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Date of sending by postal mail: September 3, 2026
Start date of measures for electronic provision: September 1, 2026

To Shareholders with Voting Rights:

Tatsuya Kishimoto
Director and President
SHO-BOND Holdings Co., Ltd.
7-8, Hakozaki-cho, Nihonbashi,
Chuo-ku, Tokyo

NOTICE OF
THE 19TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We are pleased to announce the 19th Annual General Meeting of Shareholders of SHO-BOND Holdings Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

When convening this General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts the information on each of the following websites. Please access either of the websites to review the information.

The Company's website:
https://www.sho-bondhd.jp/english/ir/stock/meeting/

TSE website (Listed Company Search):
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

(Access the TSE website by using the Internet address shown above, enter "SHO-BOND Holdings" in "Issue name (company name)" or the Company's securities code "1414" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].")

Instead of attending the meeting in person, you may exercise your voting rights via the Internet, etc. or in writing (postal mail). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by **5:30 p.m. on Thursday, September 24, 2026 Japan time**.

1. **Date and Time:** Friday, September 25, 2026 at 10 a.m. Japan time (reception will open at 9 a.m.)

2. **Place:** "Royal Hall" on the 3rd floor of Royal Park Hotel, located at 2-1-1 Nihonbashi-Kakigara-cho, Chuo-ku, Tokyo, Japan

3. **Meeting Agenda:**

Matters to be reported:
1. The Business Report, Consolidated Financial Statements for the Company's 19th Fiscal Year (July 1, 2025 to June 30, 2026) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 19th Fiscal Year (July 1, 2025 to June 30, 2026)

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Four (4) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

- When attending the meeting, please submit the Voting Rights Exercise Form at the reception desk. Also, to conserve resources, please bring this convocation notice with you to the meeting.
- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company's website and the TSE website.
- In accordance with a revision of the Companies Act, in principle you are to check items subject to measures for electronic provision by accessing either of the websites, and we have decided to deliver paper-based documents stating the items only to shareholders who request the delivery of paper-based documents by the record date. However, for this general meeting of shareholders, we have delivered paper-based documents stating the items subject to measures for electronic provision to all shareholders, regardless of whether or not they have requested them.
  Among the items subject to measure for electronic provision, the following items are not provided in the paper-based documents to be sent out as provided for by the provisions of laws and regulations and Article 14 of the Articles of Incorporation of the Company.
  (1) "Current Systems and Operational Procedures for Ensuring Appropriateness of Business Operations" of the Business Report
  (2) "Consolidated Statements of Changes in Net Assets" and "Notes on Consolidated Financial Statements" of the Consolidated Financial Statements
  (3) "Non-consolidated Statements of Changes in Net Assets" and "Notes on Non-consolidated Financial Statements" of the Non-consolidated Financial Statements
  Therefore, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements included in such paper-based documents are part of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Accounting Auditor and the Audit and Supervisory Committee in preparing their respective accounting audit report and audit report.
- The results of the resolutions at this General Meeting of Shareholders will be posted on the Company's website after the conclusion of the General Meeting in lieu of sending written notification of the resolutions. We appreciate your understanding in this matter.

＜Guide to Exercise Voting Rights via the Internet, Etc.＞

1. Scanning the QR code

You can simply log into the website for exercising voting rights without entering your login ID and temporary password printed on the Voting Rights Exercise Form.

(1) Please scan the QR code printed on the Voting Rights Exercise Form.
*QR code is a registered trademark of DENSO WAVE INCORPORATED.

(2) Indicate your approval or disapproval by following the instructions on the screen.

2. Entering login ID and temporary password

Voting Rights Exercise Website https://evote.tr.mufg.jp/ (in Japanese)

(1) Access the Voting Rights Exercise Website.

(2) Enter the login ID and temporary password described on the Voting Rights Exercise Form and click "Log-in."

(3) Indicate your approval or disapproval by following the instructions on the screen.

If you need instructions regarding how to operate your personal computer/smartphone in order to exercise your voting rights via the Internet, please call the phone number on the	Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation (Help desk) Telephone: 0120-173-027 (toll-free within Japan) Service Hours: 9 a.m. – 9 p.m.

Institutional investors may use the Electronic Voting Platform for Institutional Investors operated by ICJ, Inc.

(Notes)
1. You can access the Voting Rights Exercise Website using your computer or smartphone. However, you will not be able to access the website from 2:30 a.m. to 4:30 a.m. Japan time each day during the exercise period.
2. If you exercise your voting rights both via the Internet, etc. or in writing (postal mail), the one exercised via the Internet, etc. will be deemed valid. Furthermore, if you exercise your voting rights more than once via the Internet, etc., the last vote will be deemed valid.
3. Depending on the Internet usage environment on your PC or smartphone, you may not be able to access the Voting Rights Exercise Website.
4. Costs (Internet connection charges, etc.) incurred in accessing the Voting Rights Exercise Website will be the responsibility of the shareholder.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1:Appropriation of Surplus

Regarding the appropriation of surplus, the Company hereby proposes as follows.

Matters concerning year-end dividend

The Company recognizes that returning profits to our shareholders is the most important issue for management, and we have a basic policy to pay stable dividends in line with our business performance.

Regarding the year-end dividend for the 19th fiscal year, the Company has adopted a policy of maintaining a consolidated dividend payout ratio of 60% for the three-year period from the fiscal year ended June 30, 2025 to the fiscal year ending June 30, 2027. Based on this policy, the interim dividend is ¥82 per share (before the stock split), and the year-end dividend will be ¥25.25 per share.

As of January 1, 2026, the Company conducted a 4-for-1 stock split of its common shares. After adjusting for the stock split, the interim dividend will be ¥20.50 per share, and the annual dividend will be ¥45.75 per share.

(1) Type of dividend property
Cash

(2) Matters concerning allotment of dividend property to shareholders and the total amount
¥25.25 per share of common shares of the Company, for a total of ¥5,063,449,160

(3) Effective date of distribution of surplus
September 28, 2026

Proposal No. 2: Election of Four (4) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The terms of office of all four (4) Directors (excluding Directors serving as Audit and Supervisory Committee Members) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of four (4) Directors (excluding Directors serving as Audit and Supervisory Committee Members) is proposed.

This proposal was examined at the Audit and Supervisory Committee, in light of the examination at the Nomination and Remuneration Advisory Committee, and there were no particular matters on which to remark.

