



SEIKITOKYU KOGYO CO.,LTD.

Integrated Report 2025

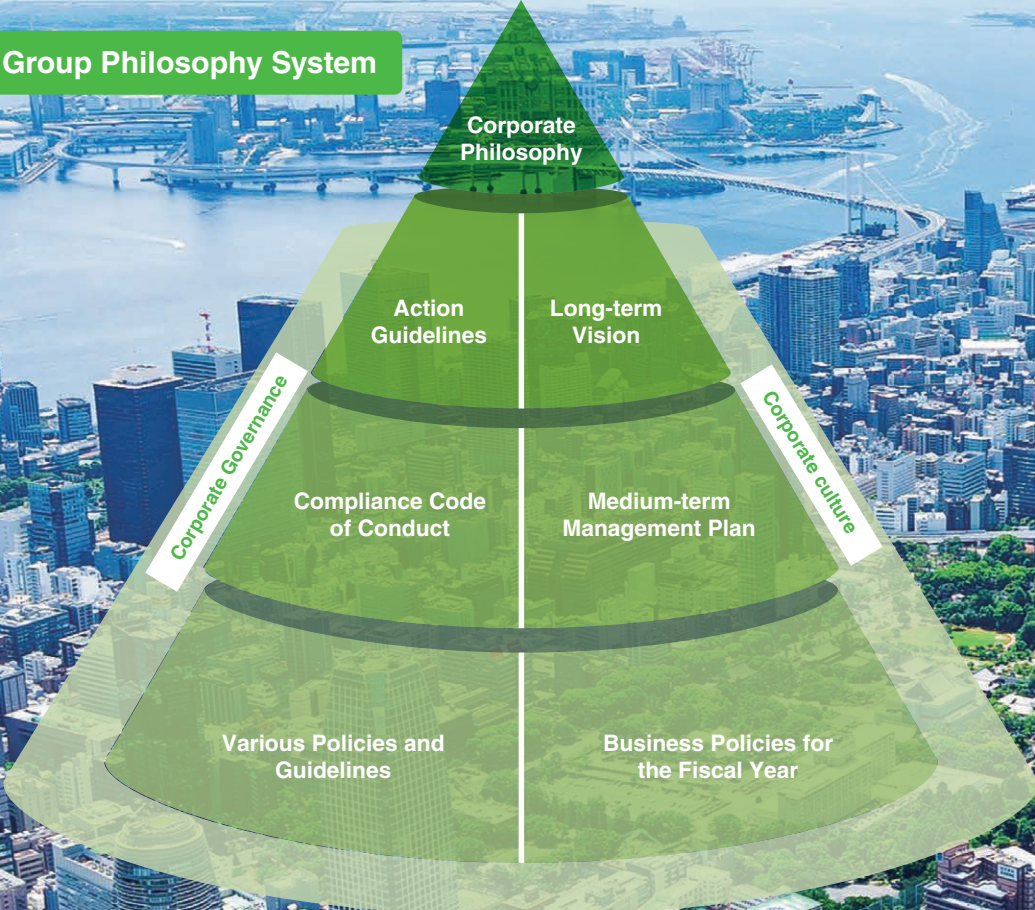


Corporate Philosophy

An infrastructure building company that helps create affluent communities

Based on our core pavement business, for supporting social infrastructure and distribution of goods, which we have developed over many years, we at Seikitokyu Kogyo are expanding our fields of business in areas such as manufacturing and sales of asphalt mixtures which are the basis of pavement technology, civil engineering works for creating urban and natural environments, as well as water use, sports facilities and landscaping. We are building a network to bring communities together by creating infrastructure for daily life there, with a primary focus on the projects and product facilities we are deploying throughout Japan.

Group Philosophy System



Long-term Vision (Where We Should Be in 2030)

➔ A truly strong corporate group that pursues personal and corporate growth in tandem and helps realize a sustainable society

Medium-term Management Plan (FY2024-2026)

➔ Becoming a truly strong corporate group **2nd Phase**

Action Guidelines

To earn trust
To rise to the challenge for change
To take the lead and take action
To share our knowledge and technologies

Seikitokyu Kogyo Group Compliance Code of Conduct

- 1 To recognize that safety always comes first when executing our business.
- 2 To conduct fair and transparent business activities that not only naturally comply with all laws and regulations but also conform with internal rules.
- 3 To conduct fair and transparent decision making.
- 4 To conduct timely disclosure in an appropriate and fair manner.
- 5 To conduct appropriate accounting and reporting.
- 6 To focus on the market and provide products that customers trust.
- 7 To comply with environmental laws and regulations and conduct environment-conscious corporate activities.
- 8 To have absolutely no dealings with anti-social forces and to resolutely refuse any improper demands.
- 9 To respect the human rights of all individuals and ensure a sound and positive workplace environment.
- 10 To seek to use electronic information fairly, maintain trust, and ensure confidentiality.
- 11 To recognize the importance of intellectual property and trade secrets and ensure they are both handled appropriately.
- 12 To always distinguish between public and private needs and never engage in corruption in any form.
- 13 To never engage in insider trading or the sale of stocks or other items that could be considered suspect.

CONTENTS

Introduction

History of Seikitokyu Kogyo Group	3
Business model	5
Value Creation Process	7
Financial and Non-Financial Highlights	9

Growth Strategy

Message from the President	11
Where We Should Be in 2030	15
Medium-term Management Plan (FY2024-2026)	16
Management with an awareness of equity cost and share prices	19
Strategies by Business Segment	21
Research & Development and Intellectual Property	23
Capital Policy and Financial Strategies	24

Sustainability

Materiality of Seikitokyu Kogyo Group	25
Environmental	27
Social	31
Governance	37
Messages from the Outside Directors	42

Data Section

Financial Information	43
ESG Data	45
Company Profile and Stock Information	46

● Editing Policy

Our aim in publishing this Corporate Report is to disclose initiatives designed to improve Seikitokyu Kogyo's medium- to long-term corporate value to our shareholders, investors, and all other stakeholders, and to encourage opportunities for dialogue. The report includes not only financial information, but also non-financial information on topics such as our long-term corporate vision, the environment, society, and governance.

We hope this report will help deepen your understanding of our corporate goals and approach.

● Report Scope and Timeframe

Timeframe: April 2024 to March 2025

(includes some activities that fall outside this period)

Scope: The whole Seikitokyu Kogyo Group However, some of the non-financial information refers to SEIKITOKYU KOGYO CO., LTD. only.

● Reference Guidelines

Environmental Reporting Guidelines, Japan's Ministry of the Environment
Guidance for Collaborative Value Creation, Japan's Ministry of Economy, Trade and Industry

● Cautionary Note Regarding Forward-looking Statements

This report contains forward-looking statements, including those concerning the outlook, targets, plans, and strategies of the Group. These forward-looking statements are made based on certain assumptions and beliefs in light of information available at the time of preparation. Various factors may cause actual results to be different from those expressed in these forward-looking statements.

● Scope of Information



History of Seikitokyu Kogyo Group

We were established in January 1950 as SEIKI KENSETSU KOGYO CO., LTD. The Company changed its name to SEIKI KENSETSU CO., LTD. in April 1962, and later merged with Tokyu Road KK to establish SEIKITOKYU KOGYO CO., LTD. Today, our business encompasses ① pavement construction works for expressways and other roads, airports, bridges, regulating reservoirs, and station platforms and maintenance of sports parks and athletic fields, as well as ② pavement materials manufacturing and sales and acceptance of construction waste. The Seikitokyu Kogyo Group, which includes 11 subsidiaries, operates across Japan and in ③ Myanmar and Guam.

1950

1956 Establishment of the Japan Highway Public Corporation

1964 Tokyo Olympics

1973 The Yom Kippur War (the first oil crisis)

1979 The Iranian Revolution (the second oil crisis)

Establishment of “Seiki of technology”

Worked on the frontline of road construction during the postwar reconstruction and rapid economic growth period

SEIKI KENSETSU (1950–1982)

SEIKI KENSETSU KOGYO CO., LTD. was established in January 1950 by Masaaki Seto, Hidenobu Oshima, and others, who played a central role in urban planning and road construction in Manchuria. The Company worked on the frontline of road construction in postwar Japan and provided a foundation for reconstruction and rapid economic growth. Shortly after the establishment, the Company started to show its presence with great ambitions for road construction and advanced technologies, receiving an order for the first pavement construction work on service contract from the Ministry of Construction in 1955 and an order for the first pavement construction work from the Japan Highway Public Corporation in the following year. A laboratory was established in 1959, where research on asphalt pavement was conducted while concrete pavement was the mainstream at the time. This laid the foundation for what will later be called “Seiki of technology.” The first asphalt plant was established in 1951, and the first recycling plant was established at Myokenjima, Edogawa-ku in 1977, with an eye to changes of the times.



Pavement construction work at the time of the Company's foundation



Masaaki Seto

(The first president of SEIKI KENSETSU KOGYO CO., LTD.)

Masaaki Seto was the central figure of SEIKI KENSETSU KOGYO CO., LTD., both as the president and as an engineer. Although the Company was a relative latecomer to the business, he made its name known nationwide within a few years after the establishment and expanded the business scale.

TOPICS

- January 1950 SEIKI KENSETSU KOGYO CO., LTD. established
- October 1955 Received an order for the first pavement construction work from the Ministry of Construction
- November 1956 Received an order for the first pavement construction work from the Japan Highway Public Corporation
- September 1973 Listed shares on the Second Section of the Tokyo Stock Exchange
- May 1976 Established the equipment center
- May 1977 Installed the first recycling plant
- April 1980 New technology research laboratory established



The origin of the Company name of SEIKI KENSETSU KOGYO

The Company was established in the first year of the second half of the 20th century, and the road pavement works by the founders were recognized by a chief engineer of U.S. military as the best work humans have done in the century (seiki). The Company name derives from these events, expressing the ambition to continue to produce business achievements of the century.

Tokyu Road (1967–1982)

In response to an increasing demand for road pavement, the Road Construction Unit of Tokyu Construction Co., Ltd. was separated from the company in January 1967 to establish Tokyu Road KK. While constantly delivering results as a company specialized in road construction, Tokyu Road was committed to building asphalt material plants. The material plants established in Asaka and Yokohama in the 1960s form the basis of the material network in the Kanto area, which constitutes our strength today. The 1970s saw the start of the urban court business. Environment and landscape technologies that originate here are used today for many sports facilities and parks, such as tennis courts, athletic fields, and promenades.



Kenzaburo Kondo

(The first president of Tokyu Road KK)

Kenzaburo Kondo played a central role in urban and road planning in Hsinking, the capital of Manchuria, and led road construction projects. He served as secretary general of the Japan Highway Users Conference after World War II and was known as a traffic policymaker and road theorist since early days.

