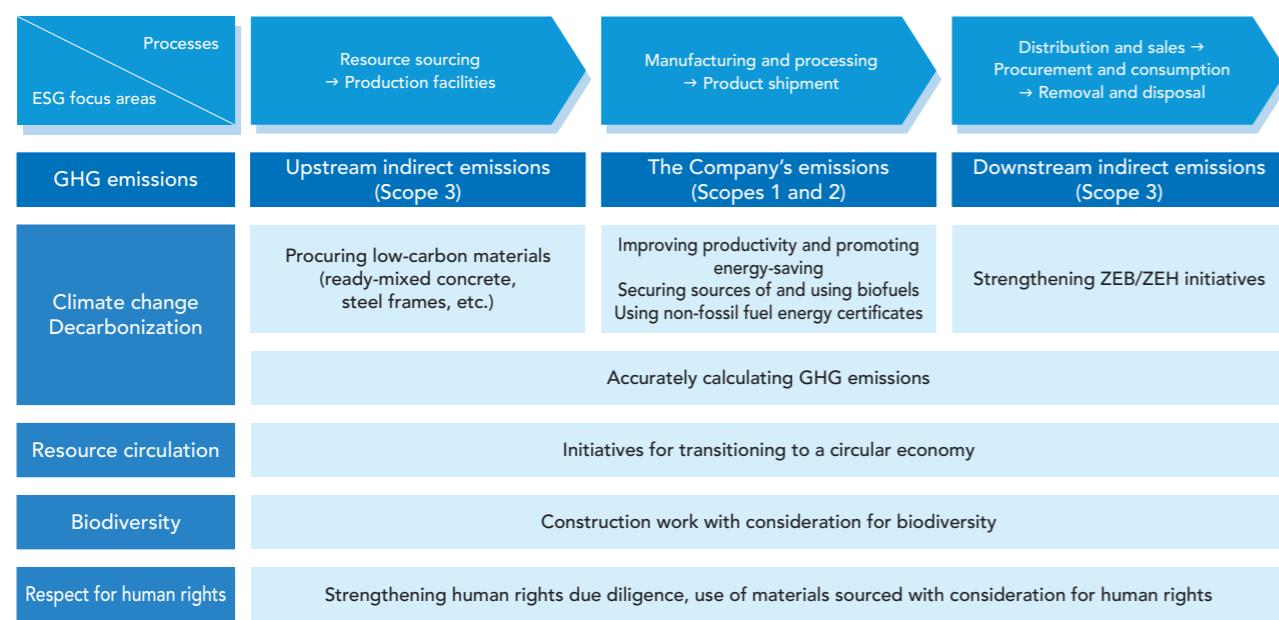
Sustainability

Through the three core values of Creativity, Co-Creation, and Coexistence, which are set forth in our Group Vision of becoming a New Business Contractor, the Tobishima Group brings together the strengths of all member companies to contribute to a sustainable society and enhance corporate value.

Restructuring the Supply Chain

Restructuring the supply chain is a key strategic initiative in the Group's efforts to advance sustainable management. The newly established Sustainability Promotion Department centrally manages the Group's overall supply chain, setting ESG focus areas for each process and operating a continuous PDCA cycle. In preparation for a circular economy and society, we are striving to develop sustainable products and services and technologies that reduce environmental impact for building a supply chain that takes the environment and society into consideration.

Supply Chain and Key ESG Focus Areas



Toward Realizing a Decarbonized Society

To further enhance the Group's sustainable management, we have identified initiatives for decarbonization as a key issue and formulated a roadmap for reducing emissions. For Scope 1 and 2 emissions, we will work on energy saving by enhancing construction site productivity while decarbonizing our electricity and fuel sources. We are targeting a 42% reduction in emissions from FY2020 levels by FY2030, with the goal of carbon neutrality by FY2050. For Scope 3 emissions, we will look at introducing low-carbon construction materials and promote energy-saving in buildings, such as by adopting ZEB standards. We are targeting a 25% reduction in emissions from FY2020 levels by FY2030, and a 90% reduction by FY2050. We will continue coordinating across various supply chains to contribute to the realization of a decarbonized society.

CO₂ Emissions Reduction Targets

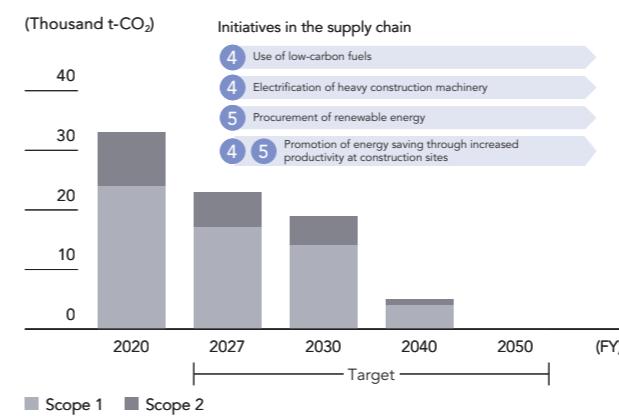
	FY2027	FY2030	FY2050	(vs. FY2020)
Scope 1 Direct emissions from the Company's fuel consumption and other sources		30% reduction	42% reduction	Carbon neutrality
Scope 2 Indirect emissions from sources such as electricity purchased by the Company				
Scope 3 Indirect emissions other than Scopes 1 and 2	18% reduction	25% reduction	90% reduction	

Main CO₂ Emissions from Supply Chain

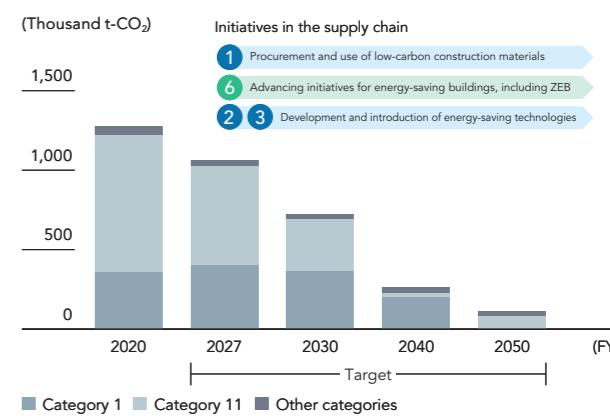


Emissions Reduction Roadmap

Scopes 1 and 2: The Company



Scope 3: Upstream/Downstream



Resource Circulation

The Group aims to shift from a linear economy to a circular economy for contributing to the realization of a sustainable society through proper waste management and effective utilization of resources. We are advancing specific initiatives such as setting a target of achieving a construction waste recycling rate of 97% or higher, implementing more effective use of existing structures, extending the service life of building structures, developing reusable construction materials, and enhancing design technologies based on the premise of reusing building materials. Through these efforts, we are building an environmentally and socially responsible supply chain that supports a circular society and economy.

Biodiversity

With the goal of contributing to a circular economy characterized by "optimal production, optimal consumption, and resource circulation," the Tobishima Group engages in business activities that preserve biodiversity by developing and applying technologies for protecting water quality and reducing environmental impact across Group companies.

Respect for Human Rights

We have established an implementation framework through the Human Rights Awareness Promotion Committee. By continuously implementing human rights due diligence and setting targets such as achieving a 100% participation rate for human rights awareness training, we are working to eliminate and minimize negative impacts on human rights in our business activities and fulfill our responsibility to respect human rights.

Environmental Initiatives

The Tobishima Group has a responsibility to contribute to both sustainable social systems and sustainable economic growth. With this in mind, we will leverage the unique environmental technologies of Group companies to drive transformation toward a sustainable society. In so doing, we will also develop new growth fields in the environmental sector as a platform company promoting creation and development.

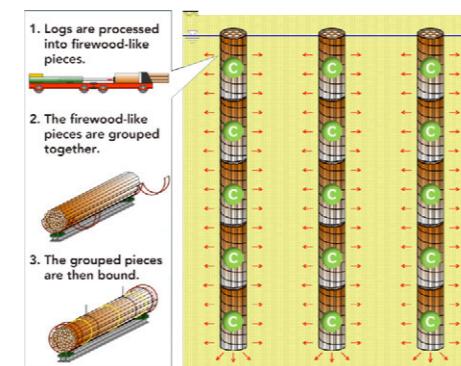
Carbon Stock Technologies

Tobishima Corporation

To promote reforestation after logging, it is essential to create new demand for timber, including crooked logs and other low-value materials that do not circulate easily in the market. However, the current reforestation rate remains at only about 30–40%. At the same time, with the anticipated possibility of massive earthquakes such as a Nankai Trough event, countermeasures against soil liquefaction during earthquakes have also become an urgent issue. To address these challenges, we have developed a new technology: large-scale carbon storage using timber. In this technology, “wood columns” are created by splitting logs into firewood-like pieces and bundling them together, then driving them into the ground to a depth of 20 meters to improve loose sandy soils. This approach offers three key advantages: (1) Enables effective use of crooked logs and a wide variety of wood types without waste. (2) Suppresses liquefaction thanks to the high drainage performance provided by void spaces within the columns. (3) Allows carbon fixed in the timber to be stored underground semi-permanently, achieving CCS.*

A liquefaction countermeasure project can store the equivalent of 4,200 tons of CO₂ per hectare, which is equal to approximately 1,650 years' worth of emissions from an average household. This technology is distinguished by its ability to simultaneously achieve circular use of forest resources, disaster prevention, and climate change mitigation. Going forward, we aim for the early social implementation of this technology, which integrates liquefaction mitigation with carbon storage for contributing to the realization of a 2050 carbon-neutral society and, beyond that, a future carbon-negative society.

* CCS: CO₂ Capture and Storage



Small- and Medium-Scale Hydroelectric Power Business

Tobishima Corporation

E&CS

As part of our efforts in renewable energy at E&CS, we are engaged in small and medium-scale hydropower projects, handling everything from surveys and design to construction and operational management. Across various regions in Japan, including Nakatsugawa City in Gifu Prefecture, Azumino City in Nagano Prefecture, and Yonezawa City in Yamagata Prefecture, we construct and operate our own small hydropower plants. By refurbishing and jointly utilizing existing local agricultural water infrastructure, we help regenerate local infrastructure while operating power generation businesses. For example, the hydropower plant that began operation in April 2021 in Azumino City supplies approximately 1.13 million kWh per year (equivalent to about 350 households), with a maximum output of around 194 kWh. Similarly, a plant in Yonezawa City began operation in November 2021, reflecting our emphasis on social benefits such as reducing the local maintenance burden and returning power generation revenue to the community.