The candidates for Directors (excluding Directors serving as Audit and Supervisory Committee Members) are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance at Board of Directors meetings
1	Reelection Tatsuya Kishimoto	President and Representative Director	12/12 (100%)
2	Reelection Takayasu Shimada	Director of Construction Management	12/12 (100%)
3	Reelection Setsu Arai	Director of Group Strategy and General Manager of Corporate Planning Department	12/12 (100%)
4	Reelection Michinori Yoshinaka	Director of Administration and General Manager of Human Resources Department	9/9 (100%)

(Note) Since Michinori Yoshinaka assumed office as Director at the 18th Annual General Meeting of Shareholders held on September 26, 2025, the number of Board of Directors meetings he was expected to attend is different from that of other candidates for Directors.

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Past experience, positions and responsibilities at the Company
(significant concurrent positions)</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td rowspan="2">Tatsuya Kishimoto
(April 8, 1963)

Reelection

Attendance at Board of Directors meetings during the fiscal year
12/12 (100%)</td><td>April 2001
April 2009
April 2011

July 2012

September 2012
April 2013

April 2015
April 2017

September 2017

July 2021

April 2023
April 2026</td><td>Joined SHO-BOND CORPORATION
General Manager of Yokohama Branch
Director and Executive Officer, and General Manager of Kinki Regional Office
Senior Managing Director and General Manager of Kinki Regional Office
Director of the Company
Senior Managing Director and General Manager of Marketing and Sales Division of SHO-BOND CORPORATION
Executive Vice President and Director
President and Representative Director
Director and General Manager of Corporate Planning Department of the Company
President and Representative Director (current position)
President and Representative Director, and General Manager of Marketing and Sales Division of SHO-BOND CORPORATION
President and Representative Director
Chairman and Representative Director (current position)</td><td>97,713 shares</td></tr>
<tr><td colspan="3">[Reasons for nomination as a candidate for Director]
By exercising his leadership in the management team of the Company, he has taken the lead role in managing the Group by working to achieve sales strategies mainly based on his abundant experience in business and management at the Group companies. We once again propose to elect him as a Director based on the judgment that he is an appropriate person for achieving sustained growth and improvement in the corporate value of the Group as a whole.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions and responsibilities at the Company
(significant concurrent positions)</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">2</td><td rowspan="2">Takayasu Shimada
(April 13, 1969)

Reelection

Attendance at Board of Directors meetings during the fiscal year
12/12 (100%)</td><td>April 1992 Joined SHO-BOND CORPORATION
April 2012 General Manager of Tokyo Branch
April 2017 Executive Officer and General Manager of Chubu Regional Office
April 2020 Director and General Manager of Chubu Regional Office
April 2021 Director and General Manager of Shutoken Hokuriku Regional Office
April 2023 Director, General Manager of Marketing and Sales Division, and General Manager of DX Promotion Office
September 2023 Managing Director, General Manager of Marketing and Sales Division, and General Manager of DX Promotion Office
Director of Business Strategies of the Company
September 2024 Managing Director, General Manager of Marketing and Sales Division, and General Manager of the East Japan In-house Company of SHO-BOND CORPORATION
September 2025 Director of Construction Management of the Company (current position)
April 2026 President and Representative Director, and General Manager of Marketing and Sales Division of SHO-BOND CORPORATION (current position)</td><td>22,013 shares</td></tr>
<tr><td colspan="2">[Reasons for nomination as a candidate for Director]
As a person responsible for formulating business strategies such as new businesses and partnerships with external organizations, he has taken the lead role in managing the Group based on his abundant experience in business and management at the Group companies. We once again propose to elect him as a Director based on the judgment that he is an appropriate person for achieving sustained growth and improvement in the corporate value of the Group as a whole.</td></tr>
<tr><td rowspan="2">3</td><td rowspan="2">Setsu Arai
(June 14, 1971)

Reelection

Attendance at Board of Directors meetings during the fiscal year
12/12 (100%)</td><td>April 1995 Joined SHO-BOND CORPORATION
April 2013 General Manager of Osaka Branch
April 2019 General Manager of Marketing and Sales Department, Marketing and Sales Division
April 2021 Executive Officer and General Manager of Kinki Regional Office
April 2023 Senior Executive Officer and General Manager of Shutoken Hokuriku Regional Office
September 2023 Director and General Manager of Shutoken Hokuriku Regional Office
April 2024 Director and General Manager of Overseas Business Department (current position)
September 2024 Director of Sales Management of the Company
President and Representative Director of SHO-BOND MATERIAL CO., LTD.
September 2025 Director of Group Strategy and General Manager of Corporate Planning Department of the Company (current position)</td><td>9,560 shares</td></tr>
<tr><td colspan="2">[Reasons for nomination as a candidate for Director]
As a person responsible for formulating strategies related to domestic and overseas sales, he has taken the lead role in managing the Group based on his abundant experience in business and management at the Group companies. We once again propose to elect him as a Director based on the judgment that he is an appropriate person for achieving sustained growth and improvement in the corporate value of the Group as a whole.</td></tr>
</table>

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
4	Michinori Yoshinaka (July 3, 1965) Reelection Attendance at Board of Directors meetings during the fiscal year 9/9 (100%)	January 1995 Joined SHO-BOND CORPORATION September 2017 General Manager of Accounting Department, Corporate Administration Division General Manager of General Affairs and Finance Department and General Manager of Compliance Department of the Company April 2019 General Manager of Accounting Office, Corporate Planning Department April 2022 General Manager of Human Resources Office, General Affairs Department General Manager of Human Resources Department, Corporate Administration Division of SHO-BOND CORPORATION September 2022 General Manager of Human Resources Department of the Company April 2023 Executive Officer and General Manager of Human Resources Department, Corporate Administration Division of SHO-BOND CORPORATION September 2023 Director and General Manager of Human Resources Department, Corporate Administration Division December 2024 General Manager of Human Resources Department and General Affairs Department of the Company Director and General Manager of Human Resources Department and General Affairs Department, Corporate Administration Division of SHO-BOND CORPORATION April 2025 Director, General Manager of Corporate Administration Division and General Manager of Human Resources Department and General Affairs Department September 2025 Director of Administration and General Manager of Human Resources Department and General Affairs Department of the Company April 2026 **Director of Administration and General Manager of Human Resources Department (current position)** **Director, General Manager of Corporate Administration Division and General Manager of Human Resources Department of SHO-BOND CORPORATION (current position)**	33,287 shares
		[Reasons for nomination as a candidate for Director] As the head of finance, accounting and corporate administration division, he has taken the lead role in managing the Group with his wealth of knowledge and experience in corporate management. We once again propose to elect him as a Director based on the judgment that he is an appropriate person for achieving sustained growth and improvement in the corporate value of the Group as a whole.	