TOPICS

- January 1967 Tokyu Road KK established
- 1967 Hakone Turnpike pavement construction work
- October 1967 Established Asaka bitumen plant
- December 1968 Established Yokohama bitumen plant
- 1970 Launched Tokyu Mix cold construction mixture
- September 1975 Acquired the urban court business

1982

1985 The Plaza Accord

Expanded business fields beyond road construction

Made a full-fledged foray into the fields of leisure, construction works, and overseas works, and received orders of 100 billion yen in fiscal 1989

Seikitokyu Kogyo

As Japan saw the end of rapid economic growth and a transition to low growth, SEIKI KENSETSU KOGYO CO., LTD. and Tokyu Road KK merged on May 1, 1982, to establish SEIKITOKYU KOGYO CO., LTD. The first large-scale merger in the road industry strengthened the business foundation and resulted in the gradual expansion into the golf course development and resort facility construction businesses in later years. In the fiscal year ended March 1990, the Company received orders of 100 billion yen, which was the target set at the time of the merger.

TOPICS

- May 1982 SEIKI KENSETSU CO., LTD. and Tokyu Road KK merged and changed corporate name to SEIKITOKYU KOGYO CO., LTD.
- November 1982 Changed listing to the First Section of the Tokyo Stock Exchange
- Tohoku Expressway Ichinohe pavement construction work
- Honshu-Shikoku Bridge (Kojima-Sakaide route) pavement construction work
- New Chitose Airport runway pavement construction work, etc.



① Asphalt pavement construction work



② Asphalt mixture plant



③ Emulsion plant in Myanmar (Operations currently suspended)

1990

1991–1993 Collapse of bubble economy

Returned to the core business in Japan after the collapse of the bubble economy Diversification of pavement technologies, such as pavement that drains water, reflects solar radiation, or resists freezing, as well as ICT construction

After the collapse of the bubble economy, the Company concentrated its management resources on the core business. A wide range of pavement technologies were established, including pavement that drains water, which prevents water from staying on the surface and has become common in today's expressways; pavement that reflects solar radiation, which curbs the heat-island phenomenon; and pavement that resists freezing, which prevents car accidents caused by slippery road conditions in winter. In addition, the Company has satisfied the diversifying needs of society by using its technologies. For example, research and development, as well as actual use, of ICT construction has been under way, which can address various issues, including safety of construction works, productivity at construction sites, stabilization of quality, and future labor shortage.



Urban Cool (solar radiation reflective type) (Shibuya Crossing, Tokyo)



Anti-freezing pavement (Type G Zapeck method)



ICT construction technology

TOPICS

2008 The global financial crisis

In 1999 and 2001, the Company received an order for the first pavement construction work on performance based contract and an order for the first pavement construction work based on the comprehensive evaluation contract respectively from the Ministry of Land, Infrastructure, Transport and Tourism. These once again showed internally and externally the ambitions and advanced technologies passed on since the establishment of the Company.

- September 1996 Established the action guidelines
- March 1999 Received an order for the first pavement construction work on performance based contract from the Ministry of Construction
- March 2001 Made a successful bid for two construction projects out of the three for construction projects for the first pavement construction work based on the comprehensive evaluation contract ordered by the Ministry of Land, Infrastructure, Transport and Tourism
- September 2002 Established the Compliance Code of Conduct
- Trans-Tokyo Bay Highway bridge pavement construction work
- Central Japan International Airport apron pavement construction work
- New Transit Waterfront Line track construction work, etc.

2011

2011 The Great East Japan Earthquake

Help to achieve a sustainable society on the basis of our expertise in road construction Geared toward medium- to long-term increase in corporate value

In addition to committing to the core business centered around road construction, the Company is increasingly engaged in disaster restoration and reconstruction due to the growing frequency and severity of large earthquakes, typhoons, torrential rains, heavy snow, and other natural disasters. The Company is widely engaged in supporting disaster restoration and reconstruction through its business activities in various local communities, beginning with emergency response immediately after a disaster, such as elimination of road obstacles in expressways and other major roads, removing and taking in rubbles, provision of crushed stone, and anti-snow and ice measures, to full-fledged road restoration work, construction of new, alternative routes; and bank protection works. As global warming and other environmental problems have become increasingly serious, the Company works on research and development of environmentally friendly products and construction methods and introduces energy-saving facilities, in addition to its ongoing initiatives to reform the overall business to achieve carbon neutrality. The Group will continue to implement business practices that give consideration to the global environment and help achieve sustainable local societies as a pillar of social infrastructure development, aiming for a medium- to long-term increase in corporate value.



Minamisoma Mixture plant established after the Great East Japan Earthquake (Fukushima)

TOPICS

- December 2015 Established the Seikitokyu Kogyo Corporate Governance Guidelines
- April 2016 Established the training center (TTC)
- May 2021 Formulated Where We Should Be in 2030 and important sustainability theme
- January 2025 Celebrated the 75th anniversary of the Company's founding
- Shin-Tomei Expressway Shimizunishi pavement construction work
- Tokyo-Gaikan Expressway Ichikawa pavement construction work
- Naha Airport runway expansion and pavement construction work, etc.



Training center (TTC)

Business model

Business Overview

Construction Business

Pavement

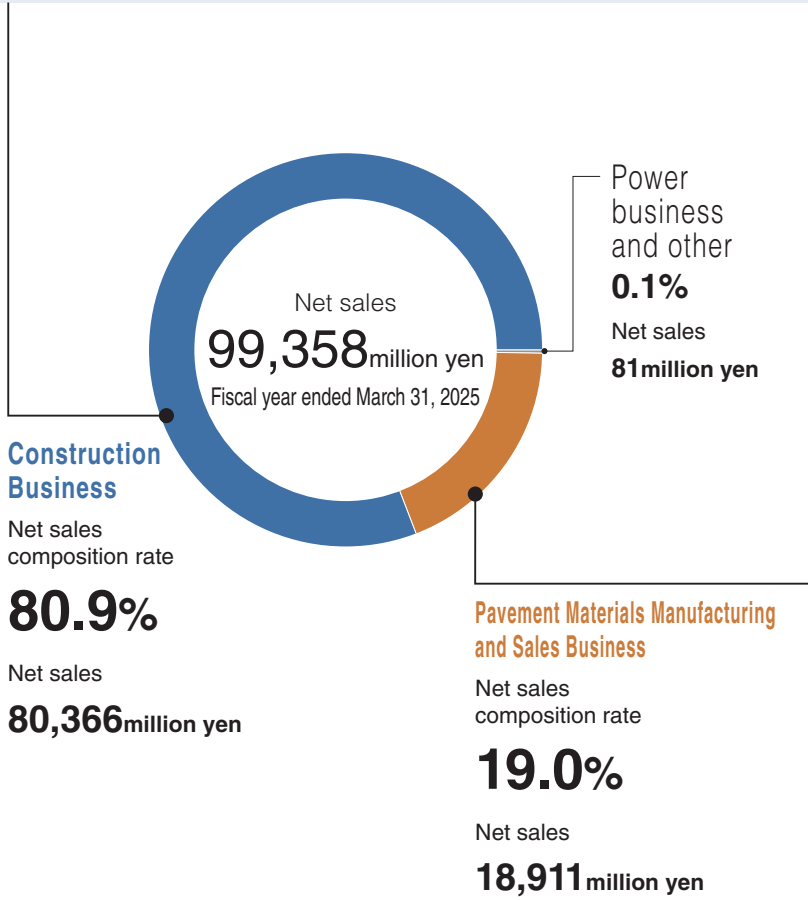
Road construction and pavement needs technologies and construction methods that suit different conditions and characteristics, such as the application, environment, scale, traffic volume, and construction period. Since its founding, we have been involved in the development and implementation of a multitude of technologies and construction methods, which we have used for the betterment of wide range of infrastructure such as expressways, runways, and port facilities for more than 70 years. Our paving technologies cover asphalt pavements and cement concrete pavements and meet diverse needs in the optimal way.

Civil Engineering

Our expertise in civil engineering technology, which we have cultivated since our founding, has been used in various fields, ranging from general earthworks, such as residential land development, to special fields such as improvements of reservoirs, embankments, and rivers. Recently, we have been applying our technology to the construction of infrastructure for renewable energy, disaster prevention and mitigation, and other related projects that are aimed at creating a sustainable society, thereby contributing to the creation of safe and secure cities of the future.

Environment and Landscape

A variety of our pavement technologies are used for sports facilities, such as athletic tracks, baseball parks, and tennis courts; shrines; temples; and park facilities, in addition to roads in general. We also engage in a wide range of landscape pavement works to create a comfortable and beautiful life environment in harmony with the surrounding environment and nature by adding beauty and accents to the inorganic pavement surface.



Pavement Materials Manufacturing and Sales Business

Asphalt mixtures/Concrete and asphalt recycling

We manufacture and sell asphalt mixtures on a nationwide scale and supply a variety of high-quality pavement materials to the market in a timely manner. We are also actively working to reduce the environmental burden by contributing to the achievement of a recycling-oriented society through 100% reuse of asphalt waste and by improving the efficiency of facilities and changing fuels used to save energy and reduce CO₂ emissions.

5 Strengths

1 Synergies from construction business and pavement materials manufacturing and sales business

The main businesses of our Group are construction business, which centers on road pavement construction, and pavement materials manufacturing and sales business, which mainly includes the production and sales of asphalt mixture, and we position both businesses as the core business that supports the management of our Group. Each of our business segments has a solid business foundation and works together as two wheels to create synergies that provide total value to a wide range of customers.

For more information
➡ Strategies by Business Segment P21-22

2 R&D, construction and products backed by high technological prowess

Since our foundation, the Group has continued to grow as a “Seiki of technology” with its advanced technological capabilities, and even now, over 70 years later, the Group’s DNA is still alive. Even in these rapidly changing times, the Group continues to create new value in response to customer needs and changes in the social environment, such as reducing environmental impact through low carbon and resource recycling, improving the road and living environment, raising productivity and work efficiency, and providing multiple added values.

For more information
➡ Research & Development and Intellectual Property P23

3 Full network of mixture plants in the Kanto area

The Group has more than 100 business locations in Japan (Business offices: 50 sites, Mixture plants: 51 sites, and others) and, in particular, the network of mixture plants in the Kanto area, the largest trade area in Japan, is well located, well equipped, and well organized compared to competitors. Currently, the Myokenjima Mixture Plant in Edogawa-ku, Tokyo, is undergoing a significant renovation. Upon completion, it will stand as the largest mixture plant within our Group.

4 Diverse and highly talented human resources

We have strived to create an environment where each employee can demonstrate their abilities to the fullest regardless of age, gender, nationality, or whether they are new graduates or new employees with previous experience. In particular, we have a long history of actively employing people with work experience, and with more than 10% of our core personnel occupying key positions, we have cultivated a culture in which the differing opinions and cultures of our diverse workforce can bring forward change.