Preservation of Quality in the Water Environment

Tequanauts

At Tequanauts, we apply diving technologies and underwater robotics to advance our Aqua Engineering initiatives. Through the construction, maintenance, inspection, and investigation of underwater structures, we work to preserve safe and sustainable aquatic environments. One representative technology is the Weed Hunter, an aquatic weed-harvesting vessel that efficiently removes aquatic plants proliferating in lakes and agricultural waterways. This contributes to preventing water quality degradation and protecting local ecosystems. Bottom-water circulation systems in reservoirs effectively improve oxygen levels, reduce algal growth, and prevent nutrient release, supporting water purification. Together, these technologies support the healthy circulation of water resources and enhance the safety and security of local communities. They represent one of the Group's key initiatives toward realizing a sustainable society.



Kyokuto Construction

The Kyokuto Construction underwater backhoe was developed in 1983 and was designed to improve underwater work efficiency while ensuring the safety of divers. Kyokuto Construction developed this specialized piece of equipment by modifying commercially available land-based backhoes to enable them to operate in an underwater environment. A diver rides on the backhoe, which is connected via a cable to a generator and a support unit, either on shore or on a vessel. At present, it can operate at depths of up to 50 meters. The company has also developed a range of underwater attachments that enable the underwater construction work necessary for a wide range of construction projects. Biodegradable hydraulic oil is used for the underwater hydraulics. It breaks down into water and CO₂ in seawater, thereby minimizing environmental impact. Kyokuto Construction is also engaged in R&D with a national research and development agency to enhance the operational functionality of underwater construction equipment. Through ICT-driven unmanned construction work, the company will contribute to faster construction in marine areas prone to rough weather, while also addressing recent challenges such as the shortage of divers and workforce aging.



Environmental Accounting

(Millions of yen)

Category	Item	FY2021	FY2022	FY2023	FY2024
Environmental conservation costs within the business areas					
— Pollution prevention costs	Preventing water pollution, noise, vibration, air pollution, etc.	316.8	238.8	193.2	308.9
— Resource recycling costs	Waste sorting, reducing volume of construction byproducts, reuse, disposal costs, etc.	1,242.0	1,061.4	1,301.4	1,814.6
Upstream and downstream costs	Green procurement, environmentally friendly design, etc.	156.9	53.6	48.8	47.3
Management costs	Environmental training, management personnel costs, etc.	92.3	57.4	42.2	52.2
Research and development costs	Research and development for environmental conservation, etc.	0.0	176.6	207.2	148.6
Social contribution related costs	Nature conservation, community activities, and donations	22.1	12.4	12.1	50.0
Environmental damage costs	Restoration of natural environments, compensation, etc.	10.9	3.4	4.1	2.2
Total		1,841.0	1,603.5	1,809.0	2,423.7

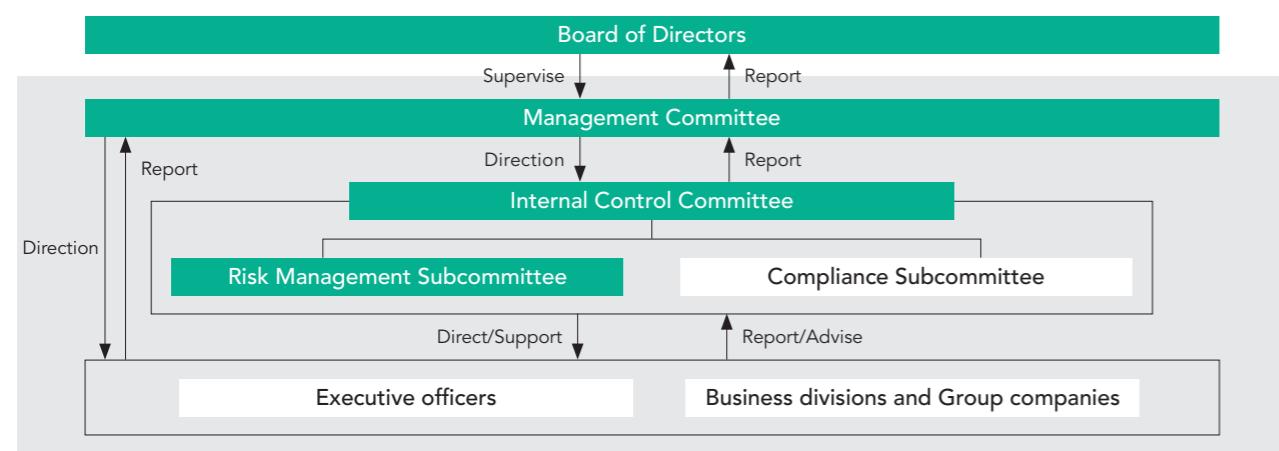
TCFD-Based Disclosure of Climate Change-Related Information

As part of its activities related to sustainability management, the Group seeks to increase corporate value by advancing sustainability through ESG-focused management and the U.N.'s SDGs. We consider it essential to disclose information concerning our climate performance and activities and have formally endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD*). We disclose climate-related information in accordance with the TCFD's recommended framework, comprising governance, strategy, risk management, and metrics and targets. We will identify the Group's risks and opportunities related to climate change based on scenario analyses for the disclosure items proposed by TCFD and strengthen our governance and business domains to facilitate the transition to a decarbonized society.

* TCFD (Task Force on Climate-related Financial Disclosures): A framework established in 2015 by the Financial Stability Board (FSB) at the request of the G20 to examine how climate-related information should be disclosed and how financial institutions should respond.

Governance

The Group has established the Risk Management Subcommittee to identify issues that may have a significant impact on management or business activities, including climate change risks, formulate and develop measures, and manage the progress of such measures. Matters discussed by the subcommittee are reported to the Board of Directors (four times a year) through the Internal Control Committee, which is chaired by the President.



Strategy

Actual and potential impact of climate-change-related risks and opportunities on the organization's business, strategies, and financial planning

- The TCFD Working Group, composed of members drawn from across the Group, has analyzed the financial impacts of climate change on the Group.
- The working group identified matters likely to be affected by the transition to a decarbonized society and matters that are expected to be affected by physical changes, such as increased severity of weather-related disasters due to rises in average temperatures, and assessed the potential financial impacts of these matters as risks and opportunities.

Major Scenarios Adopted to Study Transition and Physical Risks and Opportunities

Analyses of risks and opportunities in the transition scenario

4°C scenario: Stated Policy Scenario (STEPS) outlined by the IEA

2°C scenario: Sustainable Development Scenario (SDS) outlined by the IEA

Analyses of risks and opportunities in the physical scenario

4°C scenario: RCP8.5 outlined by the IPCC

2°C scenario: RCP2.6 outlined by the IPCC

Risks and Opportunities in the Transition Scenario	The financial impacts from the transition to a low-carbon society are estimated to start materializing as of 2030.	At this stage, the transition to a low-carbon society will be under way, and actual additional financial impacts compared with 2030 are projected to be relatively limited.	Temperature rise kept to less than 1.5°C above pre-industrial levels
Risks and Opportunities in the Physical Scenario	The financial impact of increasingly severe weather-related disasters and other effects is still projected to be limited.	Forecasts indicate the financial impact of increasingly severe weather-related disasters will become significant around 2050.	Temperature rises about 4°C above pre-industrial levels

○: Significant financial impact △: Limited financial impact

Risks and Opportunities		Impact on the Group	Degree	Countermeasures
Transition	Risks	Impact of carbon taxes	Significant	Promote CO ₂ emissions reduction activities throughout the supply chain • Promote low-carbon-emitting materials and machinery, construction equipment, and techniques to reduce carbon taxes • Use renewable energy to reduce CO ₂ emissions
	Risks	Declining orders for companies unable to meet needs related to environmental consideration	Moderate	Respond to needs related to environmental consideration • Train employees and promote activities to gain certifications • Develop construction methods and temporary building methods with low CO ₂ emissions
	Opportunities	Strengthening of decarbonization policies	Moderate	Enhance initiatives involving low-carbon construction and CO ₂ sequestration technologies • Enhance solution proposals involving wooden architecture as well as ZEB and other construction methods that reduce energy usage, based on concierge functions ¹ • Expand the application and further development of carbon stock technologies ²
	Opportunities	Growing need for renewable energy	Significant	Promote and enhance customer sales activities in anticipation of structural changes in power supply • Promote sales in areas related to renewable energy (new small-scale hydroelectric power generation, upgrades to existing facilities, renewal construction projects for hydraulic power, and construction of solar power and biomass facilities)
Physical	Risks	Natural disasters	Moderate	Enhance BCP response in the event of a disaster, in coordination with the supply chain • Formulate construction plans incorporating BCP response • Establish a BCP system that incorporates the whole supply chain and implement regular training • Develop and deploy disaster-prevention and mitigation technologies
	Risks	Impaired productivity at construction sites	Moderate	Implement measures to improve working environments • Transform production processes through the use of robots and ICT technologies • Promote the use of precast materials to reduce on-site labor requirements • Further develop the Field Success Center ³ to make site management operations more efficient
	Opportunities	Promotion of national resilience measures	Significant	Strengthen response to meet needs relating to strengthening infrastructure and extending service life • Draw on our highly reputed and proprietary disaster prevention technologies • Develop construction technologies for implementing national resilience measures • Apply concierge functions to enhance our capacity to formulate proposals for solutions and maintenance/management services

1. Concierge functions: Listening to customer issues and requests, selecting specific aspects based on the general social context, and proposing optimal solutions based on Tobishima technologies and expertise, which includes leveraging external resources

2. Carbon stock technologies: Tobishima's proprietary technologies for sequestering large volumes of lumber for extended periods to reduce CO₂

3. Field Success Center (FSC): Centralized site management system for enhancing labor savings, quality, safety, and productivity at construction sites

Risk Management

How climate-related risks are selected, evaluated, and managed

- As part of its approach to sustainability management, the Group has identified issues for contributing to social sustainability, selected key issues to prioritize (ESG and SDGs materiality), and identified the promotion of decarbonization as a priority issue.
- For management of risks posed by climate change, the Risk Management Subcommittee checks the potential impact of these risks on each division and conducts regular monitoring to confirm that required measures are taken.
- The discussions of the Risk Management Subcommittee are reflected in the risk management process for the entire organization at meetings of the Internal Control Committee, which is chaired by the president, and the results are reported to the Board of Directors.

Metrics and Targets

Metrics and targets for evaluating and managing climate-related risks and opportunities

Scopes 1 and 2 25% reduction from 2020 levels by 2030

Scope 3 13% reduction from 2020 levels by 2030

- The Group has obtained verification under the SBT* initiative for its long-term CO₂ reduction targets aimed at achieving a zero-carbon society.