(Notes)
1. No material conflict of interest exists between the Company and any of the candidates for Director.
2. The number of shares held shown above includes the number of shares held in the name of the officers' shareholding association of the Company.
3. The Company has entered into a directors and officers liability insurance policy with an insurance company. Each of the candidates for Director is already an insured under the policy, and will continue to be such if they are reelected and assume position as Director. The policy is scheduled to be renewed in February 2027 with the same terms. An overview of this policy is provided in "4. Company Officers, (3) Overview of Details of Directors and Officers Liability Insurance Policy" of the Business Report.

If Proposal No. 2 is approved and adopted as originally proposed at this General Meeting of Shareholders, the structure and expertise of the Board of Directors will be as follows:

[Knowledge, experience, skills, etc. of each Director (skill matrix)]

No.	Name	Inside Outside	Corporate management	Finance/ Accounting	HR	Legal affairs/ Compliance Risk management	Global	Technology R&D
1	Tatsuya Kishimoto	Inside	○		○	○		○
2	Takayasu Shimada	Inside	○		○	○		
3	Setsu Arai	Inside	○	○			○	
4	Michinori Yoshinaka	Inside	○	○	○	○		
5	Masaaki Konomi	Inside	○		○	○		○
6	Satoru Miura	Outside	○	○		○		
7	Akira Hongo	Outside			○	○		
8	Reiko Kuwano	Outside					○	○

*The table is not indicative of all the expertise and experience possessed by the Directors.

Skill items	Details
Corporate management	Contributes to management based on experience taking part in corporate management, making of significant corporate decisions, etc.
Finance/ Accounting	Contributes to management based on experience and expertise related to finance and accounting
HR	HR refers to Human Resources Contributes to management based on knowledge and experience related to the formulation of human resource strategies, human resource development and training, diversity, working style reforms, etc.
Legal affairs/ Compliance, Risk management	Contributes to management based on knowledge and experience related to legal affairs, compliance and risk management
Global	Contributes to management based on knowledge and experience related to overseas business development, etc.
Technology, R&D	R&D refers to Research and Development Contributes to management based on knowledge and experience related to technology and R&D

Business Report

(July 1, 2025 to June 30, 2026)

1. Overview of the Corporate Group

(1) Business Progress and Results

As for the consolidated performance of the Group during the fiscal year under review, the Group had orders of ¥80,004 million, a decrease of 2.7% year on year, as a result of construction orders from local governments and expressway companies falling below the level of the previous fiscal year, although orders from the national government increased due to the focus on securing government contracts amid sluggish orders from expressway companies. Net sales were ¥89,204 million, a decrease of 1.7% year on year, as a result of sluggish construction sales to national government and expressway companies, despite increased sales of seismic retrofitting materials and coupling materials, which led to higher sales of construction materials. The order backlog was ¥72,498 million, a decrease of 11.3% year on year, as a result of the orders being lower than net sales.

In terms of profit, gross profit increased thanks to maintaining a gross profit margin at a high level of 29.9%, just as we achieved in the previous fiscal year, despite decreased net sales. As a result, operating profit was ¥20,831 million, an increase of 0.2% year on year, and profit attributable to owners of parent was ¥15,439 million, an increase of 2.5% year on year, resulting in the 14th consecutive year of profit growth.

Orders received, net sales and order backlogs by business segment are as follows.

(Orders received) (Million yen unless otherwise stated)

Category	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026	Change
Domestic construction business	78,247	75,647	(3.3)%
Other businesses	3,935	4,356	10.7%
Total	82,182	80,004	(2.7)%

(Net sales) (Million yen unless otherwise stated)

Category	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026	Change
Domestic construction business	86,776	84,847	(2.2)%
Other businesses	3,935	4,356	10.7%
Total	90,712	89,204	(1.7)%

(Order backlogs) (Million yen unless otherwise stated)

Category	As of June 30, 2025	As of June 30, 2026	Change
Domestic construction business	81,698	72,498	(11.3)%
Other businesses	–	–	–
Total	81,698	72,498	(11.3)%

(2) Capital Investments

Total amount of capital investments undertaken during the fiscal year ended June 30, 2026 was ¥1,174 million. This primarily consists of construction costs of the Yashio Factory completed in the fiscal year under review.

(3) Financing

Not applicable.

(4) Trends in Assets and Income

(Million yen unless otherwise stated)

Item	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026
Net sales	83,924	85,419	90,712	89,204
Operating profit	18,124	19,666	20,794	20,831
Profit attributable to owners of parent	12,887	14,321	15,061	15,439
Net income per share (Yen)	60.88	68.43	73.01	76.08
Total assets	122,280	130,141	129,155	129,858
Net assets	98,076	104,425	106,392	108,376
Net assets per share (Yen)	465.60	495.29	514.51	533.19
Return on equity (ROE) (%)	13.4	14.2	14.5	14.6

(Note) As of January 1, 2026, the Company conducted a 4-for-1 stock split of its common shares. Net income per share and net assets per share are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended June 30, 2023.

(5) Material Subsidiaries

Company name	Capital (Million yen)	The Company's percentage of voting rights (%)	Principal business
SHO-BOND CORPORATION	10,100	100	Repairing and reinforcement of infrastructures
SHO-BOND MATERIAL CO., LTD.	230	100	Manufacturing and sales of construction materials and mechanical couplings

(6) Specified Wholly Owned Subsidiary

1) Name and address of a specified wholly owned subsidiary
SHO-BOND CORPORATION
7-8, Hakozaki-cho, Nihonbashi, Chuo-ku, Tokyo

2) Total carrying amounts of the shares of the specified wholly owned subsidiary, owned by the Company and its wholly owned subsidiaries, etc. at the end of the fiscal year under review
¥39,523 million

3) Total amount recorded as assets in the balance sheets of the Company for the fiscal year under review
¥43,642 million

(7) Issues to be Addressed

As set forth in the Medium-term Business Plan 2027 (from the fiscal year ended June 30, 2025 to the fiscal year ending June 30, 2027), we implement various measures to strengthen sustainable profit growth while simultaneously addressing social issues under the basic policy of "Enhancing corporate value in pursuit of economic efficiency and social progress." As part of our business strategy related to "Restructuring overseas business models," a project to institutionalize bridge repair technology and demonstrate future market expansion in India was selected for the Ministry of Economy, Trade and Industry's "Global South Future-Oriented Co-creation Project Subsidy (Small-Scale Demonstration)." We are moving forward with efforts to institutionalize and standardize the Company's technologies within

India in preparation for future market expansion there. In addition, we have steadily achieved results in our efforts to participate in new initiatives led by national and local governments, including having a joint proposal consortium involving SHO-BOND CORPORATION selected for the Ministry of Land, Infrastructure, Transport and Tourism's "Private Sector Proposal-Based Public-Private Partnership Modeling Project," among others. We will continue to closely monitor market conditions and focus on an order acquisition strategy optimized for the company as a whole, while also restructuring our overseas business, strengthening our presence in related areas of the maintenance market, and developing new business areas.