For more information
➡ Satisfying Work Environment P35

5 Co-creation opportunities with Tokyu Group

Our Group, as a member of the Tokyu Group, is responsible for a part of the construction business. Although sales to Tokyu Group companies account for only a few percent of the Group’s total net sales, and their share of net sales is not that large, having the opportunity to collaborate and co-create with group companies, as a member of the Tokyu Group, is a major management resource and an important differentiating factor from our competitors.

Value Creation Process

As an infrastructure building company that helps create affluent communities, we aim to provide lasting value to society and improve our own corporate value over the medium- to long-term.

Social Issues (Risks and opportunities)

- Declining working-age population due to shrinking population, aging society, and low birth rate

Uncertain future political, economic, and international situations

More frequent and severe natural disasters

Deteriorating infrastructure

Immature infrastructure in some Asian and developing countries

Global environment protection and climate change issues
- Aging population and Securing workers in construction industry

Public-works expenditure trends

Less construction of new roads

Vigorous infrastructure demand

Low carbon, zero carbon

Concerns over reduced asphalt supply volumes
- Improving productivity

Fluctuations in crude oil prices and forex markets

Higher demand for maintenance/updating

Carbon pricing

Renewable energy

Working environment in summer
- More efficient upkeep management

Increased awareness of disaster prevention and mitigation

Lifecycle costs

Country risk

Zero fossil fuels, energy saving

Renewable energy

Working environment in summer

Value Provision

- Remaining conscious of the global environment as we help create affluent communities
- Improving medium- to long-term corporate value

Where We Should Be in 2030

Where We Should Be in 2030 → P15

A truly strong corporate group that pursues personal and corporate growth in tandem and helps realize a sustainable society

OUTCOME

Our customers

- Needs-focused services
- Providing high-quality construction and products

Our shareholders and investors

- Improving medium- to long-term shareholder value
- Stable and consistent shareholder returns

Our employees

- Job satisfaction
- Safe and secure basis for daily living
- Kindness, sense of connection, self-fulfillment

Local communities

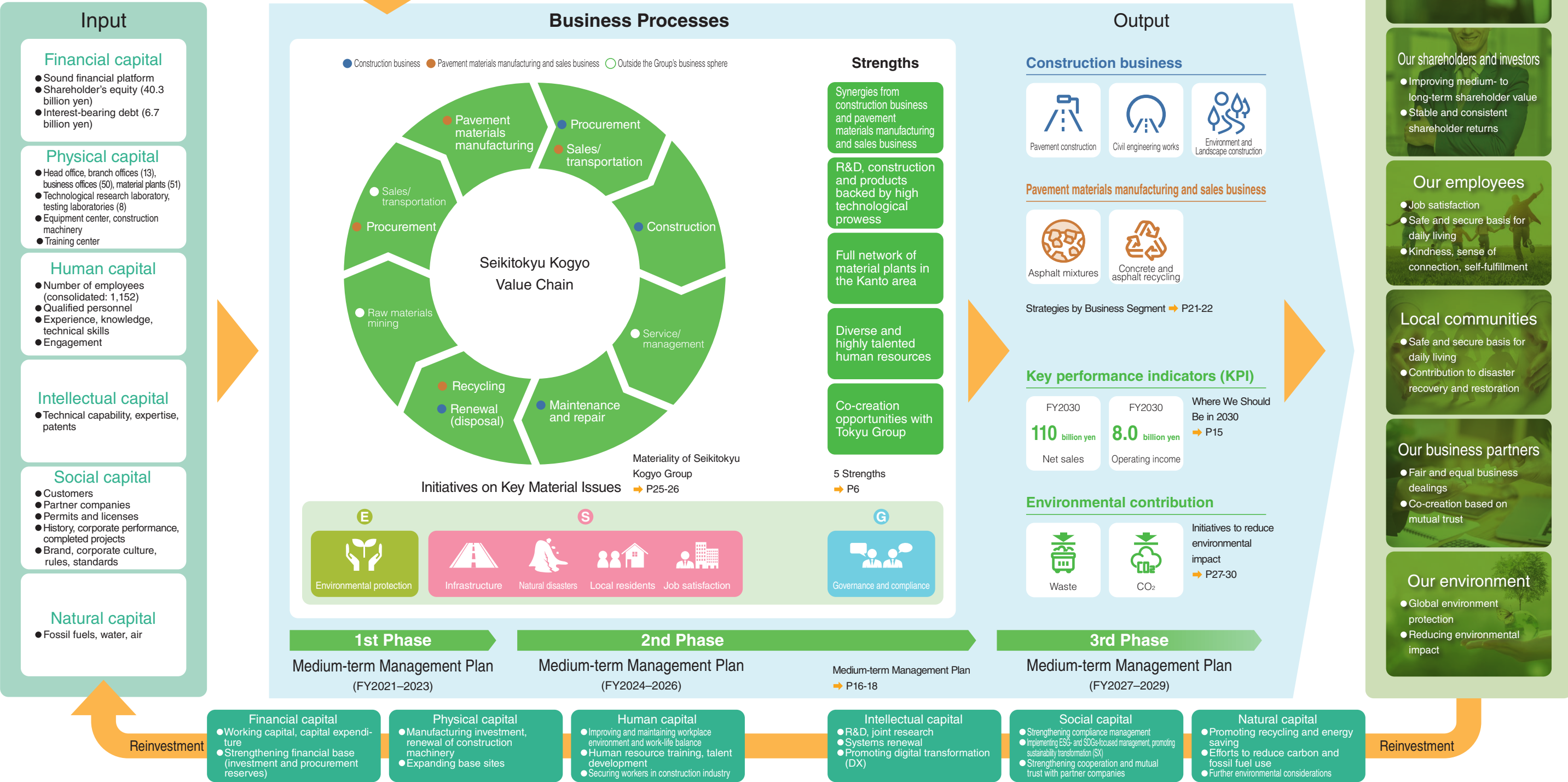
- Safe and secure basis for daily living
- Contribution to disaster recovery and restoration

Our business partners

- Fair and equal business dealings
- Co-creation based on mutual trust

Our environment

- Global environment protection
- Reducing environmental impact

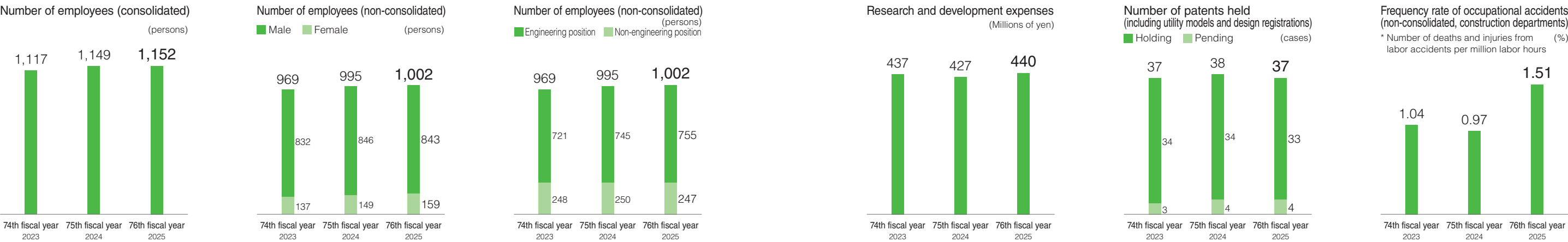


Financial and Non-Financial Highlights

Financial Highlights (as of and for the years ended March 31)

	Unit	66th fiscal year 2015	67th fiscal year 2016	68th fiscal year 2017	69th fiscal year 2018		70th fiscal year 2019	71st fiscal year 2020	72nd fiscal year 2021	73rd fiscal year 2022	74th fiscal year 2023	75th fiscal year 2024	76th fiscal year 2025
Operating Results													
Orders received	(Millions of yen)	71,083	75,724	71,427	80,572		78,817	86,889	89,611	82,850	92,260	95,914	95,001
Net sales	(Millions of yen)	63,542	74,634	70,075	81,659		74,036	78,631	90,025	85,132	92,414	88,037	99,358
Operating income	(Millions of yen)	4,528	6,291	6,412	6,235		5,564	5,961	8,470	4,418	2,669	4,091	5,842
Ordinary profit	(Millions of yen)	4,487	6,261	6,338	6,239		5,584	6,009	8,395	4,358	2,647	4,078	5,788
Net profit attributable to owners of parent	(Millions of yen)	4,365	5,682	5,621	2,274		3,480	6,544	5,180	3,304	1,127	2,740	3,887
Cash Flows													
Cash flows from operating activities	(Millions of yen)	2,862	6,679	6,949	6,303		4,781	4,461	1,138	4,646	2,380	10,949	(971)
Cash flows from investing activities	(Millions of yen)	(1,234)	(1,658)	(4,896)	(2,231)		(1,777)	(3,808)	(3,622)	(3,668)	(5,028)	(2,873)	(1,339)
Cash flows from financing activities	(Millions of yen)	(1,604)	(1,603)	1,815	(1,684)		(2,005)	(2,919)	2,343	(2,232)	(2,022)	(2,823)	(3,376)
Cash and cash equivalents at end of year	(Millions of yen)	5,064	8,482	12,350	14,737		15,735	14,169	14,035	12,814	8,173	13,440	7,751
Financial Position													
Net assets	(Millions of yen)	17,083	21,231	26,072	28,098		31,543	36,632	40,790	40,497	39,660	40,533	41,692
Total assets	(Millions of yen)	56,079	57,544	66,444	72,192		70,906	74,656	79,409	78,295	78,762	76,042	82,556
Interest-bearing debt	(Millions of yen)	3,508	2,508	5,008	4,008		2,404	772	5,007	7,007	6,906	6,806	6,706
Amount Per Share													
Net income	(Yen)	108.13	140.78	139.26	56.35		86.16	162.40	128.45	84.81	30.73	75.16	106.46
Net assets	(Yen)	423.19	525.96	645.90	696.09		780.73	909.13	1,010.99	1,082.33	1,088.13	1,111.46	1,138.86
Dividends	(Yen)	15	17	17	10		27	47	43	30	30	90	90
Stock price at end of year	(Yen)	518	471	531	688		589	816	931	746	811	1,928	1,513
Financial Indicators													
Equity ratio	(%)	30.5	36.9	39.2	38.9		44.5	49.1	51.4	51.7	50.4	53.3	50.5
Return on equity	(%)	29.2	29.7	23.8	8.4		11.7	19.2	13.4	8.1	2.8	6.8	9.5
Price-earnings ratio	(Times)	4.79	3.35	3.81	12.21		6.84	5.02	7.25	8.80	26.39	25.65	14.21
D/E ratio	(Times)	0.2	0.1	0.2	0.1		0.1	0.0	0.1	0.2	0.2	0.2	0.2

Non-Financial Highlights (as of and for the years ended March 31)



Message from the President

We have reached the halfway point toward our long-term vision of Where We Should be in 2030, at a pace exceeding our expectations. We appreciate your continued interest as we pursue the next chapter of our growth story.