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

* Science Based Targets (SBT): GHG emissions reduction targets set by companies to be attained within 5-15 years, that are in alignment with the levels required by the Paris Agreement (limiting the global temperature rise to well below 2°C above preindustrial levels and pursuing efforts to limit warming to 1.5°C).

Note: The metrics and targets listed on this page are based on criteria established by the Tobishima Group in 2022.

Human Capital

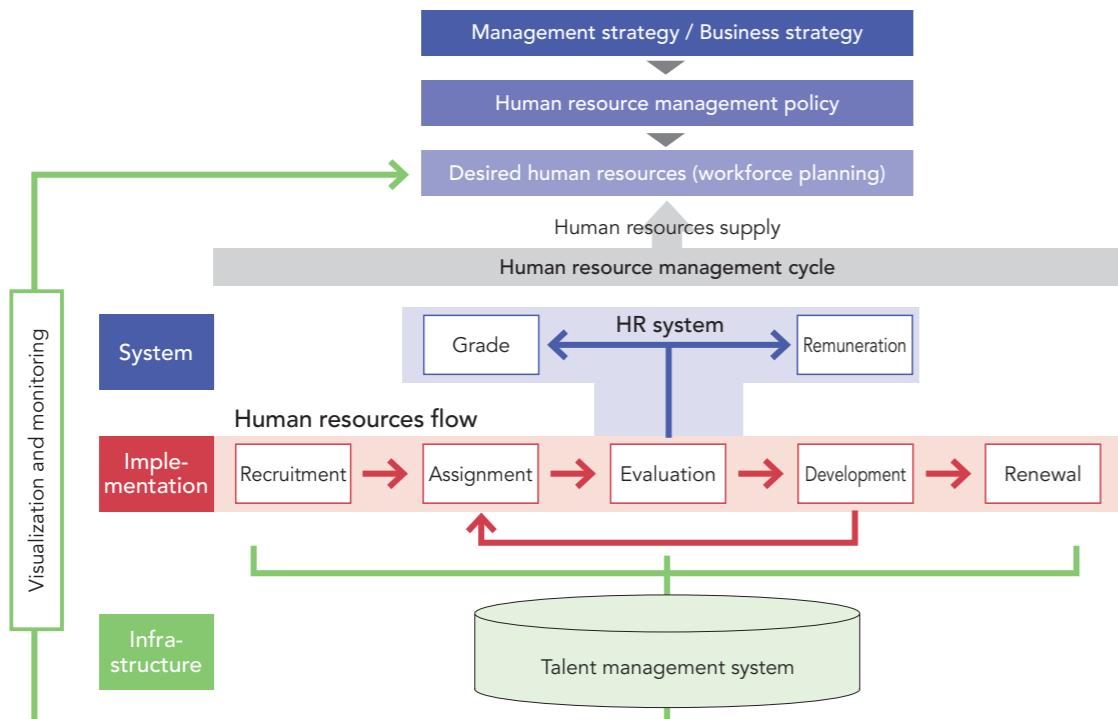
To support the Group's transformation, we are broadening opportunities for employees to gain experience across diverse business fields and departments by diversifying recruitment and promoting internal talent mobility and reassignment within the Group. Through these efforts, we aim to meet individual career development needs.

Talent Management

Providing employees with opportunities to gain experience across diverse business domains and build self-directed careers is essential not only for individual growth but also for advancing integrated HR initiatives across the Group.

To shift toward strategic management based on objective data, the Tobishima Group is adopting a talent management system. By utilizing this system, we can systematically understand and analyze employees' skills, experience, values, and career aspirations. This enables us to make optimal talent placements, enhance human capital value, and maximize the use of our human resources for ultimately contributing to sustained corporate value creation.

Talent Management System for Integrating HR Initiatives



Human Resource Recruitment (Diversifying Hiring)

To realize corporate transformation, the Tobishima Group positions the enhancement of diversity and quality in its human capital as a critical management issue, and is strengthening recruitment that targets a broad range of talent. Through enhanced corporate communication efforts and expanded internship programs, we proactively communicate the attractiveness of the Company. At the same time, with the understanding that every officer and employee plays a role in recruitment, we conduct hiring that leverages everyday business operations and all opportunities for external engagement.

In addition to avoiding reliance on traditional mass hiring of new graduates, we actively conduct year-round mid-career recruitment to secure individuals with specialized skills and experience. Furthermore, in pursuit of a creative and innovative corporate culture, we actively recruit individuals with diverse backgrounds, including gender, age, and nationality. By incorporating diverse perspectives into the organization, we aim to achieve sustainable growth and strengthen our competitive advantage.

Human Resource Development

We recognize that, to secure and retain talented personnel, it is essential not only to offer competitive compensation levels but also to clearly present a roadmap for career development after joining the Company, along with concrete measures to support that development. By integrating a human resource databank across the entire Group and by providing opportunities for career development and new challenges that extend beyond job rotation within a single company to include cross-Group mobility, we aim to support both employee growth and the Group's sustainable development.

Enhancing Engagement

We position our human resource acquisition and development policy around cultivating the kinds of talent needed for a "corporate group that supports future industrial promotion and development." Specifically, we seek to develop outstanding professionals who refuse to be satisfied with the status quo, who consistently embody a spirit of innovation and challenge, who proactively learn new things and boldly propose new ideas, who can think and act independently, and who possess both advanced expertise and a broad perspective.

In addition, we are committed to fostering and embedding a corporate culture that promotes diversity by respecting the individuality of each employee and providing an environment in which they can fully demonstrate their abilities to the fullest.

Metric	Target	Results (FY2024)
Work engagement deviation score	51 or higher by FY2027	50.1
Diversity rate (Percentage of women, mid-career hires, and foreign nationals among employees)	30% or higher by FY2027	26.6%

HIGHLIGHT

To strengthen unity across the Group and enhance brand value, we have adopted a new shared uniform for all Group companies.

Concept behind the adoption of the new uniform

The concept of the new uniform is "One Tobishima, One Spirit." This represents the Tobishima Group's commitment to working as One Team in creating society and shaping the future. The Tobishima Group is composed of multiple Group companies engaged in diverse businesses across various regions. The shared uniform is intended to express a visible sense of unity by fostering a common sense of purpose and mission that transcends differences in workplaces and job types.



A design that expresses the unity of the Tobishima Group

The design theme of the new uniform is "Pride and Functional Beauty of Those Who Create the Future." The overall color scheme is based on Tobishima Group's corporate color, Tobishima Blue, giving a professional and refined impression. The silhouette balances mobility with a smart appearance, with a focus on versatility that allows it to be worn in any setting, whether at job sites, in offices, or at meetings. Under the unified One Tobishima design, each company's logo is placed on the left chest and left arm to express the pride of each individual company.

Promoting a circular economy

In addition, the new uniform incorporates the principles of the circular economy. By using environmentally conscious materials such as biomass polyester and chemically recycled polyester, the uniforms help reduce petroleum consumption and contribute to building a sustainable society.



Human Rights

Basic Human Rights Policy

The Tobishima Group is determined to resolve social issues that it faces to support, realize, and advance the businesses of diverse people, based on its three core values: 1) Creating the future of construction, 2) Co-creation with diverse partners, and 3) Continuing to coexist with people and society. We recognize respect for human rights as an important issue with regard to our social responsibility as a company. To realize a sustainable society, we will implement initiatives to uphold this responsibility throughout the Group.

Human Rights Due Diligence

In line with our Group Basic Human Rights Policy, the Tobishima Group conducts human rights due diligence on an ongoing basis as a concrete initiative to uphold respect for human rights.

Human rights risk assessment

To identify potential negative human rights impacts arising from the Group's business activities and analyze/evaluate their significance and impact, we conduct questionnaires with our suppliers.

Identification, prevention, and mitigation of impacts

Before distributing the questionnaire, we held ESG training sessions both in person and via webinar to explain the Tobishima Group Basic Human Rights Policy and the purpose of these initiatives for promoting an understanding of human rights issues across our supply chain. We also shared the questionnaire results with participating suppliers. In August 2025, we strengthened the effectiveness of our whistleblowing framework by establishing the Tobishima Group Customer Support Hotline, a more accessible reporting and consultation channel specifically for our business partners.

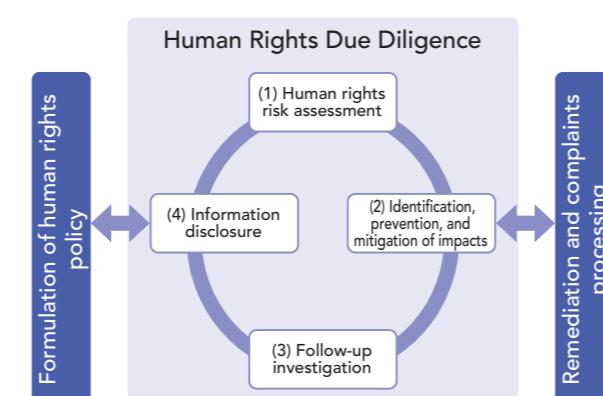
Follow-up surveys

We will continue conducting supplier questionnaires and use the quantitative and qualitative results to analyze the effectiveness of implemented measures, applying the PDCA cycle by adopting improvements as necessary.

Information disclosure

We disclose the results on our website and other channels and advance our initiatives through dialogue with our suppliers based on these findings.

Flow of Due Diligence Implementation



Establishment of Reporting and Consultation Channels

The UN Guiding Principles on Business and Human Rights call on companies to establish remedy mechanisms, such as channels for reporting and consulting in cases where human rights violations have occurred. To meet this expectation, the Tobishima Group has established the Tobishima Group Customer Support Hotline as a reporting and consultation channel designed not only for employees but also for suppliers. We have made the hotline as accessible as possible, including multilingual support, to ensure ease of use for all stakeholders.



Coexistence with Society / Social Contribution Activities

Tobishima Corporation × Antarctica

Tobishima Corporation

As part of the national Antarctic Research Expedition project, the Tobishima Group has continuously dispatched engineers to the National Institute of Polar Research since 1994. Our personnel engage in a wide range of architectural and civil engineering work at Showa Station, the operational base of the expedition team, covering facility maintenance, the construction, demolition, and upkeep of buildings such as power generation and wastewater treatment facilities, as well as infrastructure development, road construction, and heliport maintenance.

By drawing on the technical expertise and insight that Tobishima Corporation has cultivated over many years, which are skills that ensure mission success even under extremely challenging conditions, we contribute to the advancement of Antarctic research activities.