To address social issues such as "accelerated aging of infrastructure" and "increasingly severe and frequent natural disasters," in the domestic infrastructure maintenance market, initiatives based on the national government basic plans are being implemented nationwide in Japan. In 2023, the revised Basic Act for National Resilience made it obligatory to prepare a "Mid-term implementation plan" containing budgetary measures. In the "First Mid-term Plan for the Implementation of National Resilience," approved by the Cabinet on June 6, 2025, a total project scale of slightly over ¥20 trillion is expected over five years starting from the national fiscal year 2026, which starts on April 1, 2026, for various measures including the development and management of disaster prevention infrastructure. Given such trends of public policies, we expect the order environment in the domestic infrastructure maintenance market to remain robust over the medium to long term.

In our forecast for FY2027, the final year of the Medium-Term Business Plan 2027, as we project net sales to increase by 0.9% year-on-year to ¥90.0 billion, operating profit to increase by 0.8% year-on-year to ¥21.0 billion, and profit attributable to owners of parent to increase by 0.4% year-on-year to ¥15.5 billion, achieving the financial targets set out in the Medium-Term Business Plan 2027 has proven a challenge. On the other hand, we have projected orders received to increase by 18.7% year-on-year to ¥95.0 billion. We anticipate a recovery in orders for seismic reinforcement work at NEXCO East, where order volumes remained low in the current fiscal year, and we will focus on an optimal company-wide order strategy to accumulate order backlogs by the end of the fiscal year.

We have started discussions on the next Medium-term Business Plan. We will respond to changes in the business environment around listed companies, such as trends in the infrastructure maintenance markets in Japan and overseas, as well as management that is conscious of the cost of capital and stock price, by utilizing the internal resources we have strengthened to date with the aim of realizing sustainable profit growth and stable shareholder returns.

<Outline of Medium-term Business Plan 2027 (the fiscal year ended June 30, 2025- the fiscal year ending June 30, 2027)>

1. Basic Policy
   "Enhancing corporate value in pursuit of economic efficiency and social progress"
   (1) Strengthening competitiveness to increase orders for large-scale construction
   (2) Restructuring overseas business models
   (3) Improving productivity and promoting work style reform through DX
   (4) Action to implement management that is conscious of the cost of capital and stock price
   (5) Further enhancement of corporate value through the utilization of non-financial capital

2. Financial Targets

Item	Fiscal year ended June 30, 2026 (Actual)	Fiscal year ending June 30, 2027 (Forecast)	Fiscal year ending June 30, 2027 (Medium-term Business Plan)
Net sales	¥89.20 billion	¥90.0 billion	¥100.0 billion
Operating profit	¥20.83 billion	¥21.0 billion	¥22.0 billion
Profit attributable to owners of parent	¥15.43 billion	¥15.5 billion	¥15.6 billion
Return on equity (ROE)	14.6%	Approx. 14.4%	Approx. 14.5%

3. Capital Policy

Item	Fiscal year ended June 30, 2026 (Actual)	Fiscal year ending June 30, 2027 (Forecast)	Fiscal year ending June 30, 2027 (Medium-term Business Plan)
Dividend payout ratio	60.1%	60.1%	60%
Total return ratio	92.1%	91.8%	90%
Acquisition of treasury shares	¥5.0 billion	¥5.0 billion	¥5.0 billion
Reduction in cross-shareholdings	¥2.5 billion (2-year cumulative total)	¥0.5 billion	¥3.0 billion (3-year cumulative total)

* Reduction in cross-shareholdings is calculated based on the stock price as of June 30, 2024.

(8) Principal Business (as of June 30, 2026)

Principal business	Principal works and products
Domestic construction business	Repairing and reinforcement of infrastructures and sales of related products Principal works: Repairing of bridges, reinforcement of bridges, antiseismic reinforcement of bridges, antiseismic reinforcement of buildings, repairing and reinforcement of other structures (tunnels, water and sewage facilities, and ports, etc.) Principal products: Shearing Stopper, Restraining Chain, KT Brace, AI Joint, Neo-Liner EX Lining Method, CAP Method, SBLN Gel
Other businesses	Manufacturing and sales of construction materials, and manufacturing and sales of mechanical couplings Principal products: SHO-BOND Grout, #101 and #202 (concrete adhesive), impregnating and penetrating waterproofing materials for deck slabs, CPJ-L, STRAUB pipe couplings

(9) Principal Sales Offices and Factories (as of June 30, 2026)

Company name	Principal locations
The Company	Head Office (Chuo-ku, Tokyo)
SHO-BOND CORPORATION	Head Office (Chuo-ku, Tokyo), Kita-Nihon Regional Office (Sendai City, Miyagi Prefecture), Shutoken Hokuriku Regional Office (Koto-ku, Tokyo), Chubu Regional Office (Nagoya City, Aichi Prefecture), Kinki Regional Office (Osaka City, Osaka Prefecture), Nishi-Nihon Regional Office (Hiroshima City, Hiroshima Prefecture), Technical Research Institute (Tsukuba City, Ibaraki Prefecture)
SHO-BOND MATERIAL CO., LTD.	Head Office (Chuo-ku, Tokyo), Kawagoe Factory (Kawagoe City, Saitama Prefecture), Yashio Factory (Yashio City, Saitama Prefecture)

(10) Employees (as of June 30, 2026)

1) Employees of the Group

Number of employees	Change from previous fiscal year-end
1,068	+17

2) Employees of the Company

Number of employees	Change from previous fiscal year-end	Average age	Average years of service
23	+1	43.2	11.7

(Notes) 1. The number of employees refers solely to full-time employees.
2. Average years of service are the total number of years of service within the Group companies.

