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MEMBERSHIP

March 17, 2026

To whom it may concern:

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Notice Concerning Recording of Extraordinary Losses in Construction Project by Subsidiary and Revision of Full-Year Financial Result Forecasts

Oriental Shiraishi Corporation (the “Company”) hereby announces that it has decided to revise its full-year consolidated financial result forecasts announced on February 13, 2026, due to the expected recording of extraordinary losses and other items. This resulted from additional costs incurred in connection with the discovery of products failing to meet the required quality in the area constructed by Japan Bridge Corporation, a consolidated subsidiary of the Company (the “Target Subsidiary”), which participated in a joint venture (the “JV”) for “Hanshin Namba Line Yodogawa Bridge Reconstruction Project Bridge Fabrication Work Yodogawa Left Bank Section (client: Hanshin Electric Railway Co., Ltd.)” (the “Project”), requiring the reconstruction and reinstallation of the bridge. The details are described below.

The Company and the Target Subsidiary take our management responsibility as the prime contractor for this Project seriously. We will establish a thorough quality control system and work diligently to ensure the reliable completion of the reconstruction and reinstallation.

We sincerely apologize for the significant concern and inconvenience caused to shareholders, investors, and all other stakeholders.

1. Recording of extraordinary losses

The Target Subsidiary participated in the joint venture for the Project. During the component fabrication process for the two truss bridges on the left bank of the Yodogawa River (one of which had already been installed), which the Target Subsidiary was responsible for, there were products that did not meet the required quality stipulated by the construction specifications.

The products were fabricated by Kanadevia Corporation’s Mukaishima Works under contract from the Target Subsidiary.

Based on the content of “Inadequate Qualifications of Welding Operators in the Production of Bridges and Other Structures at Our Mukaishima Works” announced by Kanadevia Corporation on February 21 (including the replacement announced on February 27 of the same year), 2025, an investigation of the affected welded sections was conducted. As a result, numerous welding defects that did not meet the required quality were identified, arising from causes other than the “inadequate qualifications” mentioned in the announcement. Therefore, we have decided to proceed with reconstruction and reinstallation. The client is currently scrutinizing the construction schedule associated with this.

The Company has determined that the cause of the refabrication and reinstallation of the defective components stems from a significant product nonconformity at Kanadevia Corporation, to which the Target Subsidiary had

outsourced fabrication. We are currently in discussions with Kanadevia Corporation.

The total costs for reconstruction and reinstallation incurred in connection with this matter are currently estimated to be approximately 5.0 billion yen.

Regarding these costs, 1.0 billion yen will be recorded as losses. This recorded amount is based on the best estimate made using the information currently available to the Company.

Revision of the full-year financial result forecasts (April 1, 2025 to March 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecast (A) (announced on February 13, 2026)	Millions of yen 66,000	Millions of yen 4,900	Millions of yen 4,900	Millions of yen 3,250	Yen 21.15
Revised forecast (B)	66,000	4,900	4,900	2,700	20.87
Change (B-A)	0	0	0	(550)	-
Change (%)	0.0	0.0	0.0	(16.9)	-
(Reference) Consolidated results for the previous fiscal year (Fiscal year ended March 31, 2025)	64,553	5,434	5,556	3,715	28.07

* The amount of losses reflects costs currently confirmed. However, further expenses may arise based on future discussions between the client and the JV.

2. Reason for the revision and future actions

As stated in 1. above, due to the additional costs incurred at the Target Subsidiary, earnings are now projected to fall below the previously announced forecast at each profit level.

Of these costs, approximately 230 million yen will be recorded as provision for loss on construction contracts, representing the estimated amount of future losses related to construction contracts for the current fiscal year and beyond. However, as profitability of construction projects is expected to improve, operating profit and ordinary profit are projected to remain at the previously forecast levels.

On the other hand, approximately 770 million yen will be recorded as extraordinary losses for costs related to the reinstallation, and the total amount of approximately 1,000 million yen will have the effect of reducing profit attributable to owners of parent.

The Company and the Target Subsidiary have determined that the circumstances requiring the reconstruction and reinstallation stem from a significant product nonconformity at Kanadevia Corporation, to whom the fabrication was outsourced. We will pursue strict claims for damages against Kanadevia Corporation for the burden of costs and other expenses related to the reconstruction and reinstallation.