Photograph: National Institute of Polar Research



Photograph: National Institute of Polar Research

Local Communication and Social Contribution Activities

To strengthen our ties with local communities, we actively engage with residents through site tours and other opportunities for communication. Furthermore, we strive to deepen mutual understanding by participating in social contribution activities that are rooted in the community. In our efforts to realize a richer society, we are promoting the following activities throughout the Company.

Tobishima Corporation

Marathon Festival Nagoya Aichi 2025 Pre-event cleanup

In conjunction with the marathon, we carried out sidewalk cleaning along sections of the course, specifically, National Route 19 (Sakuradori) and National Route 22 (Fushimi-dori), both managed by the Nagoya National Highway Office of the Chubu Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism. This was our third time participating in this initiative, and we will continue to take part proactively going forward.



Kyokuto Construction

Coastal cleanup volunteer campaigns

For over ten years, we have participated in coastal cleanup volunteer campaigns organized by various groups throughout Okinawa Prefecture. As part of efforts to help realize a "Beautiful Ocean, Beautiful Islands Okinawa," we take part in beach cleanups aimed at improving coastal environments while also raising environmental awareness. We will continue to support and cooperate with these volunteer activities.



Messages from Outside Directors



Continuous Reform and Improvement Lead to Greater Recognition in the Market

Takako Masai
Outside Director

On Capital Market Evaluation

I recognize that market evaluations, such as our share price and P/B ratio, serve as important indicators of how the capital markets assess the Tobishima Group's initiatives in growth potential, profitability, capital efficiency, and governance.

In recent years, Japan's equity market has attracted significant attention from global investors, supported not only by the recovery of the real economy but also by companies' efforts to improve capital efficiency and advance governance reforms. Stock prices have continued their upward trend accordingly. Our company's stock has also remained strong. In addition to this favorable macro environment, I believe that the stable shareholder return programs we have introduced have steadily strengthened investor expectations and trust.

Following our transition to a holding-company structure last year, we have solidified our approach to our business portfolio, as well as our adoption of management practices with a greater focus on capital costs. Under the holding-company structure, capital policies based on clear investment criteria such as ROE and DOE, together with initiatives to optimize our business portfolio, communicate to the market a strong conviction and effectiveness toward long-term corporate value creation. As an outside director, I will continue to closely monitor these efforts and support the Company in ensuring that such initiatives are sustainably reflected in our valuation in the capital markets and contribute to enhancing our corporate value.

On Business Growth and Improving Capital Efficiency

ROE is a common term among investors, indicating whether a company is generating returns that exceed its cost of capital. I understand that the ROE target of around 10% and DOE of 4% or higher set out in our Medium-Term Management Plan are not merely numerical goals, but rather a clear statement of intent to balance improved capital efficiency with strategic growth investments. What matters is not the numbers in isolation, but how the Company uses those indicators as a foundation to transform its way of doing business and achieve sustainable growth.

In fact, although gradual, our ROE has begun to show signs of improvement. While the construction and civil engineering industry cannot yet be said to have high ROE levels compared with other sectors, it is essential that the targets we have set serve as a starting point for embedding a mindset throughout the Group that drives focused decision-making on projects and investments. I believe the holding company structure plays an important role in advancing these efforts by enabling integrated portfolio management and strengthening governance.

As an outside director, I expect the management team to use the Medium-Term Management Plan targets as a strategic anchor to not allow short-term numerical improvements to be fleeting, but instead to use them to create structural business reforms and sustained enhancement of capital efficiency. I believe that this cumulative progress will lead to further recognition and valuation improvements in the capital markets.

Expectations for Future Growth and Further Advancement under "One Tobishima"

Aki Nakanishi
Outside Director (Audit and Supervisory Committee Member)



Roles of the Board of Directors and the Audit & Supervisory Committee

A full year has already passed since Tobishima Holdings launched its new structure. Over the past year, the Board of Directors and the Audit & Supervisory Committee have engaged in forward-looking discussions on the Group's overall strategic direction, optimization of the organizational structure, and the ideal form of management. The commitment of each director to participate openly in these discussions while leveraging their respective areas of expertise truly embodies the sense of unity behind "One Tobishima." Although the holding company framework is still in its early stages, it is evident that this is a mature business rooted in "Tobishima-gumi," the Group's predecessor with a history of over 140 years dating back to the Meiji era.

What is especially noteworthy is that the organization has achieved both speed and quality in its decision-making. I recognize that the management team not only reaches swift and accurate decisions, but also follows a well-structured process to ensure accountability to external stakeholders.

On Governance

From the discussions held at the Board of Directors and the Audit & Supervisory Committee, ranging from overall strategy to internal controls and M&A, I believe that a governance framework with high transparency and reliability is steadily taking shape. This is the evidence that governance is beginning to take root not merely as a formal system, but as part of the organizational culture. The prior briefings provided to outside directors and the site visits arranged by relevant staff are indispensable for ensuring well-informed and effective decision-making based on a sound understanding of internal information. I hope these initiatives will continue to be strengthened going forward.

As social and business environments continue to change at an accelerating pace, I expect Tobishima Holdings to remain both flexible and resilient in its response, driving value creation that contributes to resolving societal issues. In my role as an outside director, I will also continue to support the maintenance of sound governance and the enhancement of corporate value.



Message from Newly Appointed Outside Director Fully Committing to Supporting the Realization of the Group Vision

Kumiko Otsuka
Outside Director

I joined the Board of Directors a little more than six months after the transition to a holding-company structure. Through the candid questions and open dialogue at Board meetings, as well as the forward-looking atmosphere within the organization, I have come to sense the great potential of the Group.

At this turning point for society, when resolving social issues is becoming increasingly complex, the Tobishima Group's vision of transforming into a New Business Contractor through co-creation with diverse partners, rather than relying solely on in-house capabilities, is fully aligned with the needs of the times. As an outside director, I intend to fully support this

transformation of my abilities.

At the same time, achieving the Group Vision will require the difficult balancing of short- and long-term perspectives, existing businesses and transformation efforts, and the creation of social value as a business entity on the one hand, and the enhancement of economic value as a listed company on the other. With an awareness of balancing these challenges, I will draw upon my experience and insight to contribute to the Board of Directors and governance framework that ensures effective, swift decision-making and robust risk management, approaching my responsibilities with a broad, objective viewpoint.

Directors

Story of Our Enhanced Corporate Value

Specific Strategies for Achieving Our Vision

Strategies in Each Business Field for Achieving Our Vision

Strengthening Our Foundation for Value Creation to Achieve Our Vision

Data Section



President and Representative Director
Mitsuhiro Takahashi



Director
Seiichi Okuyama



Director (Audit and Supervisory Committee Member)
Takuji Arao



Outside Director (Audit and Supervisory Committee Member)
Takashi Aihara

Apr. 1985 Joined Tobishima Corporation
Oct. 2014 Executive Officer and Chief of Corporate Planning Office
Apr. 2017 Executive Officer and Chief of Corporate Planning Division
Apr. 2019 Managing Executive Officer and Chief of Corporate Planning Division
Apr. 2020 Senior Managing Executive Officer and Chief of Corporate Planning Division
Jun. 2020 Director and Senior Managing Executive Officer and Chief of Corporate Planning Division
Apr. 2024 Director and Senior Managing Executive Officer and Chief of Corporate Management Division
Oct. 2024 President and Representative Director and Senior Chief Executive Officer of Tobishima Holdings Inc.

Apr. 1987 Joined The Fuji Bank, Limited (current Mizuho Bank, Ltd.)
Apr. 2015 General Manager, Yaesuguchi Branch Department No. 2 of Mizuho Bank, Ltd.
Apr. 2018 Executive Officer and General Manager, Tokyo-Chuo Branch Department No. 2 of Mizuho Bank, Ltd.
May 2020 Advisor of Tobishima Corporation
Jun. 2020 Director and Executive Vice President
Oct. 2024 Director and Senior Executive Vice President in charge of IR and Marketing of Tobishima Holdings Inc.

Apr. 1983 Joined Tobishima Corporation
Aug. 2013 Head of the Metropolitan Area Building Branch Office
Apr. 2014 Executive Officer and General Manager of Metropolitan Area Building Branch
Apr. 2016 Managing Executive Officer and General Manager of Metropolitan Area Building Branch
Jun. 2019 Director and Managing Executive Officer, and Chief of Building Construction Division
Apr. 2020 Director and Senior Managing Executive Officer, and Chief of Building Construction Division
Jun. 2023 Representative Director and Senior Managing Executive Officer, and Chief of Building Construction Division
Apr. 2024 Representative Director and Senior Managing Executive Officer
Oct. 2024 Director (Audit and Supervisory Committee Member) of Tobishima Holdings Inc.

Apr. 1979 Joined Osaka Gas Co., Ltd.
Jun. 2010 Director of Osaka Gas Co., Ltd.
Apr. 2014 President and Representative Director of Kinpai Co., Ltd.
Apr. 2016 Advisor of Osaka Gas Housing & Equipment Co., Ltd.
Jun. 2016 Audit & Supervisory Board Member of Osaka Gas Housing & Equipment Co., Ltd.
Jun. 2018 Outside Director of Tobishima Corporation
Oct. 2024 Outside Director (Audit and Supervisory Committee Member) of Tobishima Holdings Inc.



Outside Director
Takako Masai



Outside Director
Kumiko Otsuka



Outside Director (Audit and Supervisory Committee Member)
Toshiya Natori



Outside Director (Audit and Supervisory Committee Member)
Aki Nakanishi

May 2007 General Manager, Capital Markets Division of Shinsei Bank, Limited (current SBI Shinsei Bank, Limited)
Jul. 2015 Executive Officer, General Manager, Markets Research Division
Jun. 2016 Member of the Policy Board of the Bank of Japan
Jun. 2021 Director of SBI Financial and Economic Research Institute Co., Ltd. (current position)
Jul. 2021 Outside Director of Tobishima Corporation
Jun. 2024 Outside Director of Daio Paper Corporation (current position)
Jun. 2024 Outside Director of Kawasaki Kisen Kaisha, Ltd. (current position)
Aug. 2024 Outside Director (Audit and Supervisory Committee Member) of Bewith, Inc. (current position)
Oct. 2024 Outside Director of Tobishima Holdings Inc.