2. Status of Shares (as of June 30, 2026)

(1) Total number of shares authorized to be issued 480,000,000 shares

(Note) In connection with the stock split (4-for-1 stock split) conducted as of January 1, 2026, the total number of shares authorized to be issued increased by 360,000,000 shares.

(2) Total number of issued shares 218,980,720 shares (including 18,448,080 treasury shares)

(Note) In connection with the stock split (4-for-1 stock split) conducted as of January 1, 2026, the total number of issued shares increased by 164,235,540 shares.

(3) Number of shareholders 79,841 persons

(4) Major shareholders (major 10 shareholders)

Shareholder name	Number of shares	Shareholding ratio
	Thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust account)	23,573	11.76
General Incorporated Foundation Ueda Memorial Foundation	21,632	10.79
Custody Bank of Japan, Ltd. (Trust account)	16,381	8.17
STATE STREET BANK AND TRUST COMPANY 505001	14,136	7.05
MUFG Bank, Ltd.	9,253	4.61
The Dai-ichi Life Insurance Company, Limited	8,470	4.22
Meiji Yasuda Life Insurance Company	5,703	2.84
BBH FOR FIAM GR TR FOR EMPLOYEE BENE PLNS:FIAM INTL EQ GROWTH COM POOL	2,986	1.49
Sompo Japan Insurance Inc.	2,448	1.22
JPMorgan Securities Japan Co., Ltd.	2,390	1.19

(Notes)
1. Treasury shares (18,448,080 shares) are excluded in the calculation of the shareholding ratio.
2. Number of shares less than one thousand has been omitted.
3. Although statements of large-volume holdings have been filed as follows, the Company recorded shareholdings in accordance with the shareholders' register as of June 30, 2026.

Nomura Securities Co., Ltd. and three joint holders	8,453,010 shares	(As of January 9, 2026)
MUFG Bank, Ltd. and two joint holders	15,220,520 shares	(As of May 8, 2026)
Fidelity Management & Research Company LLC and three joint holders	21,897,853 shares	(As of July 7, 2026)

3. Share Subscription Rights of the Company

Not applicable.

4. Company Officers

(1) Directors (as of June 30, 2026)

Position in the Company	Name	Responsibilities and significant concurrent positions
President and Representative Director	Tatsuya Kishimoto	Chairman and Representative Director of SHO-BOND CORPORATION
Director	Takayasu Shimada	Construction Management President and Representative Director, and General Manager of Marketing and Sales Division of SHO-BOND CORPORATION
Director	Setsu Arai	Group Strategy General Manager of Corporate Planning Department Director and General Manager of Overseas Business Department of SHO-BOND CORPORATION
Director	Michinori Yoshinaka	Administration General Manager of Human Resources Department Director, General Manager of Corporate Administration Division and General Manager of Human Resources Department of SHO-BOND CORPORATION
Director (Full-time Audit and Supervisory Committee Member)	Masaaki Konomi	
Director (Audit and Supervisory Committee Member)	Satoru Miura	Representative of Miura C.P.A. Office Outside Corporate Auditor of NODA CORPORATION
Director (Audit and Supervisory Committee Member)	Akira Hongo	Representative of Hongo sogo Law Office
Director (Audit and Supervisory Committee Member)	Reiko Kuwano	Professor, Institute of Industrial Science of the University of Tokyo

(Notes)
1. Directors Messrs. Satoru Miura, Akira Hongo and Ms. Reiko Kuwano are Outside Directors.
2. Director serving as Audit and Supervisory Committee Member Mr. Masaaki Konomi assumed office of Full-time Audit and Supervisory Committee Member through a mutual vote by Audit and Supervisory Committee Members at the Audit and Supervisory Committee held after the 18th Annual General Meeting of Shareholders on September 26, 2025. The Company elects a Full-time Audit and Supervisory Committee Member with an aim to ensure an effective system for audit and supervision by allocating a person well-versed in the internal affairs and having him/her access necessary information through close cooperation with the internal auditing department, etc.
3. The Company has designated Directors Messrs. Satoru Miura, Akira Hongo and Ms. Reiko Kuwano as independent officers stipulated by the Tokyo Stock Exchange, Inc. and registered them with the Exchange.
4. Director serving as Audit and Supervisory Committee Member Mr. Satoru Miura is a certified public accountant, and has considerable expertise on finance and accounting.

(2) Overview of the Liability Limitation Agreements

The Company has concluded liability limitation agreements with each of the Outside Directors to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. The limit for liability for damages under the agreements shall be the minimum liability amount as stipulated in laws and regulations.

(3) Overview of Details of Directors and Officers Liability Insurance Policy

In accordance with Article 430-3, paragraph (1) of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company. The scope of the insureds under this policy includes Directors of the Company and its subsidiaries listed in "1. Overview of the Corporate Group, (5) Material Subsidiaries" of the Business Report, and the insureds bear approximately 10% of the insurance premiums.

The policy covers losses, such as amount of indemnification and litigation expenses, incurred in cases where an insured receives claims for damages from the Company's shareholders or a third party. However, in order not to impair the appropriateness of duty execution by the insureds, there are certain reasons for coverage exclusion, such as performance of an illegal act with full knowledge of its illegality.

(4) Compensation, etc., to Directors

1) Policy, etc. regarding decisions on the details of compensation for directors (and other officers)

At the Board of Directors, the Company resolved the policy regarding decisions on the details of the compensation, etc. for each individual Director (excluding Directors serving as Audit and Supervisory Committee Members; hereinafter "Directors"), and the details of such are as follows:

As the Company is a holding company that is in charge of supervising Group companies, the compensation for the Company's Directors comprises basic compensation only. Furthermore, the payment of basic compensation shall be monthly fixed compensation in cash.

The Company's Directors concurrently serve as Directors of subsidiaries. Compensation is determined by proportionately taking into consideration the weight of the business of both the Company and subsidiaries, and multiplying it by the monthly compensation amount of subsidiaries.

Furthermore, bonuses, which are paid depending on financial results, are paid by the subsidiaries to which the Directors belong.

In determining compensation, etc., the President and Representative Director prepares a compensation proposal, including the portion to be paid by subsidiaries, that is determined at a Board of Directors after consulting the Nomination and Remuneration Advisory Committee, which comprises the Company's Outside Directors and the President and Representative Director.