Representative
Director President **Yoshikazu Taira**



In 2021, we embarked on a new growth story with the aim of achieving our long-term vision of Where We Should Be in 2030, which is a “truly strong corporate group that pursues personal and corporate growth in tandem and helps realize a sustainable society.” This was our first attempt at formulating this kind of long-term vision, and our goal for 2030 seemed far away.

Four years have passed since then, and it is now the end of the 76th fiscal year spanning April 1, 2024 to March 31, 2025. At the threshold of a halfway point in our journey to that distant destination, I truly sense the progress and accomplishment. Despite the intense challenges along the way, looking back, we have generally made steady progress on each of our initiatives and have recorded earnings performance that exceeded initial plans. This is also a result of the efforts and incremental growth of each of our officers and employees in pursuit of our performance targets.

We will remain committed to the very last step as we pursue our 2030 goal. We will continue firmly on the second half of this journey until we have reached our destination.

Review of this fiscal year

Our earnings performance has remained strong

In the Japanese economy, despite a gradual recovery in corporate earnings and employment conditions, the future outlook is increasingly cautious due to concerns around rising prices, trends in U.S. government policies, and conflicts in the Middle East.

Amid this, in the road construction industry, orders for construction continued to remain stable, supported by expressway renewal projects by highway companies and the Japanese government’s “Five-Year Acceleration Plan for

Disaster Prevention, Disaster Mitigation, and Building National Resilience,” among other factors. However, uncertainties in the environment were also present, including the persistent prevailing high prices of straight asphalt and other raw materials.

In these circumstances, for the fiscal year ended March 31, 2025, the Group recorded orders received (including net sales of finished goods and sales from other business) of 95,001 million yen (a decrease of 1.0% compared to the previous consolidated fiscal year), net sales of 99,358 million yen (an increase of 12.9% year-on-year), operating income of 5,842 million yen (an increase of 42.8% year-on-year), ordinary profit of 5,788 million yen (an increase of 41.9% year-on-year), and net profit attributable to owners of parent of 3,887 million yen (an increase of 41.9% year-on-year).

By segment, in the Construction Business, performance was driven by large-scale public works projects and expressway-related construction. Sales activities targeting private-sector clients in various regions, as well as in the renewable energy domains also contributed positively. We will continue with ICT construction to reduce operational burden and improve efficiency and support earnings performance by raising productivity.

In the Pavement Materials Manufacturing and Sales Business, the business environment was extremely challenging, as we were unable to sufficiently pass on rising manufacturing costs to selling prices, and demand for asphalt mixtures continued to decline without signs of recovery.

Committed to large-scale natural disaster restoration efforts

One of the key topics we would like to highlight for this fiscal period is the Group’s response to large-scale natural disaster recovery. Following the Noto Peninsula Earthquake on January 1, 2024, in addition to works for removing road

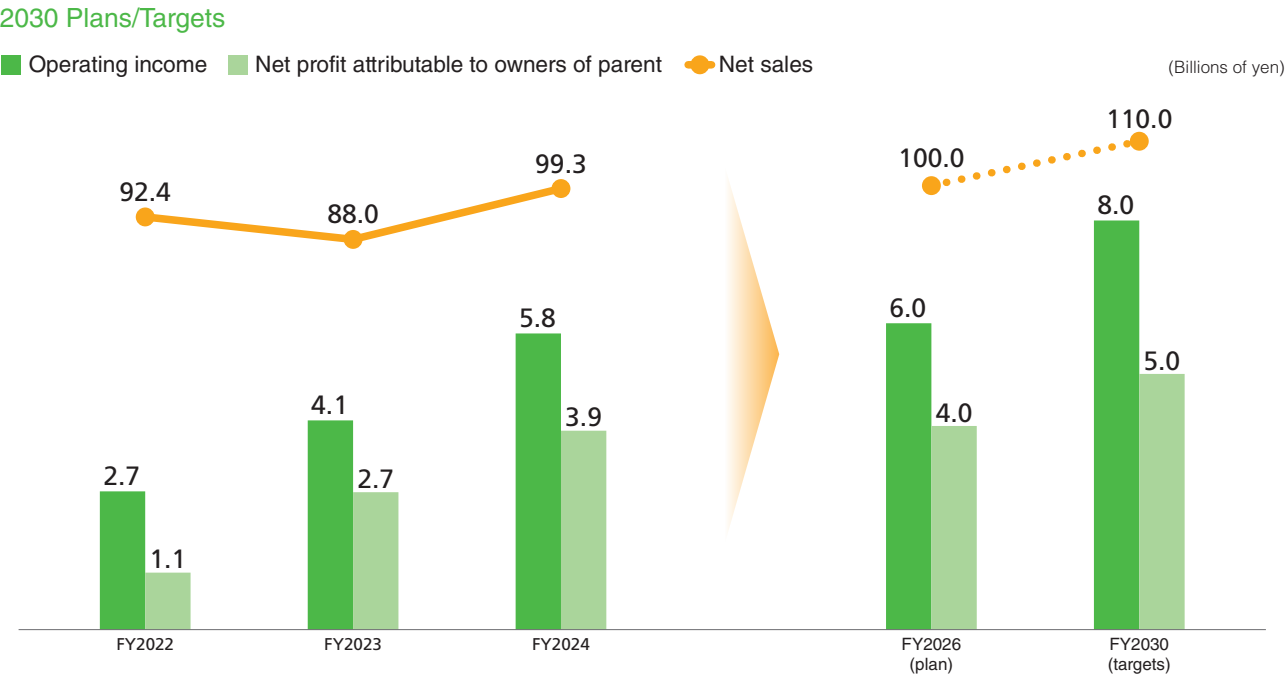
obstacles, provision of materials, and other restoration support efforts, we established a Noto Restoration Office and, together with our affiliate company, Noto Ascon Corporation, have been working on restoration and reconstruction efforts.

In August 2024, Typhoon No. 10 caused a slope collapse at the entrance of Shin-Zenba Tunnel on National Route 246 in Kanagawa Prefecture, resulting in a road closure. The Company’s construction teams worked around the clock to restore the road, contributing to the swift reopening of the road to traffic.

We were pleased to reaffirm our social mission through our business, which maintains the social foundations of regional communities and plays an indispensable part of the nation’s disaster response.

Concerning measures for deteriorating road infrastructure, we developed an inspection system that reflects the know-how cultivated by the Company and are building a comprehensive system for facilitating operations covering maintenance management to inspection and repair.

The risk of large-scale natural disasters has been on the rise in recent years against the backdrop of global climate change. As concerns grow more urgent over the potential occurrence of a Nankai Trough earthquake or an earthquake beneath the Tokyo metropolitan area, the Company is fully committed to devoting its collective strengths to fulfill its social mission.





Progress and results of the Medium-term Management Plan

Significantly revised upward the 2030 net sales target

Fiscal 2024 was the first year of the Medium-term Management Plan (FY2024-2026), which itself served as the second phase of our initiatives for our long-term vision for Where We Should Be in 2030. At the same time, taking into account the achievements of the first phase of our initiatives and the anticipated business environment, we revised upward our net sales target for 2030, the final fiscal year of our long-term vision, from 100.0 billion yen to 110.0 billion yen in conjunction with the formulation of the Medium-term Management Plan. As a result, fiscal 2024 also became the starting point for working toward this new target.

The road to achieving our long-term vision can be thought of as comprising the three phases of “hop” (first phase), “step” (second phase), and “jump” (third phase). Having achieved net sales of nearly 100.0 billion yen at the end of the first year of the second phase (this fiscal year), we have set a good momentum for the “jump” of the third phase.

When we started the first phase, net sales of 100.0 billion yen was thought to be an extremely high target. To be able to revise this upward to 110.0 billion yen is a significant achievement, for which the Company wishes to thank and honor its employees.

This is because the aspect I focus on most is sharing our corporate philosophy of “An infrastructure building company

that helps create affluent communities” with our employees. I believe that if each and every employee regards this as their personal responsibility and takes pride in their work in road construction, this will lead to higher performance.

As part of this approach, a new initiative is in progress in which I personally deliver a message via video to share our corporate philosophy internally. The question of “why we work” is not unique to the Company, and is an extremely important and universal theme for all people.

Since I was young, I believed in working for society and for country. I think a strong conviction in working for a company one can be proud of is a driving force for the company’s growth.

We have come this far having faith that if all our employees share in our corporate philosophy and take pride in their work, the Company will naturally be able to step up. In the engagement survey, the scores for “Philosophy Strategy” have risen, which reaffirms that this approach was indeed the right one.

Recognize human resource shortages as a risk and address them earnestly

In the Medium-term Management Plan, we formulated and fleshed out five individual strategies in the pursuit of achieving Where We Should Be in 2030. Specifically, the five strategies are ❶ expand stable earnings by further strengthening the competitiveness of our core businesses, ❷ rise to the challenge of expanding business areas and developing new business fields, ❸ create a virtuous cycle in the recruitment, retention, and development of human resources, ❹ establish

new ways of working that help improve productivity, and ❺ build a strong and sound management and financial base.

While all five themes are important, the one I consider particularly crucial is to “create a virtuous cycle in the recruitment, retention, and development of human resources.” A company cannot grow if its people do not grow. As you are well aware, the construction industry’s human resource shortages are becoming increasingly severe each year, and we regard this as a significant management risk for the Group.

In regard to human resource development, we focus on OJT more than we used to, and ensure that thorough training and guidance is provided. The old “watch and learn” industry approach that used to prevail is no longer accepted. We are also conscious of the increase in foreign national employees and are working to train the trainers with the aim of providing more concrete and detailed guidance across the board.

We have continued to promote DE&I initiatives, leveraging diverse human resources to invigorate our organization. In 2022, we established the Diversity Promotion Project directly under the President and implemented a range of activities. In fiscal 2024, in order to create a working environment that is comfortable for all, we implemented new policies to support employees balancing work with childcare, such as a relocation exemption policy for employees with preschool-aged children under their care, and programs enabling early return from maternity and childcare leave, allowing them to continue developing their careers without interruption.

Promoting diversity is essential to the Company’s growth strategy. We hope to be the number one company of choice in the industry for women and foreign national employees.

Make challenges in the area of sustainability the personal theme of all employees

Initiatives in the area of sustainability are another important management challenge.

When studying our long-term vision of Where We Should Be in 2030, we established six important sustainability themes (materiality) for classifying the key challenges posed in the achievement of both a sustainable society and a sustainable growth of the Group: environmental protection, infrastructure, natural disasters, local residents, job satisfaction, and governance and compliance.