Apr. 1991 Joined The Fuji Bank, Limited (current Mizuho Bank, Ltd.)
Mar. 1996 Director, General Manager of Corporate Planning Office, and General Manager of Sales Administration Department of Otsuka Kagu, Ltd.
Jun. 2005 President and Representative Director of QUALIA CONSULTING Inc.
Mar. 2009 President and Representative Director of Otsuka Kagu, Ltd.
Jul. 2014 Director of Otsuka Kagu, Ltd.
Jan. 2015 President and Representative Director of Otsuka Kagu, Ltd.
Dec. 2020 President and Representative Director of QUALIA CONSULTING Inc. (current position)
Feb. 2023 President and Representative Director of QUALIA LIVING SOLUTIONS Inc. (current position)
Apr. 2023 Specially Appointed Professor of Meiji University (current position)
Jun. 2024 Outside Director (Audit and Supervisory Committee Member) of Melco Holdings Inc. (current position)
Jun. 2025 Outside Director of Tobishima Holdings Inc.

Jul. 2006 Tokyo District Public Prosecutor (Criminal Affairs Division)
Dec. 2012 Director, Secretarial Division, Minister's Secretariat of Ministry of Justice
Jan. 2015 Prosecutor of Supreme Public Prosecutors Office
Aug. 2016 Registered as an attorney at law
Joined Oh-Ebashi LPC & Partners
Mar. 2020 Joined ITN Partners (current position)
Jun. 2020 Outside Audit & Supervisory Board Member of Tobishima Corporation
Jun. 2021 Outside Director, Asante Incorporated (current position)
Jun. 2021 Outside Director, J Trust Co., Ltd. (current position)
Jul. 2024 President & CEO of TOMO Co., Ltd. (current position)
Oct. 2024 Outside Director (Audit and Supervisory Committee Member) of Tobishima Holdings Inc.

Apr. 2007 Professor, School of Business Administration of Meiji University (current position)
Apr. 2013 Expert Committee Member of Nippon CSIRT Association (current position)
Apr. 2015 Full-time Researcher, Research Center for Science Systems of the Japan Society for the Promotion of Science
Jan. 2018 Committee Member of the Expert Panel on Promotion and Human Resource Development National Center of Incident Readiness and Strategy for Cybersecurity, Cabinet Secretariat (current position)
Feb. 2020 Trustee of Meiji University (current position)
Jun. 2020 Outside Audit & Supervisory Board Member of Tobishima Corporation
Apr. 2022 Visiting Professor of Institute of Information Security
Apr. 2024 Dean, School of Business Administration of Meiji University (current position)
Oct. 2024 Outside Director (Audit and Supervisory Committee Member) of Tobishima Holdings Inc.

Corporate Governance

Basic Approach to Corporate Governance

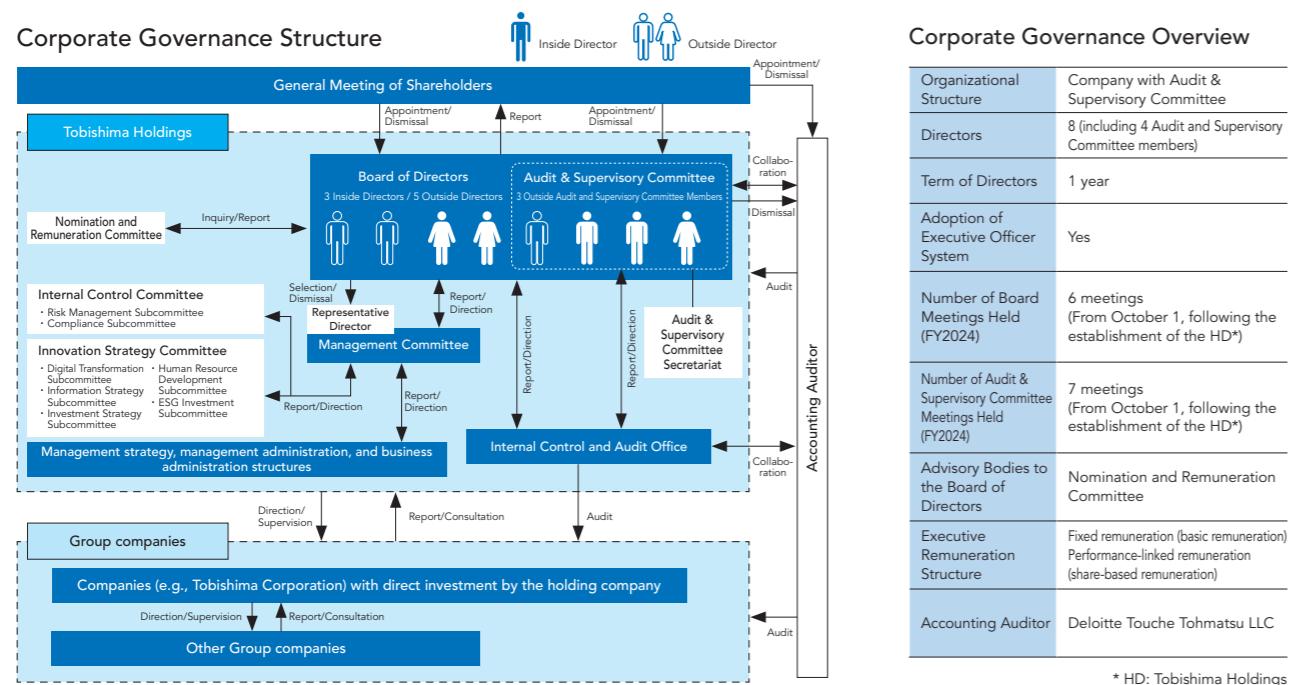
In order to respond swiftly and accurately to changes in the business and social environments, Tobishima Group has formulated guidelines for initiatives addressing the requirements of Japan's Corporate Governance Code. Moreover, we seek to enhance corporate governance by improving the efficiency, soundness, and transparency of management.



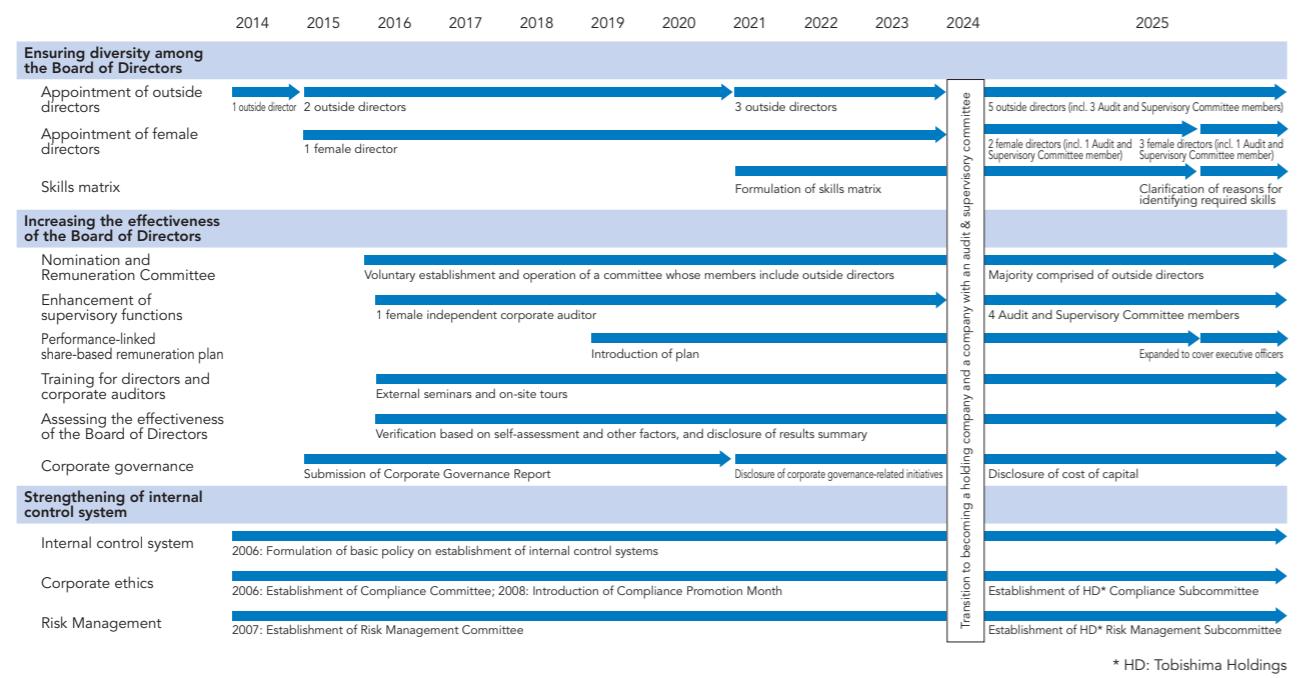
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Corporate Governance System

Tobishima Group has adopted the organizational design of a company with an audit & supervisory committee, with the aim of further strengthening and enhancing Group governance, while also increasing the ratio of outside directors on the Board of Directors and strengthening supervisory functions.



Timeline of Measures to Enhance Corporate Governance



Skills Matrix

The overall composition of the Board of Directors and the principal skills and expected roles of each Director (including knowledge, experience, capabilities, and expertise) are as follows. To realize enhanced corporate value over the long term, the skills that Directors are expected to possess have been organized in light of management strategy.

Tobishima Holdings Directors' Skills Matrix (As of June 27, 2025)

Name	Position at the Company	Corporate Management Strategy	Finance Accounting Financial Services	Investment M&A	Internal Control Legal Affairs Compliance	Sustainability	DX Innovation	Human Resource Management	IR SR
Mitsuhiko Takahashi	President and Representative Director	●		●	●		●	●	
Seiichi Okuyama	Director	●	●	●					●
Takako Masai	Outside Director	●	●	●		●			●
Kumiko Otsuka	Outside Director	●	●	●		●			●
Takuji Arao	Director (Audit and Supervisory Committee Member)	●			●	●	●	●	
Takashi Aihara	Outside Director (Audit and Supervisory Committee Member)				●	●			●
Toshiya Natori	Outside Director (Audit and Supervisory Committee Member)		●		●		●		
Aki Nakanishi	Outside Director (Audit and Supervisory Committee Member)		●				●	●	

Note: The above table does not represent all of the knowledge and experience possessed by each individual.

Skill Categories and Reasons for Selection

To realize the vision we aim to achieve, the Company has clearly defined the skills the Board of Directors should possess and the reasons for each of them, as shown below.