In determining the details of individual compensation, etc. for Directors pertaining to the fiscal year ended June 30, 2026, the Company judged that it is in line with this policy as the Nomination and Remuneration Advisory Committee carried out a multifaceted investigation of the original proposal, and the Board of Directors made the determination after taking into consideration the report from the Nomination and Remuneration Advisory Committee.

2) Total amount of compensation, etc. for the fiscal year ended June 30, 2026

(Million yen unless otherwise stated)

Category	Number of Directors (Persons)	Amount	Total amount of remuneration by type: Basic remuneration
Directors (excluding Directors serving as Audit and Supervisory Committee Members) [of which, Outside Directors]	5 [–]	94 [–]	94 [–]
Directors (Audit and Supervisory Committee Members) [of which, Outside Directors]	4 [3]	38 [21]	38 [21]
Total	9 [3]	133 [21]	133 [21]

(Note) The upper limit on compensation to Directors (excluding Directors serving as Audit and Supervisory Committee Members) is ¥350 million per year (not including employee salaries), and the upper limit on compensation to Directors serving as Audit and Supervisory Committee Members is ¥50 million per year, both of which were resolved at the 8th Annual General Meeting of Shareholders held on September 25, 2015. The number of Directors at the conclusion of this Annual General Meeting of Shareholders was six (6) (including zero (0) Outside Directors), and the number of Directors serving as Audit and Supervisory Committee Members was three (3) (including two (2) Outside Directors).

(5) Outside Officers

1) Significant concurrent positions at other companies and the relationship between the Company and such other companies

Director Mr. Satoru Miura is a Representative of Miura C.P.A. Office and an Outside Corporate Auditor of NODA CORPORATION. There are no significant transactions or other relationships between the Company and the accounting office or the company.

Director Mr. Akira Hongo is a Representative of Hongo sogo Law Office. There are no significant transactions or other relationships between the Company and the law firm.

Director Ms. Reiko Kuwano is a Professor of Institute of Industrial Science of the University of Tokyo. There are no significant transactions or other relationships between the Company and the institute.

2) Main activities during the fiscal year

Title	Name	Board of Directors meeting (12 meetings held)		Audit and Supervisory Committee meeting (11 meetings held)	
		Number of meetings attended	Attendance rate	Number of meetings attended	Attendance rate
Director (Audit and Supervisory Committee Member)	Satoru Miura	12	100%	11	100%
Director (Audit and Supervisory Committee Member)	Akira Hongo	12	100%	11	100%
Director (Audit and Supervisory Committee Member)	Reiko Kuwano	12	100%	11	100%

(Note) In addition to the number of the Board of Directors meetings as above, one (1) written resolution was made that the resolution is deemed to have been made by the Board of Directors meeting, in accordance with Article 370 of the Companies Act and Article 28 of the Articles of Incorporation.

3) Overview of the duties carried out in the expected roles as an Outside Director

Director Mr. Satoru Miura made necessary statements concerning deliberations on agenda items, as appropriate, at meetings of the Board of Directors and Audit and Supervisory Committee that he attended based on his expertise and experience as a certified public accountant, and his wealth of experience, etc. as an accounting advisor to corporations. Furthermore, serving as a Nomination and Remuneration Advisory Committee member, he was responsible for the supervision of the selection of candidates for directors (and other officers) of the Company, and the determination process of compensation for directors (and other officers) from an objective and neutral point of view at the Committee meetings attended.

Director Mr. Akira Hongo made necessary statements concerning deliberations on agenda items, as appropriate, at meetings of the Board of Directors and Audit and Supervisory Committee that he attended based on his expertise and experience as an attorney at law, and his wealth of experience, etc. as a legal counsel to corporations. Furthermore, serving as Chairperson of the Nomination and Remuneration Advisory Committee, he led the supervision of the selection of candidates for directors (and other officers) of the Company, and the determination process of compensation for directors (and other officers) from an objective and neutral point of view at the Committee meetings attended.

Director Ms. Reiko Kuwano made necessary statements concerning deliberations on agenda items, as appropriate, at meetings of the Board of Directors and Audit and Supervisory Committee that she attended based on her experience and deep academic knowledge of civil engineering developed by serving as a professor at University of Tokyo. Furthermore, serving as a Nomination and Remuneration Advisory Committee member, she was responsible for the supervision of the selection of candidates for directors (and other officers) of the Company, and the determination process of compensation for directors (and other officers) from an objective and neutral point of view at the Committee meetings attended.

5. Accounting Auditor

(1) Accounting Auditor's Name

Wako Audit Corporation

(2) Compensation, etc. for the Fiscal Year Ended June 30, 2026

(Million yen)

	Amount of compensation
Accounting Auditor's compensation, etc., for the fiscal year ended June 30, 2026	9
Total amount of money and other financial benefits payable by the Company and its subsidiaries to Accounting Auditor	29

(Note) Under the audit agreement between the Company and its Accounting Auditor, compensation for audits pursuant to the Companies Act and audits pursuant to Financial Instruments and Exchange Act are not strictly separated, and otherwise cannot be separated. Consequently, the above amount reflects the total compensation.

- Consent to the amount of compensation for Accounting Auditor

The Audit and Supervisory Committee has examined the analysis and evaluation on the audit results for the previous fiscal year, allocation of time and staff in audit plans, the status of the performance of duties of the Accounting Auditor, and the appropriateness of the estimated compensation, etc., in light of the "Practical guidelines for cooperation with the accounting auditors" announced by Public Interest Incorporated Association Japan Audit & Supervisory Board Members Association. As a result of this examination, the Audit and Supervisory Committee has given consent to the amount of compensation for the Accounting Auditor as stipulated in Article 399, paragraph (1) of the Companies Act.

(3) Description of Non-audit Services

The Company pays consideration for services related to confirmation of actual wage increases according to the statement of wage increase plan for employees of subsidiaries.

(4) Policy Regarding Determination of Termination or Nonrenewal of Appointment of Accounting Auditor

In the event that the Accounting Auditor is deemed to have met any of the grounds set forth in the clauses of Article 340, paragraph (1) of the Companies Act, the Audit and Supervisory Committee shall terminate the appointment of the Accounting Auditor subject to the unanimous consent of the Audit and Supervisory Committee Members. In addition, should the Accounting Auditor be deemed unable to execute its duties properly or should the replacement of the Accounting Auditor be deemed reasonable, the Audit and Supervisory Committee shall decide on the details of the proposal to be submitted to the General Meeting of Shareholders regarding the termination or nonrenewal of appointment of Accounting Auditor.