As large a volume of CO₂ is emitted in the manufacturing of asphalt mixtures, an urgent challenge in the maintenance and repair of road infrastructure is reducing such emissions. We will work on initiatives to address this, beginning with a trial to switch the fuel oil used in production to plant-based fuels.

In 2022, the Company was the first in the road construction industry to acquire SBT certification. We are moving ahead with developing technologies to control CO₂ emissions so as to achieve the targets we have established for reducing GHG emissions from business activities, namely, reductions by fiscal 2030 of 42% in Scope 1 and 2 and 25% in Category 1 of Scope 3, as compared to fiscal 2020. In addition, we are working to solidify other specific measures, such as the establishment of a system for providing low-carbon asphalt.

In addition, we are aiming for all officers and employees to achieve certification under the Eco Test (Certification Test for Environmental Specialists)[®] which is becoming a widespread tool for systematic, broad-based learning about complex and diverse environmental challenges. One in five officers and employees has already obtained the certification.

Aiming for 2030

Towards new heights in our growth story

As an enterprise listed on the Prime Market of the Tokyo Stock Exchange, the Company has voluntarily set an intention to achieve a PBR that exceeds the Prime Market average. We will continue to strive to improve valuations further through more continuous proactive stakeholder dialogue than before, taking the feedback of our stakeholders most seriously.

Our shareholder return policy combines indicators into a single DOE target of 6% in order to transparently provide stable yet proactive medium- to long-term returns while placing importance on balancing capital efficiency and financial soundness.

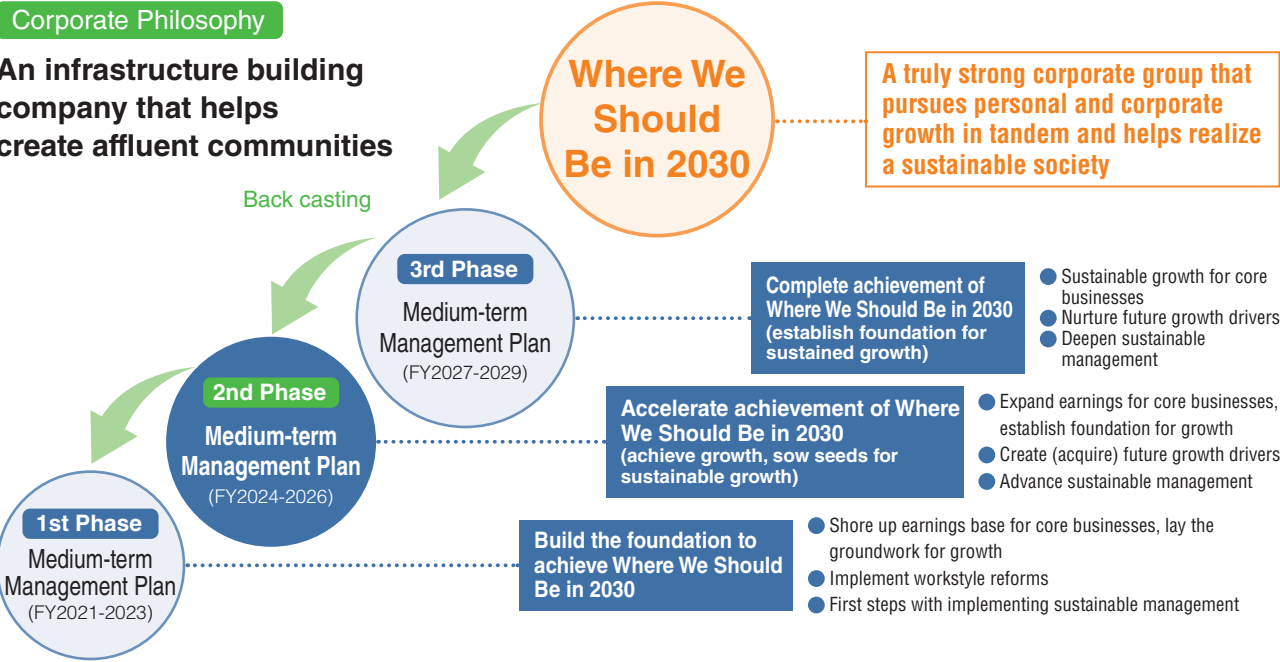
Guided by our corporate philosophy, we will continue to focus even more on enhancing our medium- to long-term corporate and shareholder value, while maintaining stable shareholder returns and meeting the expectations of our shareholders.

The Group’s growth story will surely continue to reach new heights. We kindly ask for your continued support.

Where We Should Be in 2030

As an infrastructure building company that helps create affluent communities, we drafted our vision of Where We Should Be in 2030 in May 2021 in order to provide lasting value to society and improve our own corporate value over the medium- to long-term.

The Group will continue to take initiatives as we strive to be a “truly strong corporate group that pursues personal and corporate growth in tandem and helps realize a sustainable society.”



Updated Financial Targets, etc. in Our Long-Term Vision

In the Medium-term Management Plan (FY2024-2026), compiled in May 2024, we brought forward our target for achieving net sales of 100.0 billion yen to fiscal 2026, which had been our 2030 target, and accordingly also raised our 2030 target for net sales in our long-term vision to 110.0 billion yen, partly in light of the order environment expected to remain firm, the results of the previous Medium-term Management Plan, along with the impact of rising personnel costs and prices. In light of the updated net sales target that factors in rising prices as well as the current circumstances in which rising costs are not being passed on to customers or absorbed, as well as given improved treatment for workers and likely expanded human capital investments in the future, such as education and training, we have kept our initial targets for profit unchanged.

And while our fundamental approach on cash flow allocation is unchanged, we have updated capital expenditure plans based on current plans. For free cash flow, we have announced plans to continue actively returning profits to shareholders and controlling the capital structure, eyeing ROE of 10% and an equity ratio of 50%.

Key Performance Indicators (KPI) Consolidated (FY2030 Target)

Net sale	Operating income	Net income	ROE	Equity ratio
110 billion yen	8 billion yen	5 billion yen	10.0%	Approx. 50%

Cash flow use (2024-2030) Consolidated

Operating cash flow (for 7 cumulative years) Approx. 43 billion yen (net income approx. 29 billion yen) (depreciation approx. 14 billion yen)	Growth Investments (capital expenditure/strategic investment) Approx. 23 billion yen (approx. 18 billion yen/approx. 5 billion yen)	Shareholder returns Approx. 19 billion yen
--	--	---

*We intend to allocate a reasonable amount to shareholder returns with an eye toward our targets of ROE of 10% and an equity ratio of 50%

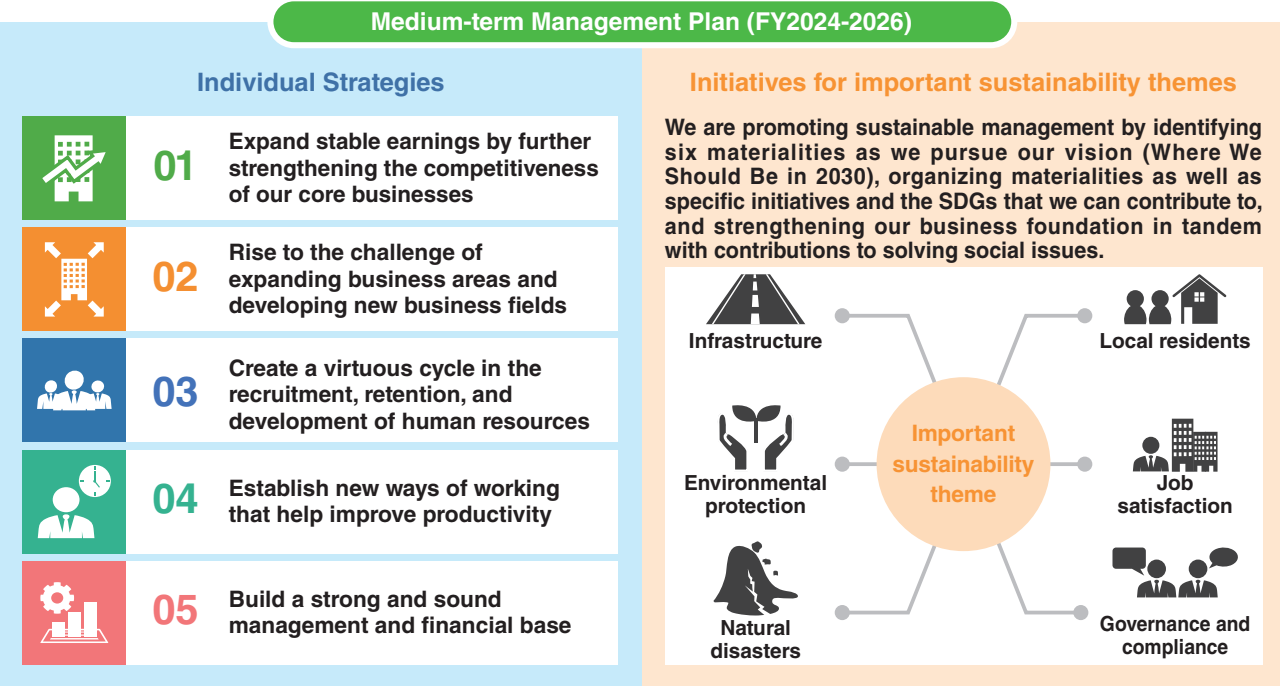
Medium-term Management Plan (FY2024-2026)

Basic Strategy

Becoming a truly strong corporate group

2nd Phase

For achieving our vision (Where We Should Be in 2030), we are furthering initiatives under the five basic policies: “Expand stable earnings,” “Diversify revenue sources,” “Execute people-centric management,” “Establish new ways of working,” and “Enhance management and financial base,” to accelerate the transformation into a “truly strong corporate group.”