Corporate Management Management Strategy	The Board of Directors is the body responsible for making key management decisions and supervising business execution for the Company. In an ever-changing business environment and global landscape, we believe that management capabilities that enable the planning and execution of optimal management strategies are essential for consistent meeting stakeholder expectations and ensuring that the Company remains indispensable.
Finance Accounting Financial Services	To enhance sustainable corporate value, the Company is working to build a robust financial foundation and provide stable shareholder returns. We are also pursuing reforms to our management processes based on capital cost considerations to improve capital efficiency. From the perspective of making and supervising important decisions related to these initiatives at the Board level, we consider financial and accounting skills to be essential.
Investment M&A	To strengthen our earnings base, the Company is committed to creating new businesses through investment for growth and promoting strategic partnerships. We also aim to expand our business domains and their scale through strategic investments that help build a next-generation business portfolio. From the perspective of making and supervising important decisions related to these initiatives at the Board level, we consider investment and M&A skills to be essential.
Internal Control Legal Affairs Compliance	The internal control system forms the foundation that supports the sound management of the Group and is indispensable for conducting business with integrity and fulfilling our social responsibilities based on a high level of ethics. By promoting compliance activities in a systematic, organization-wide manner, we aim to be a transparent company that earns the trust of all stakeholders. From the perspective of supervising these initiatives at the Board level and providing specialized, high-level advice based on broad insight, we consider skills related to internal control and compliance to be essential.
Sustainability	To further advance our sustainable management initiatives, the Company has established a framework for integrated management across the entire Group. We have also identified key ESG focus areas and initiatives for each stage of the supply chain process, strengthened the operation of our PDCA cycle based on these focus areas, and are advancing efforts to enhance business sustainability. In addition, we are promoting initiatives toward the circular economy and strengthening measures to help realize a decarbonized society. From the perspective of making and supervising important decisions related to these initiatives at the Board level, we consider sustainability-related skills to be essential.
DX Innovation	In the near term, the Company is implementing construction DX to enhance productivity and profitability through the advancement of production processes. From a medium- to long-term perspective, we aim to become a platform company that shapes the future of construction by developing technologies that support initiatives such as the Infrastructure Longevity Business for enabling adaptation to a circular economy. From the perspective of making and supervising important decisions related to these initiatives at the Board level, we consider DX and innovation-related skills to be essential.
Human Resource Management	The Company practices human capital-focused management and positions human resources as its most important management capital. By integrating HR initiatives across the entire Group and promoting human resource development based on the alignment in knowledge and action, we support the sustainable growth of both the Company and its employees while maximizing synergistic effects. From the perspective of making and supervising important decisions related to these initiatives at the Board level, we consider human resource management-related skills to be essential.
IR SR	The Company believes that building and maintaining a relationship of trust with shareholders is essential for enhancing sustainable corporate value, and that continuous and sincere two-way communication is indispensable. By incorporating the opinions, evaluations, and expectations gained through communication into management, we aim to transform and evolve our management strategy and governance structure. IR and SR activities serve as a vital bridge between the Company and the capital markets, and because they play a critical role in improving corporate transparency, accountability, and governance quality, skills related to IR and SR are regarded as essential for the Board.

Efforts to Enhance the Effectiveness of the Board of Directors

Each fiscal year, the Board of Directors verifies the effectiveness of Board operations and each director based on self-evaluation and other measures, discloses a summary of the results, and acts to further increase effectiveness. The self-evaluation questionnaire includes items necessary for stimulating discussions at the Board of Directors as well as enhancing information gathering by directors and relevant support systems.

Assessing the Effectiveness of the Board of Directors (FY2024 Results)

Overview of Evaluation Method

- ① Purpose of evaluation: To achieve compliance with the requirements of Japan's Corporate Governance Code, analyze issues in the Board of Directors, and increase its effectiveness through improvements
- ② Evaluation period: October 2024–March 2025
- ③ Evaluation method: Self-evaluation by directors (8 persons in total) (questionnaires sent out by email, anonymous responses)
- ④ Evaluation items: 26 items in total
(Group 1: Composition of the Board of Directors; Group 2: Operation of the Board of Directors; Group 3: Systems supporting the Board of Directors)

Overview of Evaluation Results

As a result of its evaluation of the anonymous survey of directors implemented in FY2024, the Board of Directors concluded that it has been able to maintain its effectiveness. The Company will continue working to enhance the effectiveness of the Board of Directors.

Training for Directors

To ensure that directors can adequately fulfill their roles and responsibilities, we provide them with internal information as necessary, as well as opportunities to participate in training, such as seminars at external institutions and lectures by specialists. For outside directors, in addition to the above, we also provide opportunities to gain a deeper understanding of the Company's business operations, such as through site visits.

Remuneration for Corporate Officers

The Company's basic policy on remuneration for directors is to maintain a remuneration system that functions as an incentive for sustainably increasing corporate value and to ensure an appropriate level of remuneration commensurate with work responsibilities when determining the remuneration of individual directors. Specifically, remuneration for directors is comprised of basic remuneration and performance-linked share-based remuneration. Basic remuneration is fixed monthly remuneration that is decided by considering employee salary levels and other factors, based on points allocated in accordance with rank and position. For outside directors and directors who serve as Audit and Supervisory Committee members, only basic remuneration is provided, as performance-linked remuneration is considered inappropriate for such roles. The total amount of remuneration for directors is determined by the Board of Directors within the limit approved at the General Meeting of Shareholders, following a report from the Nomination and Remuneration Committee, most of whose members are outside directors. The amount of remuneration for each individual director is decided by the President and Representative Director, who has been delegated such authority by resolution of the Board of Directors.

For Audit and Supervisory Committee members, only basic remuneration is provided, as performance-linked remuneration is considered inappropriate. The amount of remuneration for each Audit and Supervisory Committee member is determined within the limit approved at the General Meeting of Shareholders, through deliberation by the Audit & Supervisory Committee.

Introduction of Performance-Linked Share-Based Remuneration Plan

For the performance-linked component, the Company has introduced a performance-linked share-based remuneration plan, known as a Board Benefit Trust, for directors (excluding Audit and Supervisory Committee members and outside directors) and for executive officers who are not directors. This plan is intended to further clarify the link between directors' remuneration, the Company's performance, and its share price, thereby increasing directors' awareness of contributing to the improvement of medium-to long-term business performance and the attendant increase in corporate value by having them share with shareholders both the benefit of rising stock prices and the risk of falling stock prices.

Amounts of Remuneration, etc. Paid to Directors (FY2024 Results)

Total amount of remuneration, etc. by director/Audit and Supervisory Committee member category and by type of remuneration, etc., and number of recipients

Category	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc. by type of remuneration (millions of yen)		Number of recipients
		Basic remuneration	Performance-linked share-based remuneration	
Director (excluding directors who are Audit and Supervisory Committee members)	42	38	4	4
(of which, outside directors)	(7)	(7)	—	(2)
Director (Audit and Supervisory Committee member)	20	20	—	4
(of which, outside directors)	(10)	(10)	—	(3)

Note: The total amount of performance-linked share-based remuneration is the amount of provision for share awards for directors (and other officers) recorded for the fiscal year under review.

Dialogue with Shareholders

Dialogue with Shareholders and Investors

The Company believes that constructive dialogue (engagement) with shareholders and investors is critically important for realizing sustainable enhancement of corporate value. We strive to provide timely and appropriate disclosure of both financial and non-financial information, and through two-way communication, we aim to deepen understanding of our management and build strong, trust-based relationships.

Main Initiatives

Enhancing the General Meeting of Shareholders

At the General Meeting of Shareholders, we provide clear and careful explanations regarding management policies, business performance, and governance structures, and we endeavor to answer questions sincerely and with specificity.

Implementation of IR Activities

Through semiannual financial results briefings, individual meetings, and enhanced Integrated Reports and IR materials, we maintain ongoing dialogue with institutional investors and analysts. (Results for FY2024: 8 SR meetings, 9 IR meetings)

Providing Information to Individual Shareholders and Individual Investors

Through our website and timely disclosure, we place emphasis on delivering information that is clear, accessible, and timely.

Feedback from Dialogue

Feedback obtained through dialogue, including opinions and requests from shareholders and investors, is appropriately shared with internal bodies such as the Board of Directors. This feedback is then utilized in the review and refinement of management strategies and sustainability initiatives. Going forward, we will continue to strengthen trust-based relationships with shareholders and investors through transparent information disclosure and sincere, constructive dialogue.

Policy on Reduction of Cross-Shareholdings

The Company has a policy to hold shares as cross-shareholdings only when it determines that this will contribute to increasing corporate value over the medium to long term through maintenance and strengthening of business relationships. In the Medium-Term Management Plan (to 2027), the Company has set a target of selling all of its cross-shareholdings by FY2027 with a view to increasing capital efficiency. We will proceed to reduce these holdings in stages while confirming our relationships of trust with business partners.

11-Year Financial Summary

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Management Results											
Orders received	(Millions of yen)	139,371	112,848	134,652	122,065	154,556	110,772	128,228	120,647	108,470	118,960
Net sales	(Millions of yen)	118,652	120,710	117,807	131,121	128,866	134,859	117,295	117,665	125,941	132,049
Operating profit	(Millions of yen)	3,287	6,662	5,477	8,252	7,220	7,848	3,995	4,575	4,146	5,252
Ordinary profit	(Millions of yen)	2,684	6,059	5,048	7,797	7,019	7,382	3,673	4,212	3,677	4,775
Profit attributable to owners of parent	(Millions of yen)	2,449	6,115	4,383	6,024	5,071	5,109	2,451	3,219	3,038	3,403
Segment Information (Net Sales)											
Civil Engineering Business	(Millions of yen)	64,577	67,591	66,957	73,641	79,216	77,624	65,784	63,175	65,625	68,062
Building Construction Business	(Millions of yen)	53,172	52,103	49,554	55,868	47,769	50,088	45,629	47,338	51,810	53,155
Development Business, etc.	(Millions of yen)	902	1,014	1,294	1,610	1,880	7,146	5,882	7,150	8,505	10,830
Financial Position											
Total assets	(Millions of yen)	91,594	91,455	98,125	101,908	109,586	121,804	121,598	114,632	128,055	150,869
Net assets	(Millions of yen)	16,508	21,962	25,894	31,770	36,410	39,473	41,586	43,872	45,730	48,803
Interest-bearing debt	(Millions of yen)	13,600	10,000	10,000	10,247	10,524	19,897	20,193	16,195	18,644	34,846
Cash Flows											
Cash flows from operating activities	(Millions of yen)	2,663	4,259	11,335	989	4,164	(2,679)	4,173	(6,187)	6,332	(9,992)
Cash flows from investing activities	(Millions of yen)	1,248	(794)	(791)	(4,473)	(1,233)	(1,602)	(1,175)	(1,772)	(508)	(1,441)
Cash flows from financing activities	(Millions of yen)	1,372	(3,627)	(452)	(318)	(721)	4,362	(846)	(4,561)	1,446	14,912
Cash and cash equivalents at end of period	(Millions of yen)	14,764	14,532	24,606	20,785	23,013	23,050	25,235	12,749	20,088	23,673
Per Share Information											
Earnings per share	(Yen)	18.10	36.59	22.77	312.95	263.47	266.39	128.15	168.30	158.81	177.86
Net assets per share	(Yen)	31.15	114.04	134.48	1,649.80	1,891.96	2,062.77	2,173.26	2,293.14	2,389.71	2,549.14
Dividend	(Yen)	—	2.0	3.0	4.0	50.0	50.0	50.0	50.0	60.0	70.0
Dividend payout ratio	(%)	—	5.9	13.2	12.2	21.5	19.9	43.3	35.1	42.6	44.9
Financial Indicators											
Equity ratio	(%)	18.0	24.0	26.4	31.2	33.2	32.4	34.2	38.3	35.7	32.3
D/E ratio	(Times)	0.8	0.5	0.4	0.3	0.3	0.5	0.5	0.4	0.4	0.7
ROE	(%)	16.5	31.8	18.3	20.9	14.9	13.5	6.1	7.5	6.8	7.2

Notes: 1. On October 1, 2018, the Company conducted a reverse stock split at a ratio of 10 shares of common stock to 1 share of common stock.