(Note) Amounts in this Business Report are rounded down to the nearest presented unit, while ratios and other figures are rounded off to the nearest unit.

Consolidated Balance Sheets

(As of June 30, 2026)

(Million yen)

Assets		Liabilities	
Current assets	**98,969**	**Current liabilities**	**19,043**
Cash and deposits	25,760	Notes payable, accounts payable for construction contracts and other	5,287
Notes receivable, accounts receivable from completed construction contracts and other	57,833	Income taxes payable	3,986
Electronically recorded monetary claims - operating	1,655	Advances received on construction contracts in progress	3,680
Securities	11,487	Provision for bonuses for directors (and other officers)	150
Costs on construction contracts in progress	28	Provision for warranties for completed construction	176
Other inventories	1,171	Provision for loss on construction contracts	155
Other	1,070	Other	5,607
Allowance for doubtful accounts	(38)	**Non-current liabilities**	**2,437**
Non-current assets	**30,888**	Deferred tax liabilities	1,272
Property, plant and equipment	**16,511**	Provision for warranties for completed construction	318
Buildings and structures	6,970	Provision for retirement benefits for directors (and other officers)	5
Machinery, equipment and vehicles	282	Retirement benefit liability	728
Tools, furniture and fixtures	157	Other	113
Land	9,033	**Total liabilities**	**21,481**
Leased assets	52	Net assets	
Construction in progress	14	**Shareholders' equity**	**103,292**
Intangible assets	**259**	**Share capital**	**5,000**
Investments and other **assets**	**14,116**	**Capital surplus**	**29,441**
Investment securities	11,463	**Retained earnings**	**86,053**
Retirement benefit asset	1,402	**Treasury shares**	**(17,202)**
Deferred tax assets	247	**Accumulated other comprehensive income**	**3,629**
Deferred tax assets on revaluation on land	688	**Valuation difference on available-for-sale securities**	**4,526**
Other	328	**Revaluation reserve for land**	**(1,496)**
Allowance for doubtful accounts	(14)	**Foreign currency translation adjustment**	**256**
		Remeasurements of defined benefit plans	**341**
		Non-controlling interests	**1,454**
		Total net assets	**108,376**
Total assets	**129,858**	**Total liabilities and net assets**	**129,858**

Consolidated Statements of Income

(July 1, 2025 to June 30, 2026)

(Million yen)

Net sales		**89,204**
Cost of sales		**62,518**
Gross profit		**26,686**
Selling, general and administrative expenses		5,855
Operating profit		**20,831**
Non-operating income		705
Interest income	73	
Dividend income	300	
Insurance claim income	88	
Rental income	43	
Share of profit of entities accounted for using equity method	167	
Other	31	
Non-operating expenses		50
Commission expenses	22	
Rental expenses	15	
Other	12	
Ordinary profit		**21,485**
Extraordinary income		1,138
Gain on sale of investment securities	1,138	
Extraordinary losses		51
Loss on retirement of non-current assets	51	
Profit before income taxes		**22,572**
Income taxes - current	7,153	
Income taxes - deferred	(91)	7,061
Profit		**15,511**
Profit attributable to non-controlling interests		**72**
Profit attributable to owners of parent		**15,439**

<u>Non-consolidated Balance Sheets</u>

(As of June 30, 2026)

(Million yen)

Assets		Liabilities	
Current assets	**2,171**	**Current liabilities**	**99**
Cash and deposits	2,147	Accounts payable - other	30
Prepaid expenses	8	Accrued expenses	7
Other	14	Dividends payable	31
Non-current assets	**41,471**	Income taxes payable	11
Property, plant and equipment	**0**	Other	18
Intangible assets	**0**	**Non-current liabilities**	**3**
Investments and other assets	**41,470**	Provision for retirement benefits	3
Shares of subsidiaries and associates	41,453		
Prepaid pension costs	10	**Total liabilities**	**102**
Deferred tax assets	6	Net assets	
Other	0	**Shareholders' equity**	**43,539**
		Share capital	**5,000**
		Capital surplus	**29,263**
		Legal capital surplus	1,250
		Other capital surplus	28,013
		Retained earnings	**26,479**
		Other retained earnings	26,479
		Retained earnings brought forward	26,479
		Treasury shares	**(17,202)**
		Total net assets	**43,539**
Total assets	**43,642**	**Total liabilities and net assets**	**43,642**

<u>Non-consolidated Statements of Income</u>

(July 1, 2025 to June 30, 2026)

(Million yen)

Operating revenue		**16,105**
Operating expenses		**604**
Operating profit		**15,500**
Non-operating income		42
Interest income	33	
Other	8	
Non-operating expenses		19
Commission expenses	19	
Other	0	
Ordinary profit		**15,523**
Profit before income taxes		**15,523**
Income taxes - current	12	
Income taxes - deferred	(3)	8
Profit		**15,514**

Accounting Auditor's Audit Report on the Consolidated Financial Statements

<u>Independent Auditor's Report</u>
(English Translation)

August 14, 2026

To the Board of Directors SHO-BOND Holdings Co., Ltd.

Wako Audit Corporation
Chiyoda-ku, Tokyo, Japan
Shogo Otsuka, CPA
Representative Partner and Engagement Partner
Yoshihiro Shikakura, CPA
Representative Partner and Engagement Partner

Auditors' Opinion

We have audited, pursuant to Article 444, paragraph (4) of the Companies Act, the consolidated financial statements, which consist of the consolidated balance sheets, the consolidated statements of income, the consolidated statements of changes in net assets and the notes on consolidated financial statements of SHO-BOND Holdings Co., Ltd. (hereinafter referred to as the "Company") for the consolidated fiscal year from July 1, 2025 to June 30, 2026.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of SHO-BOND Holdings Co., Ltd. and its consolidated subsidiaries (hereinafter referred to as the "Group") as of June 30, 2026 and the consolidated result of their operations for the year then ended in conformity with accounting standards generally accepted in Japan.

Basis for Auditors' Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan (including the provisions applicable to audits of financial statements of public interest entities), and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Notes to Significant Subsequent Events in the Notes on Consolidated Financial Statements, the Company resolved the matter pertaining to the acquisition of own shares at the Board of Directors on August 10, 2026.