Key Performance Indicators Consolidated (FY2026 plan)

Net sales 100.0 billion yen	Operating income 6.0 billion yen	Net income 4.0 billion yen	ROE 9.5%	Equity ratio Approx. 50%
--------------------------------	-------------------------------------	-------------------------------	-------------	-----------------------------

Shareholder Return Policy

Targeting DOE of 6% (*For FY2024, maintain DOE target of 8%)

Capital Allocation (FY2024-2026) Consolidated

- Implement continuous and strategic investments for building a sustainable business foundation
- Control the balance sheet to reflect a balance between financial soundness and capital efficiency
- Stable and proactive shareholder returns based on DOE

End of FY2023 Working Capital, etc. (cash on hand) 13.4 billion yen Interest-bearing debt 6.8 billion yen (DE ratio 0.17)	Operating Cash Flow (before R&D expense deductions) Cumulative 3 years 18.5 billion yen Net income 11.6 billion yen Depreciation 5.4 billion yen R&D expenses 1.5 billion yen Allocate to cash on hand or procure additional interest-bearing deb 3.5 billion yen *Target a DE ratio of less than 0.3	Shareholder Returns Dividends — 8.5 billion yen Growth Investments Capital expenditure — 10.5 billion yen (maintain backbone systems, growth) Strategic investments — 1.5 billion yen (expand business fields, M&A, etc.) R&D Expenses Environment, DX, etc. — 1.5 billion yen
---	---	--

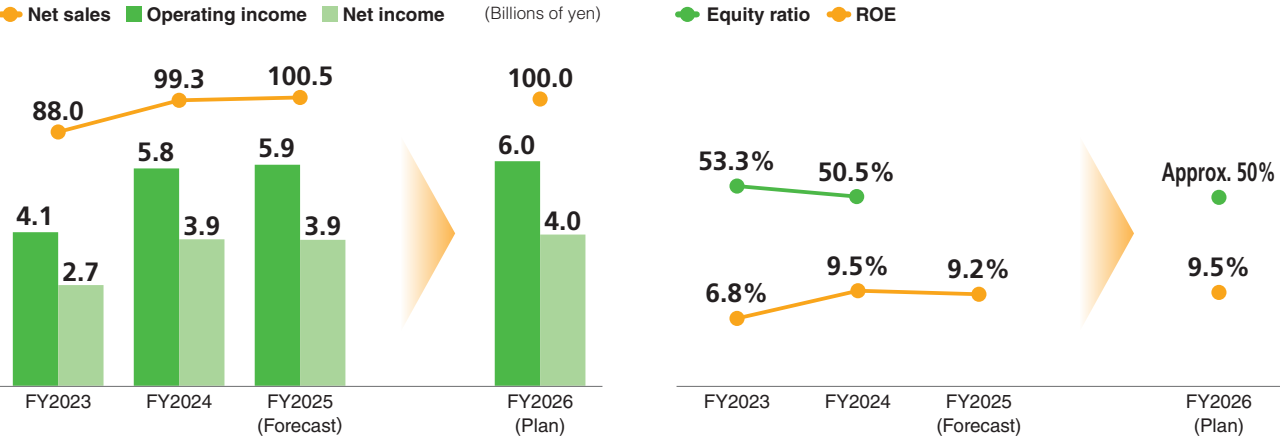
Medium-term Management Plan

<https://contents.xj-storage.jp/xcontents/AS03190/e55067b77ebe6/41d4/910c/069b09e4fef3/140120240507583100.pdf> (in Japanese)

Progress on the Medium-term Management Plan (FY2024-2026)

Trends in Key Performance Indicators

Net sales, Operating income, Net income



Note: The equity capital value at the end of the fiscal year ending March 31, 2026 used in estimating ROE of the FY2025 forecast has been calculated by the equation: "Equity capital value at the end of the previous fiscal year" + "Net income forecast" – "Amount of projected dividends during the fiscal year," where other variations are not taken into account.

Progress on Individual Strategies (Fiscal 2024 review)

Individual Strategies	Key Strategies	Key initiatives	Key results
01Expand stable earnings by further strengthening the competitiveness of our core businesses	Build track record with construction and strengthen response capacity (win construction work from Ministry of Land, Infrastructure, Transport and Tourism and expressway companies)	Implement study and verification sessions to improve estimate and technical proposal capabilities.	Received an order for new expressway construction (pavement work along the Kozaki IC and Taiei Junction of the Tokyo Metropolitan Expressway; customer: East Nippon Expressway Company Limited).
	Establishment of management foundations at all business locations in Japan (autonomous and self-reliant offices)	Continue initiatives to strengthen capabilities for project orders from local customers at business locations, especially private-sector orders.	Private-sector orders increased 3.9% year-on-year despite a 3.4% year-on-year decrease in non-consolidated project orders.
	Countermeasures for aging and deteriorating infrastructure, strengthen marketing in disaster prevention/mitigation fields and renewable energy	Continue initiatives to expand orders relating to expressway renewal, bridges, port facilities, and renewable energy facilities.	In renewable energy facilities-related projects, orders for primarily solar power generator plants and storage facilities increased. Orders for river- and port-related projects increased as progress was made in new customer development for bridges.
	Regional strategies for securing sales volumes	Continue studies on expanding into unexplored areas, including methods for doing so.	Participated as a JV partner in a plant operated by affiliate company Noto Ascon Corporation.
	Strengthen sales of eco-friendly products (strengthen business foundation for cold asphalt mixtures)	Expand the cold mixture lineup while simultaneously broadening sales channels, including e-commerce.	Commercialized and obtained Eco Mark certification of cement emulsion-based cold-mix gap correction material "α Flat."
	Implement capital expenditure plans to preserve competitive edge and for environmental measures	Expand plants capable of producing low-carbon asphalt mixtures with improved workability.	Installed foamed equipment at Mukawa Mixture Plant, Hokkaido Branch and Yuzawa Mixture Plant, Tohoku Branch.
02Rise to the challenge of expanding business areas and developing new business fields	Sophisticated technology proposals and technological development with an eye to changes in the living environment, including technology to reduce CO ₂ through low-carbon asphalt mixtures	Continue initiatives for technological development for the decarbonization of asphalt mixtures. Promote more sophisticated technical proposals using DX technology and other measures.	Trial implementation of a remote-controlled asphalt finisher on an actual road in Gunma Prefecture which resulted in a certain degree of progress.
	Provide new technology and value for social infrastructure development	Lengthen the life of road infrastructure Expand recycling and other environmental technologies	Developed new roadbed materials with a focus on water resistance and durability, with the indoor level verification phase completed.
	Continued comprehensive contracting to the private sector, including for roads	Create business models for solving issues faced by contractees Hone technology for inspecting/diagnosing roads	Added the Sales Department to the scope of ISO 55001 certified organizations and enhanced the structure of the asset management system.
03Create a virtuous cycle in the recruitment, retention, and development of human resources	Expand business fields, including overseas expansion	Pursue M&A and partnership, etc., which help create synergies with existing business and expansion of business fields and markets Push ahead with growth strategy to develop new business fields	Despite several case studies, tangible results have yet to materialize. We will continue to study business expansion measures from various perspectives.
	Actively Promote Diversity & Inclusion and Improve Engagement	Enhance recruiting through the promotion of diversity and stronger ties with educational institutions Improve engagement by creating an "attractive workplace" where employees feel comfortable and motivated	Achieved our target of 20% for females in new graduates recruited to career-track positions. Introduced the relocation exemption policy and the post-childbirth early return to work policy. Implemented wage increases of over 3% for the third consecutive year. Granted shares through the employees' shareholding association.
04Establish new ways of working that help improve productivity	Improve the abilities of increasingly diverse human resources	Promote flexible career development and enhance education in response to increasingly diverse human resources	Restructured the education and training structure and began operations in fiscal 2025.
	Improve Productivity and Operational Efficiency	Proactive use of ICT, digitization of work tasks, and accelerated division of labor	Introduced labor-saving technology in quality management (temperature management, evenness, etc.). Expanded division of labor for paperwork at on-site departments.
05Build a strong and sound management and financial base	AI x Human Resources = Improved Labor Productivity	Adopt AI to support workers and change workstyles	Introduced an AI-based system for responding to internal questions.
	Regain Credibility and Trust from Stakeholders	Complete implementation of measures to prevent the recurrence of the Anti-Monopoly Act violations and thoroughly ensure compliance with other laws and regulations	Implemented internal audits of a total of 114 offices, including subsidiaries' offices. Compliance training participation rate 100%.
	Strengthen Corporate Governance	Establish KPIs for materiality and roll out initiatives. Promote further improvement of information disclosure, including disclosure in English.	Revised the human rights policy afresh pertaining to considerations for the protection of human rights. Defined a procurement policy and supplier code of conduct to serve as the basis of supply chain management.

Progress of investment plans

Category	FY2024 actual	Cumulative total for plan period (Planned value)
Capital expenditure (maintain backbone systems, growth)	Approx. 1.5 billion yen	Approx. 10.5 billion yen
Strategic investments (expand business fields, M&A, etc)	—	Approx. 1.5 billion yen
R&D expenses	Approx. 0.4 billion yen	Approx. 1.5 billion yen

*Capital expenditure for FY2024 was only 1.5 billion yen; however, this was due to the postponement of several planned investments, including relocation and renovation of offices, to the next and subsequent fiscal years. We will continue making the necessary investments on an ongoing basis.

Trends in non-financial information

	FY2023 actual	FY2024 actual	FY2025 H1 actual	FY2026 Target	FY2030 Target
Number of female employees in career-track positions	65	73		100	140
Number of female managers	4	4		5	7
Employee engagement rating	B	B	BB	BB or higher	A or higher

※Engagement rating: Evaluation based on a survey service provided by an external expert organization. Comprises 11 levels, with DD the lowest and AAA the highest. B is the sixth level from the top, BB is the fifth level from the top, and A is the third level from the top.

● Refer to page 26 for the status of achievement of other materiality-related KPIs.

Management with an awareness of equity cost and share prices

● Equity cost-conscious management

As the Company's corporate philosophy is "creating infrastructure for living that contributes to the creation of a prosperous community," the Company aims to improve corporate value over the medium to long term by realizing healthy sustainability and continuous growth. In terms of return on capital as well, the Company does not pursue high figures in the short term, but instead believes it is important to strike a good balance between ongoing investment and financial soundness and to provide economic value that exceeds the cost of capital over the medium to long term. In order to reflect this concept in our management, we have been striving to identify equity costs for some time, and this information is used in the formulation of the Medium-term Management Plan and in making important investment decisions in our day-to-day business operations.

In addition, the long-term vision that outlines the Group's "Where We Should Be in 2030" and the Medium-term Management Plan(FY2024-2026), which is the first phase of the long-term vision, clearly state the Group's direction to continuously maintain a positive equity spread, and set ROE targets of 9.5% for fiscal 2026 and 10% for fiscal 2030, respectively, for the final fiscal years. Our shareholders' equity costs stand at 5.5%-6.5%, which was estimated with advice from outside agencies during the formulation of the Medium-term Management Plan. The weighted average cost of capital (WACC), which takes debt costs into account, is estimated to be 5%-6%. The relationship between capital profitability and equity cost in the long-term vision and Medium-term Management Plan is as follows.