The figures for Net Assets per Share and Earnings per Share for FY2018 have been calculated on the assumption that the reverse stock split had been executed at the beginning of the fiscal year.

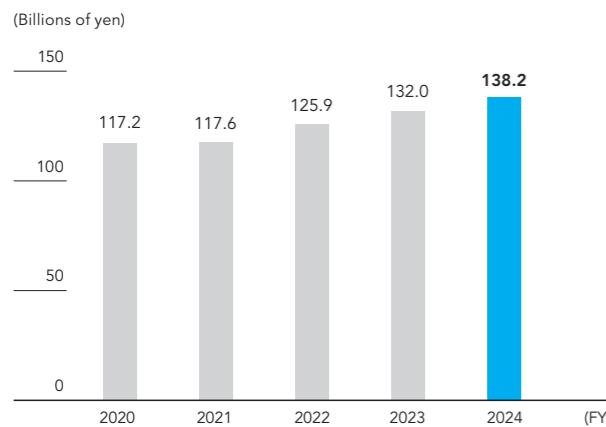
2. The Company was established on October 1, 2024, through a sole-share transfer as the wholly owning parent company of Tobishima Corporation.

The scope of consolidation of the Company remains substantially unchanged from that of Tobishima Corporation prior to the integration.

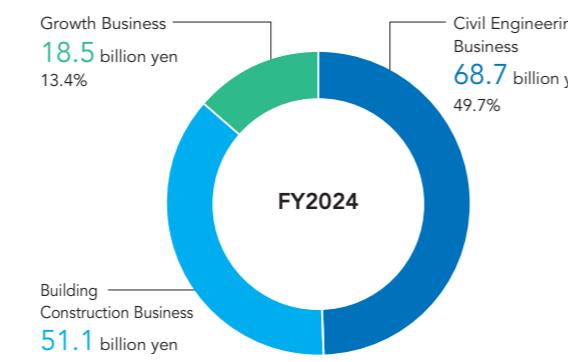
Financial and Non-Financial Highlights

Financial

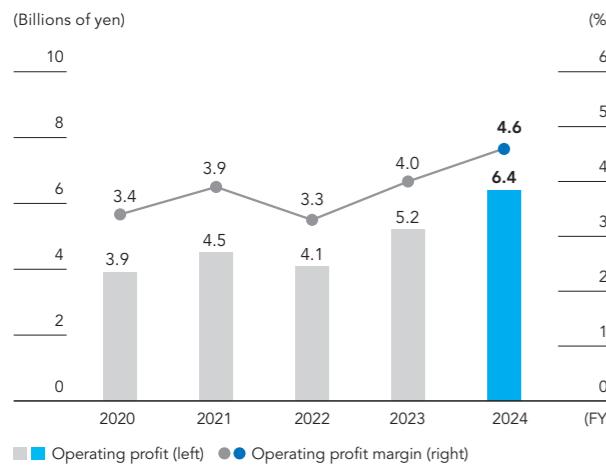
Net Sales (Consolidated)



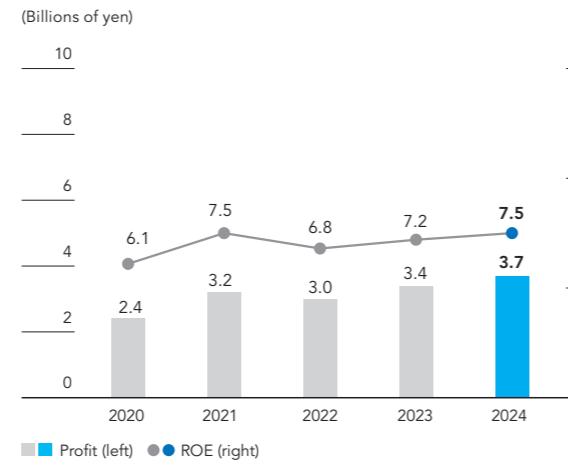
Net Sales Breakdown by Business (Consolidated)



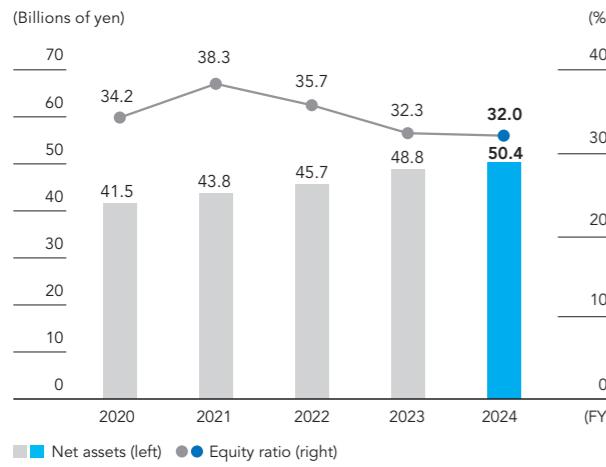
Operating Profit, Operating Profit Margin (Consolidated)



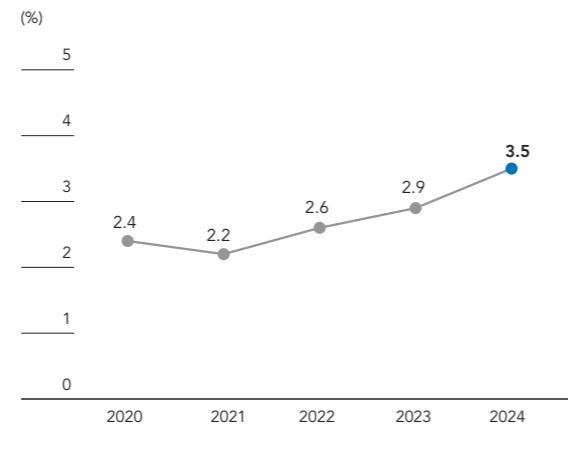
Profit, ROE (Consolidated)



Net Assets, Equity Ratio (Consolidated)

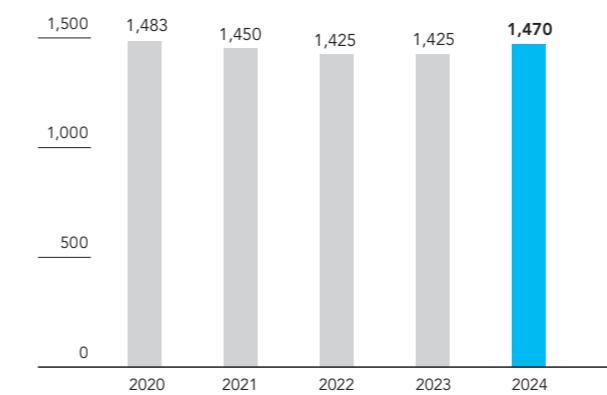


DOE (Consolidated)

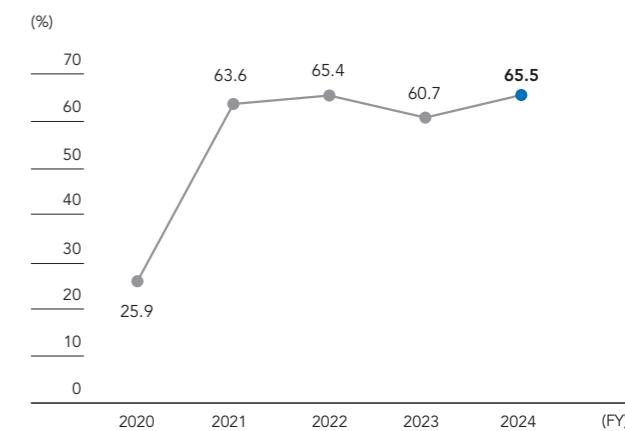


Non-Financial

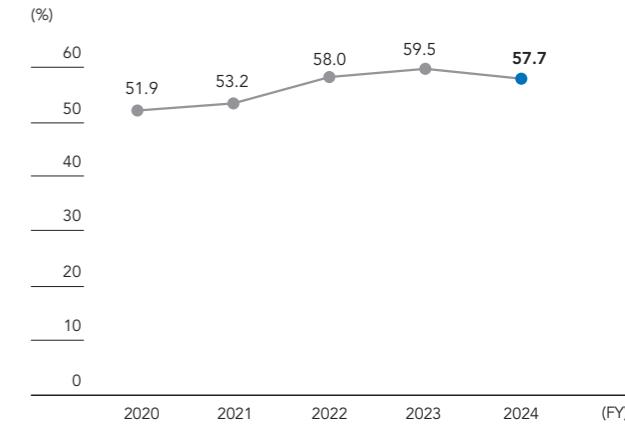
Number of Employees (Consolidated)



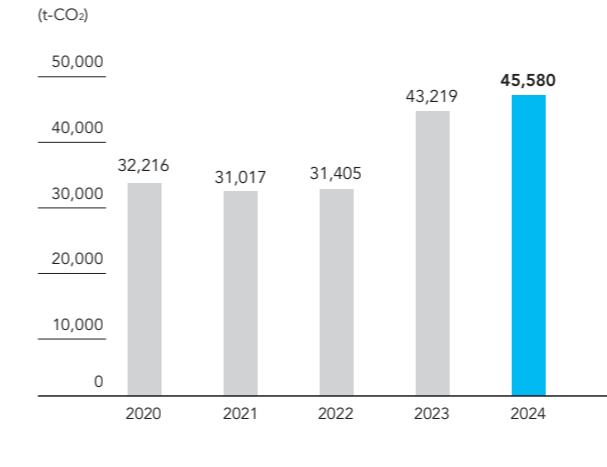
Ratio of Eligible Male Employees Taking Childcare Leave (Tobishima Corporation)