This matter does not have any impact on our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties with regard to the maintenance and operation of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with accounting standards generally accepted in Japan. This responsibility includes designing and operating internal controls, which management considers necessary for the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern in accordance with accounting standards generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of auditing the consolidated financial statements to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if such notes are inadequate, to express a modified opinion on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation of the consolidated financial statements and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the notes thereto, and whether the

consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the Group to provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and inspection of the audit of the consolidated financial statements. We remain solely responsible for our auditors' opinion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate obstruction factors or safeguards applied to reduce obstruction factors to an acceptable level.

Relationship of Interest

The Group has no interests in or relationships with the Auditor or its engagement partners which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notice to Readers:

The original consolidated financial statements, which consist of the consolidated balance sheets, the consolidated statements of income, the consolidated statements of changes in net assets and the notes on consolidated financial statements, are written in Japanese.

Accounting Auditor's Audit Report on the Non-consolidated Financial Statements

<u>Independent Auditor's Report</u>
(English Translation)

August 14, 2026

To the Board of Directors SHO-BOND Holdings Co., Ltd.

Wako Audit Corporation
Chiyoda-ku, Tokyo, Japan
Shogo Otsuka, CPA
Representative Partner and Engagement Partner
Yoshihiro Shikakura, CPA
Representative Partner and Engagement Partner

Auditors' Opinion

We have audited, pursuant to Article 436, paragraph (2), item (i) of the Companies Act, the non-consolidated financial statements, which consist of the non-consolidated balance sheets, the non-consolidated statements of income, the non-consolidated statements of changes in net assets, the notes on non-consolidated financial statements and the supplemental schedules thereof (hereinafter referred to as the "non-consolidated financial statements, etc.") of SHO-BOND Holdings Co., Ltd. (hereinafter referred to as the "Company") for the 19th fiscal year from July 1, 2025 to June 30, 2026.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2026 and the result of its operation for the year then ended in conformity with accounting standards generally accepted in Japan.

Basis for Auditors' Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan (including the provisions applicable to audits of financial statements of public interest entities), and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Notes to Significant Subsequent Events in the Notes on Non-consolidated Financial Statements, the Company resolved the matter pertaining to the acquisition of own shares at the Board of Directors on August 10, 2026.

This matter does not have any impact on our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties with regard to the maintenance and operation of the reporting process for the other information.

Our opinion on the non-consolidated financial statements, etc. does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, etc., our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements, etc. or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Non-consolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of non-consolidated financial statements, etc. in accordance with accounting standards generally accepted in Japan. This responsibility includes designing and operating internal controls, which management considers necessary for the preparation and fair presentation of non-consolidated financial statements, etc. that are free from material misstatements, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of the Company's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern in accordance with accounting standards generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of auditing the non-consolidated financial statements, etc. to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if such notes are inadequate, to express a modified opinion on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as the overall

presentation, structure and content of the non-consolidated financial statements, etc., including the notes thereto, and whether the non-consolidated financial statements, etc. represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate obstruction factors or safeguards applied to reduce obstruction factors to an acceptable level.

Relationship of Interest

The Company has no interests in or relationships with the Auditor or its engagement partners which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notice to Readers:

The original non-consolidated financial statements, which consist of the non-consolidated balance sheets, the non-consolidated statements of income, the non-consolidated statements of changes in net assets, the notes on non-consolidated financial statements and the supplemental schedules thereof, are written in Japanese.

Audit and Supervisory Committee's Audit Report

Audit Report

(English Translation)

The Audit and Supervisory Committee audited the performance of duties by the Directors for the 19th fiscal year from July 1, 2025 to June 30, 2026. The Audit and Supervisory Committee hereby reports on the methods and results thereof.

1 Auditing Methods and its Detail

Regarding the content of the resolutions by the Board of Directors concerning the matters stipulated in Article 399-13, paragraph (1), item (i) (b) and (c) of the Companies Act, as well as the system (internal control system) established based on such resolutions, the Audit and Supervisory Committee checked the status of establishment and operation reported to the Board of Directors on a regular basis, sought explanations and expressed opinions as necessary, and conducted audits by following the method below.

(i) We followed the auditing policies, allocation of duties and other relevant matters for the fiscal year under review as determined by the Audit and Supervisory Committee, and, in cooperation with the corporate auditors of core subsidiaries, internal auditing departments, and departments responsible for internal controls, participated in and observed important meetings, received reports from the Directors, employees and other relevant personnel regarding performance of their duties, sought explanations as necessary, examined important approval documents and associated information, and checked the operations and financial positions at the Company and its subsidiaries.

(ii) Furthermore, we monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits, as well as received reports from the Accounting Auditor regarding the performance of its duties and sought explanations as necessary. In addition, we received notice from the Accounting Auditor that "the system for ensuring that their duties are performed properly" (matters set forth in each item of Article 131 of the Company Accounting Ordinance) had been prepared in accordance with the Quality Control Standards for Audit (issued by the Business Accounting Council on October 28, 2005) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the business report and accompanying supplemental schedules, non-consolidated financial statements (non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statements of changes in net assets, and notes on non-consolidated financial statements) and the accompanying supplemental schedules, as well as consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statements of changes in net assets and notes on consolidated financial statements) related to the relevant fiscal year.

2 Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

(i) In our opinion, the business report and the accompanying supplemental schedules are in accordance with the related laws and regulations, and Articles of Incorporation, and fairly represent the Company's condition.
(ii) We have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation, related to performance of duties by the Directors.
(iii) In our opinion, the contents of the resolutions of the Board of Directors related to the internal controls system are fair and reasonable. In addition, we have found no matters on which to remark regarding the description in the Business Report and the performance of duties by the Directors related to such internal controls system.

(2) Results of Audit of Non-consolidated Financial Statements and Accompanying Supplemental Schedules

In our opinion, the methods and results employed and rendered by the Accounting Auditor, Wako Audit Corporation are fair and reasonable.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results employed and rendered by the Accounting Auditor, Wako Audit Corporation are fair and reasonable.

August 17, 2026

Audit and Supervisory Committee, SHO-BOND Holdings Co., Ltd.

Full-time Audit and Supervisory Committee Member	Masaaki Konomi
Audit and Supervisory Committee Member	Satoru Miura
Audit and Supervisory Committee Member	Akira Hongo
Audit and Supervisory Committee Member	Reiko Kuwano

(Note) Audit and Supervisory Committee Members Messrs. Satoru Miura, Akira Hongo and Ms. Reiko Kuwano are Outside Directors as stipulated in Article 2, item (xv) and Article 331, paragraph (6) of the Companies Act.