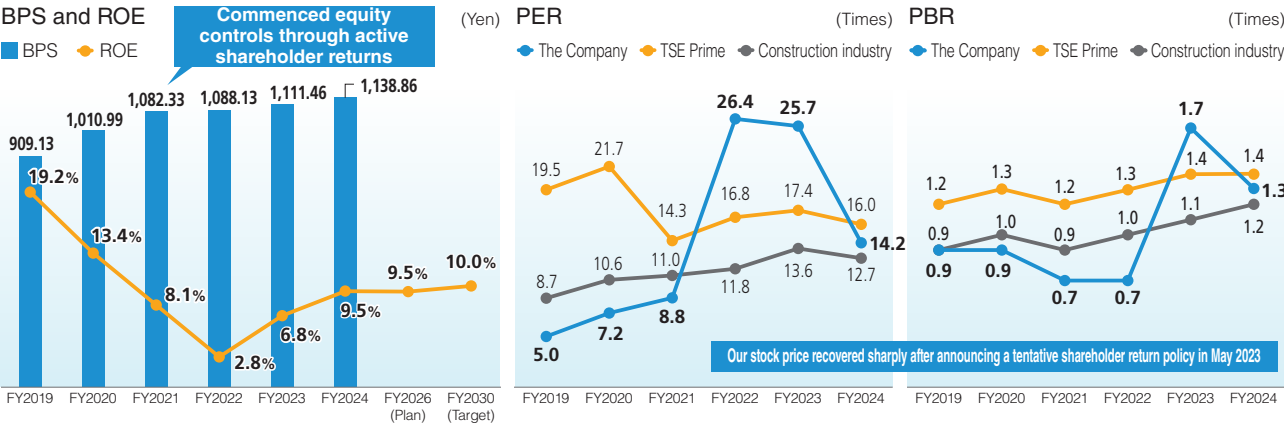


● Analysis and evaluation of capital profitability and market valuation

Current analysis and evaluation

- ▶ ROE had been on a downward trajectory following efforts to enhance equity but has been recovering from the bottom marked in FY2022, when earnings were sluggish, helped by controls on equity through active shareholder returns since FY2021. As of late, ROE has exceeded shareholders' equity costs.
- ▶ Sparked by the announcement of a tentative shareholder return policy in May 2023, our share prices has recovered sharply, and after that, our PBR has remained above 1x.
- ▶ We calculate shareholders' equity costs at 7.0%~7.6% using CAPM. We consider this a generally appropriate level also in light of suggestions obtained through dialogues.

"Amount per share" and trends of "relevant indicators" regarding our shares



Note: Figures for "TSE Prime" in "PER" and "PBR" are for the First Section of the Tokyo Stock Exchange prior to the fiscal year ended March 31, 2022. Figures for "Construction" relate to the construction industry in TSE Prime.

(Reference: Calculation method of shareholders' equity costs and estimated value for fiscal 2024)

*Calculation of shareholders' equity costs uses the capital asset pricing model (CAPM) and is estimated using values including the Company's share price fluctuation rate and the fluctuation rate of the stock market overall in the expected rate of return for stable assets such as government securities and the stock market's risk premium.
[Shareholders' equity costs = Risk-free rate + risk premium × beta]
Risk-free rate: 1.4%-2.0% Risk premium: 5.9%-6.2% Beta: 0.88-0.96 ➡ Shareholders' equity costs: 7.0%-7.6%

● Achieve management aware of share price and cost of capital and

In line with the formulation of the Medium-term Management Plan (FY2024-2026), the Company has summarized its approach for maintaining and improving PBR as follows. We aim to expand the equity spread by both improving ROE and lowering shareholders' equity cost.

Improve ROE	Improve profitability (improve profit margins, capital efficiency)	Execute business strategy to ensure profitability exceeding the cost of capital
	Growth strategies	Investments in human resources in addition to capital expenditure, R&D investments and M&As, etc.
	Control equity (financial leverage)	KPIs for equity ratio of around 50%, DE ratio below 0.3
Lower shareholders' equity costs	Initiatives for sustainability and resilience	Specific initiatives based on materialities
	Management transparency	Enhance information disclosure and continue dialogs, etc., leading to understanding of shareholders, investors, and share market

● Initiatives to date and recent developments

Improve profitability (improve profit margins, capital efficiency) , Growth strategies

- Implementation of measures of the Medium-term Management Plan ➡ Refer to pages 17 and 18 for specifics

Control equity (financial leverage)

- Review of financial strategy and capital policies (pursuit of optimal capital structure)
We consecutively implemented shareholder returns which exceeded 100% in total return ratio both in FY2021 and FY2022, which curbed the increase in shareholders' equity. However, in dialogues with shareholders, concerns were expressed about the persistent build-up in shareholders' equity. As a result, in May 2023 we tentatively set "shareholder returns with a targeted dividend payout ratio of 100% and DOE of 8%" for the time being, with a view to achieving the FY2030 ROE target as early as possible. **We clarified our stance to continue to actively return profits to shareholders and control shareholders' equity.**
In the new shareholder return policy, which we revised when formulating our Medium-term Management Plan in May 2024, we follow this approach and also **adopt a single target of DOE, which is insulated from the impact of single-year earnings, in order to achieve stable shareholder returns over the medium- to long-term** with greater transparency, while maintaining a balance between growth investments, financial soundness and capital efficiency.

From FY2024	Shareholder returns targeting DOE (dividends on equity) of 6%. *For FY2024, we will continue targeting DOE of 8%. [However, only in the absence of unexpected demand for considerable funds or a marked change in the environment]
-------------	---

Initiatives for sustainability and resilience

- Promote initiatives based on materiality
 - Set non-financial KPIs and promote concrete initiatives aligned with the formulation of the Medium-term Management Plan (FY2024~2026).
 - For the measures related to climate changes, we will continue considering a reduction plan to achieve the fiscal 2030 and fiscal 2050 reduction targets for GHG emissions. At the same time, we are making systematic and continuous investments in capital expenditure to expand the sales of low-carbon asphalt and increase the fuel efficiency of mixture plants.
 - We will implement constant pay raises, reconsider education and training programs, and improve work environments to provide job satisfaction. We will continuously expand human capital investments to create a virtuous cycle in the recruitment, retention, and development of human resources.

Management transparency

- Thorough information disclosure and continuing dialogue
We aim to lower shareholder equity costs by continuing to strive for dialogue with shareholders and investors and thorough information disclosure for deeper understanding of the Company as well as mitigating asymmetrical provision of information. ➡ **SR and IR meetings, integrated report, English disclosures, etc.**
- Suggestions obtained from dialogues
The following opinions have been presented in dialogues with our shareholders and investors, and we will incorporate them for future efforts.
 - The policy for return to shareholders (revised policy) is appropriate.
 - Our shareholders' equity costs calculated according to the calculation model of institutional investors is in the upper 7% range.
 - The equity ratio target of 50% will give the impression that it is more than enough, but a detailed explanation is necessary.
 - I want a transition plan concerning climate change to be disclosed early.
 - I want to know the relationships between non-financial KPIs and corporate value improvement; and others.

● Aiming for further valuation improvement

In both our long-term vision Where We Should Be in 2030 and the Medium-Term Management Plan, we have indicated our commitment to expansion in the equity spread through both improving ROE and reducing shareholders' equity cost, targeting ROE of 9.5% and 10%, respectively, in the final year of our long-term vision and the Medium-Term Management Plan and. (Please see Medium-Term Management Plan (FY2024-2026) for more details.)

Currently, the shares are trading at a PBR ratio above 1x, but we will continuously implement initiatives for even greater improvement in market evaluation and will work toward enhancing corporate value and shareholder value over the medium and long term.

Strategies by Business Segment

Construction Business

Overview of Construction Business

In the Construction Business centered on road pavement, in addition to promotion of projects for disaster prevention and mitigation and building national resilience, and large-scale renewal and repair work to aging expressways, project orders were strong due to an increase in demand to build renewable energy facilities.

Sales and profits significantly increased year-on-year for the fiscal year ended March 31, 2025 due to an increase in the number of completed construction contracts as a result of the above order environment and steady progress on large-scale projects brought forward from the previous fiscal year, as well as a significant increase in productivity.

In the Construction Business, earnings have been stable in recent years, with orders received for construction exceeding the initial target for fiscal 2030 of 70.0 billion yen on a non-consolidated basis for the third consecutive year.

Although we expect rising prices, larger human resources investments, and higher costs and expenses in the fiscal year ending March 31, 2026, we expect the stable order environment to continue and will actively develop our business activities to achieve profits in line with our plans.

Initiatives to Achieve the Long-Term Vision

While we currently expect a stable volume of business in the construction industry due to national resilience activities, worker shortages due to a rapidly aging society, low birth rate, and other issues will only become more pressing. The Company is actively working on improving productivity and operational efficiency through IT and digital means, implementing work style reforms to correct long working hours and other issues, updating offices to improve the working environment, and promoting diversity.

In order to contribute to realizing a sustainable society into the future, we are engaging in the following strategies in our current Medium-term Management Plan, focusing efforts on establishing a firm management foundation in our approximately 50 business sites in Japan and keeping a keen eye on shifts in demand trends including the long-term gradual decline in government and public sector projects and the shift from new infrastructure development to maintenance and renewal.

Key Strategies in the Medium-term Management Plan (FY2024-2026): Major Items

- Accumulation of construction achievements and strengthening of response capabilities (construction orders from the Ministry of Land, Infrastructure, Transport and Tourism and expressway companies)

■ Strengthen development of sales in countermeasures for aging and deteriorating infrastructure, disaster prevention/mitigation fields and renewable energy
- Continued comprehensive contracting to the private sector, including for roads

■ Create business models for solving issues faced by contractees

■ Hone technology for inspecting/diagnosing roads

Completed Construction

(1)Customer (2)Project (3)Site(Prefecture)



① West Nippon Expressway Company Limited ② Pavement repair work within the jurisdiction of Kyoto Operation Office (FY2022) ③ Kyoto

Acquisition of ISO 55001 Asset Management System Certification

In March 2021, we obtained the ISO 55001:2014 certification for our asset management system and have been operating it since then.

Going forward, by proposing optimal cost maintenance and repair plans and VE for assets owned by the ordering party (asset owner), we will contribute to the reduction of life cycle costs of the assets, increase in asset value, and efficient implementation planning, and offer the value appropriate to the times of infrastructure maintenance.

- Certified organizations: Business Promotion Division (Engineering Department, Sales Department); Technology Division (Technology Department)
- Scope of certification: Comprehensive maintenance and proposal with regard to roads (pavement and structures)

*Obtained certification as a non-asset owner (service provider)



Pavement Materials Manufacturing and Sales Business

Overview of Pavement Materials Manufacturing and Sales Business

In the Pavement Materials Manufacturing and Sales Business, which focuses on the production and sale of asphalt mixtures, both production and sales quantities have been struggling amid a challenging competitive environment and a sluggish domestic demand trend in Japan.

In addition, due to the impact of the soaring price of crude oil in these times and the weak yen, the price for purchasing straight asphalt, which is a main material, and for fuel expenses pertaining to manufacturing and transportation remain at a high level, so this continues to compel a very harsh revenue environment.