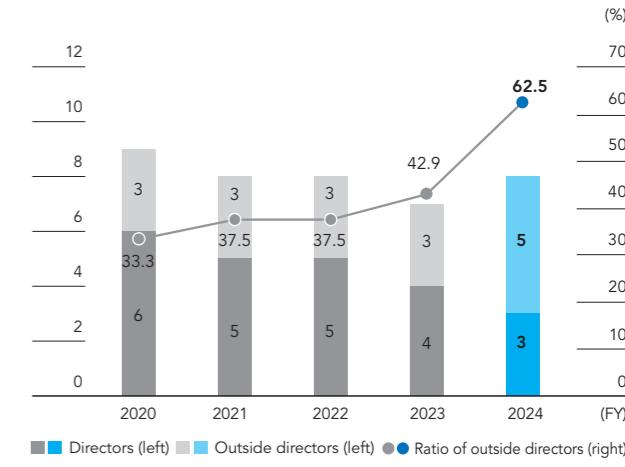
Rate of Annual Paid Leave Taken (Tobishima Corporation)



GHG Emissions (Scopes 1 and 2) (Consolidated)



Number of Directors, Ratio of Outside Directors

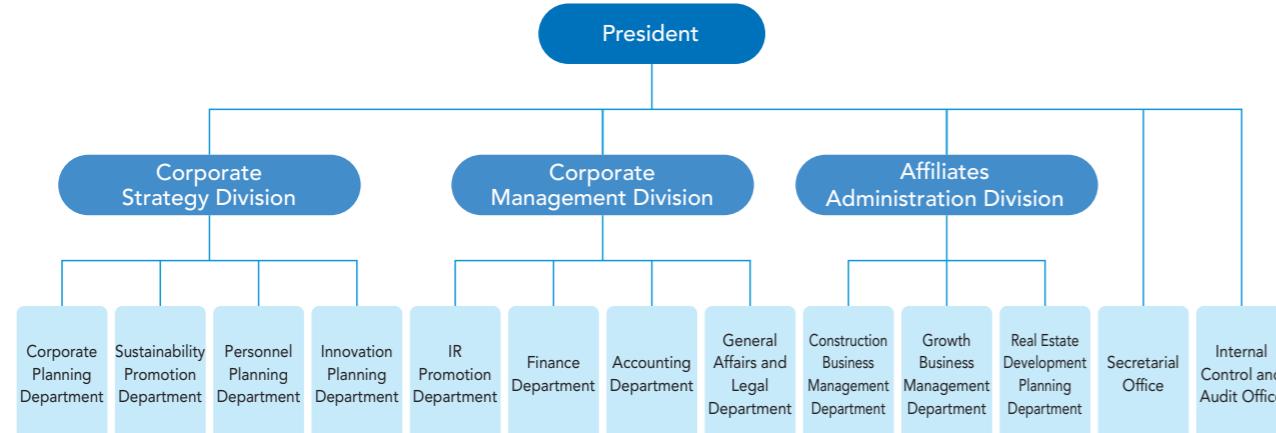


Company Information (As of March 31, 2025)

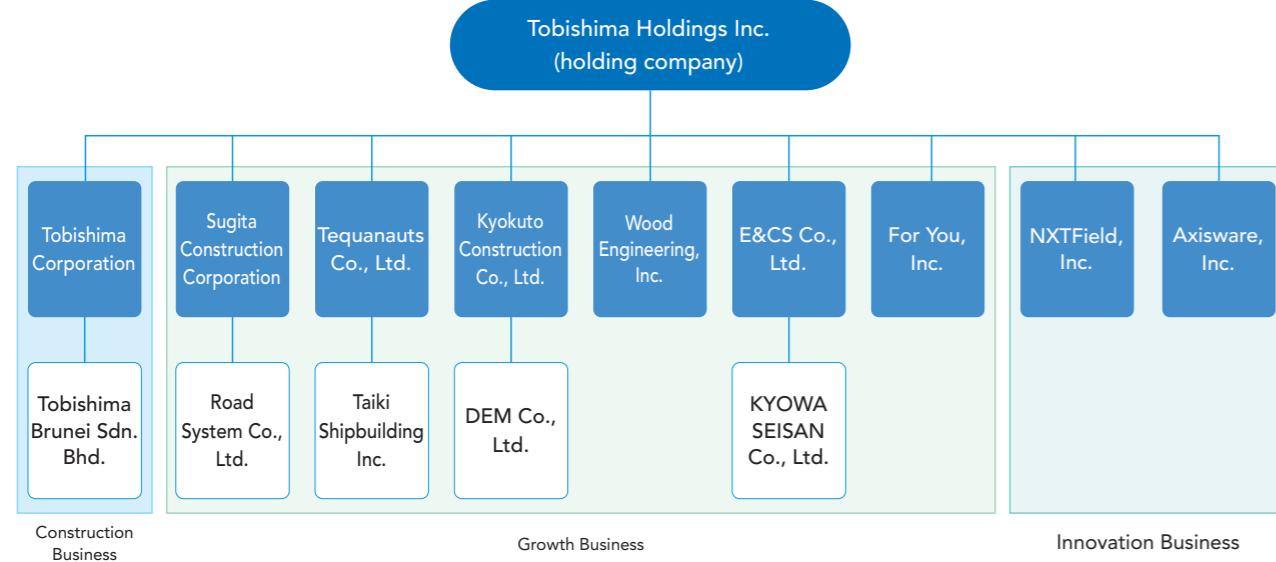
Company Overview

Company name	Tobishima Holdings Inc.
Established	October 1, 2024
Paid-in capital	5,500 million yen
Number of employees (consolidated)	1,470
Representative	Mitsuhiko Takahashi, President and Representative Director
Address	1-8-15, Konan, Minato-ku, Tokyo 108-0075, Japan
Business description	Management and administration of subsidiaries engaged in the construction business, development business, and others, and ancillary operations

Tobishima Holdings Organization



Group Company Organization



Stock Information (As of March 31, 2025)

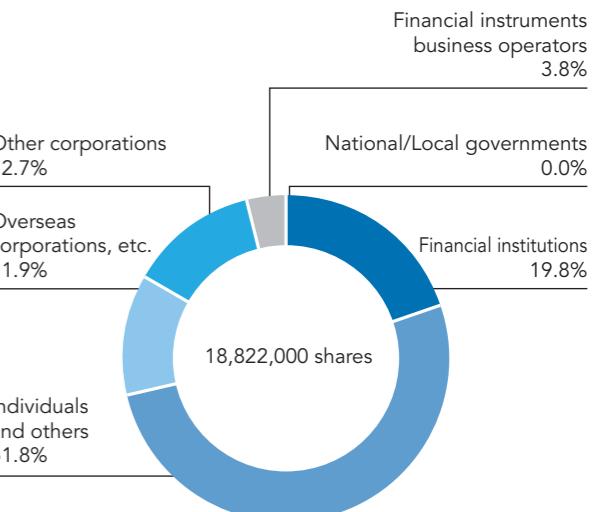
Status of Stocks

Total number of authorized shares	40,000,000 shares
Total number of outstanding shares	19,225,868 shares
Number of shareholders	29,881
Listed securities exchange	Prime Market, Tokyo Stock Exchange
Securities code	256A
Shareholder registry administrator	Mizuho Trust & Banking Co., Ltd.

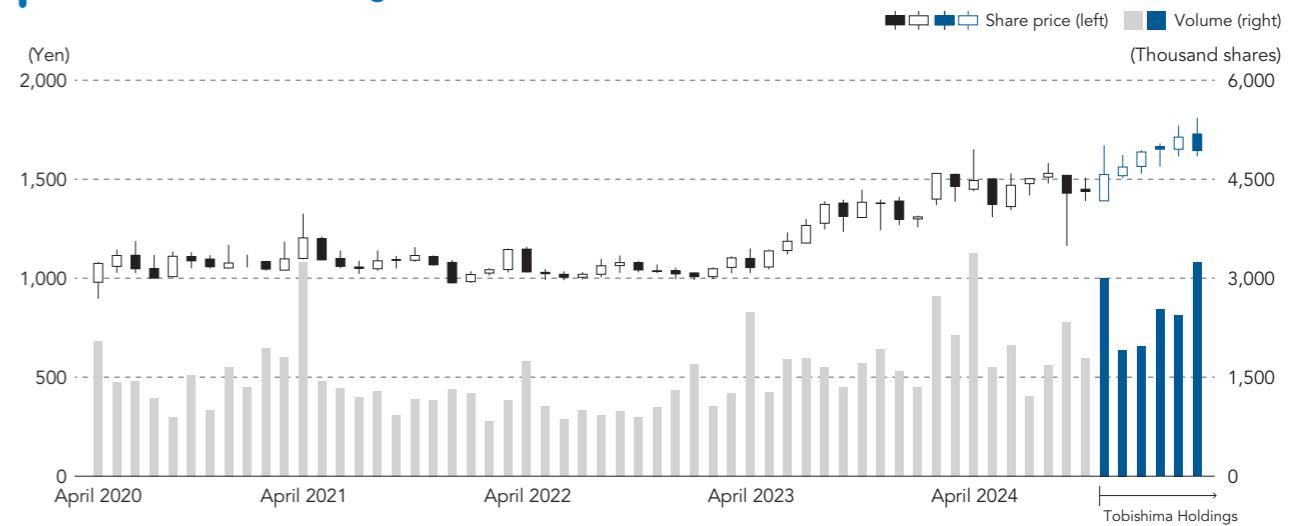
Major Shareholders

Shareholder	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	13.8
Tobishima Kyoei-kai (Business Partner Shareholding Association)	6.5
Custody Bank of Japan, Ltd. (Trust Account)	3.0
Ueda Yagi Tanshi Co., Ltd.	2.7
Tobishima Holdings Employee Stock Ownership Association	2.3
Morgan Stanley MUFG Securities Co., Ltd.	1.3
DFA INTL SMALL CAP VALUE PORTFOLIO	1.2
NIIHAMA IRON WORKS CO., LTD.	1.0
BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC)	0.8
BNP PARIBAS NEW YORK BRANCH-PRIME BROKERAGE CLEARANCE ACCOUNT	0.8

Distribution by Shareholder Category



Share Price and Trading Volume Trends





TOBISHIMA
HOLDINGS

1-8-15 Konan, Minato-ku, Tokyo

108-0075 Japan

<https://www.tobishimahd.co.jp/english/>