In the fiscal year ended March 31, 2025, sales quantities of asphalt mixtures declined year-on-year, but amid rising raw material and other variable costs, we were able to steadily pass these costs onto product selling prices, resulting in an increase in net sales year-on-year. While profits were down year-on-year again despite last fiscal year's year-on-year increase, we recorded 1,203 million yen of operating income for the second half of the fiscal year, a significant improvement over the 285 million yen for the first half of the fiscal year.

For the fiscal year ending March 31, 2026, it remains difficult to expect dramatic improvements in the external environment, such as the tense international situation; therefore, the Company will continue to work concertedly to obtain customers' understanding regarding ensuring reasonable selling prices, securing the quantity for manufacturing and sales, and cost control.

Initiatives to Achieve the Long-Term Vision

Regarding our medium- to long-term strategy, we perceive expansion of sales quantity, carbon neutrality initiatives, and improvement of customer convenience and realization of workstyle reform through DX promotion as significant pillars and are proceeding with various initiatives.

The Company has so far engaged in initiatives to introduce machines with highly efficient combustion as well as switch some of our fuel oil to gas in conjunction with the upgrading of manufacturing equipment. These initiatives are not only reducing environmental impact, but also reducing the costs associated with energy consumption, so we will continue these investments as planned in the future.

With our current Medium-term Management Plan exposed to external risk factors including waning product demand as well as trends in crude oil prices and foreign exchange, we are committed to improving our competitiveness with an eye to the future by positioning securing sales quantity, which is our business base, and expanding our share of the market along with environmental responses as key issues.

Key Strategies in the Medium-term Management Plan (FY2024-2026): Major Items

- Regional strategies for securing sales volumes

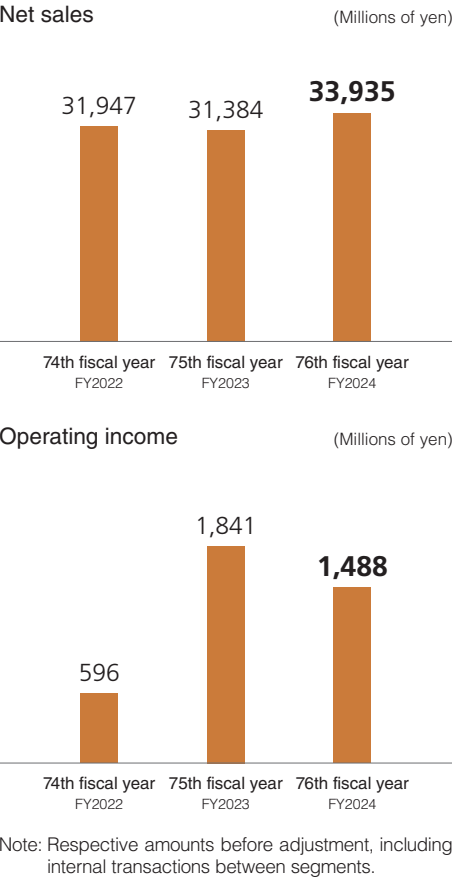
■ Strengthen sales of eco-friendly products (strengthen business foundation for cold asphalt mixtures)
- Implement capital expenditure plans to preserve competitive edge and for environmental measures

Our Technologies

Mible-eco (generic term: foamed asphalt mixture)

Asphalt and aggregate can be mixed easily with an additive to foam fine bubbles in asphalt, which enables mixing and application at a temperature approx. 30°C lower than that of general asphalt.

This contributes to the expansion of supply areas, improvement of asphalt workability in winter season and in cold areas, reduction of the traffic restriction time, and alleviation of environmental impact.



Research & Development and Intellectual Property

The Group's research and development takes into consideration societal technological demand, such as trends in international society and needs within Japan, and is conducted mainly by the Research and Development Department at the center of the Technology Division.

At present, we have selected carbon neutrality, construction DX, longer life of road infrastructure, and productivity improvement as important development themes to contribute to the realization of a sustainable society as a Group that plays a part in developing social capital, and we are working on research and development focused on these areas.

Recent Initiatives

Decarbonization and Low-Carbon Initiatives

We are working to become carbon neutral by focusing on asphalt mixtures and the manufacturing process of asphalt mixtures in asphalt plants.

- We are in the midst of developing an asphalt mixture that can be produced without heating the materials by using special additives. We have completed indoor level verification, and will proceed with further testing and test construction, confirmation of mixture properties, and verification of the effectiveness of the method.
- We are continuing with initiatives to further reduce manufacturing temperatures in the manufacturing process for low-carbon (medium temperature) asphalt mixtures.

Development of Alternative Asphalt

In terms of measures in response to carbon neutrality initiatives, reduced crude oil production, and surging prices, securing new pavement materials that can serve as asphalt substitutes that may be stably provided well into the future will become necessary. The Company is researching new materials that may take the place of petroleum asphalt, and is currently conducting test construction in a joint research effort with the Public Works Research Institute for research and development of pavement material asphalt substitutes that contribute to carbon neutrality. Evaluation of the mixture's long-term durability using accelerated loading is underway, as are studies concerning recycling.

Extended Life of Road Infrastructure

The Company is researching and developing technologies to extend the life of pavements in preparation for a transition to preventative maintenance, in order to achieve reductions in road infrastructure life cycle costs.

- Focusing on roadbed water resistance and durability to prolong the life of pavements, development of new roadbed materials is underway, with the indoor level verification phase

completed. We will continue with further testing and test construction to confirm the properties of the mixtures, and verify effectiveness.

- The Company has developed and commercialized the "α Flat" gap correction material for road pavement as a high-durability material for repair and maintenance useful in maintaining and repairing aging road infrastructure. The Eco Mark-certified product is composed of at least 50% recycled aggregate while featuring high strength and high adhesion. We plan to launch the product Japan-wide as an environmentally-conscious repair and maintenance material for fixing unevenness in pavement potholes and bridge joints.

Development of DX (Digital Transformation) Technology

In the construction industry, efforts are being made to remotely operate construction equipment and to make it unmanned for the purposes of improving productivity and responding to chronic labor shortages and work style reform.

- The Company is developing a remotely operated and automatic steering system for the asphalt finisher and aims to deploy it for automating paving operations.
- We are also investigating methods for efficient, high-precision quality and output management in the field using DX technology.

In fiscal 2024, we trialed remote control technology for an operator-less asphalt finisher in paving operations for a national highway in Gunma Prefecture, and obtained positive results.



Trialing the remote-control technology



Remote control base station

Initiatives to Achieve the Long-Term Vision

From a long-term perspective, we have positioned development of next-generation pavement technology that takes into consideration decarbonization according to Japan's plans to achieve carbon neutrality by 2050 as an important topic. From a short- to medium-term perspective, important topics include rapid population aging, decline in the work force, DX to contribute to resolving the issue of coping with infrastructure deterioration, optimization of infrastructure development, long life of infrastructure, and improving productivity.

Investment related to intellectual property, including in research and development and study of technology, is a critical factor in our survival as a company that bears responsibility for infrastructure development. Therefore, we will continue to make important investments in line with system-related development to support a new workstyle.

Key Strategies in the Medium-term Management Plan (FY2024–2026): Major Items

- Sophisticated technology proposals and technological development with an eye to changes in the social environment, including technology to reduce CO₂ through low-carbon asphalt mixtures
- Provide new technology and value for social infrastructure development (extend the life of road infrastructure, expand environment-related technologies such as recycling technologies and others)
- Proactive use of ICT, digitization of work tasks, and accelerated division of labor



Technical Information

➡ <https://www.seikitokyu.co.jp/business/> (in Japanese)

Capital Policy and Financial Strategies

Fundamental Approach

The Seikitokyu Kogyo Corporate Governance Guidelines describe our basic capital policy-related approach as: "The Company considers the securing of continued growth investment and a strong financial base to be essential for achieving sustainable growth and improving medium- to long-term corporate value and shareholder value. As such, the Company shall endeavor to maintain the necessary level of shareholder equity and consider an appropriate balance with capital efficiency." Financial soundness, safety, and stability are key to a company involved in public works projects, and capital efficiency is important as a listed company. We recognize the importance of balancing these two aspects at a high level.

Maintain and Improve Financial Soundness

Amid an update to our quantitative image for Where We Should Be in 2030, we set securing a credit rating equivalent to BBB+ as a benchmark for financial soundness. And while we are controlling the balance sheet, targeting an equity ratio of about 50% and a DE ratio below 0.3, we indicated plans to achieve our ROE target of 10%.

If we take into account business evaluations in the construction industry, we do not consider our current equity or equity ratio to be excessive. In order to create an optimal capital structure that offers both stability and efficiency, we believe it is necessary to maintain a sound financial base going forward, based on the above targets.

Cash Position

In addition to securing stable working capital, we need to consider capital investment, strategic investment, and measures required to respond to natural disasters and any other unforeseen circumstances. As such, we believe that our cash position needs to be roughly twice the size of our average monthly sales.

The monthly funds figure will fluctuate owing to the fact that payments for sales tend to come in primarily in the latter part of the month while the settlement date for purchase obligations falls in the middle of the month. Therefore, the current cash balance on the balance sheet corresponds broadly to the maximum amount of funds recorded in the account during a particular month.

We need to consider our funding efficiency improvement and flexible financing, so we intend to maintain a stable cash position by utilizing commitment lines and other channels.

Cash Flow Allocations

Together with our quantitative image for Where We Should Be in 2030 updated in May 2024, we are steadily making the necessary investments (capital expenditure, strategic investments) to realize our long-term vision as regards cash flow allocations. For free cash flow, we have signaled plans to control the capital structure, including allocating a reasonable amount to shareholder returns with an eye toward our targets of ROE of 10% and equity ratio of 50%.

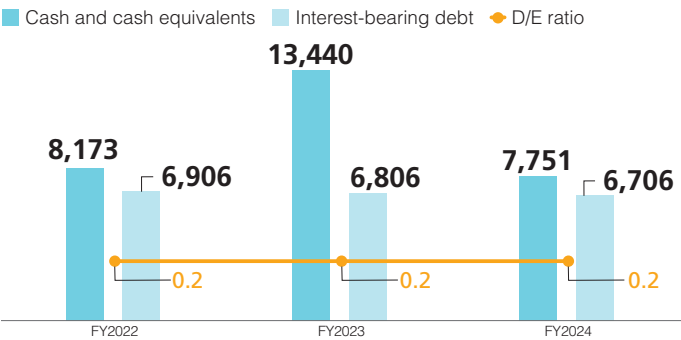
Shareholder Returns

We actively return profits to shareholders from the perspective of equity control, with a strong focus on the equity cost along with capital profitability as we work to improve shareholder value. For our annual dividend for the fiscal year ended March 31, 2025, based on the shareholder returns indicator of DOE of 6% (DOE of 8% for fiscal year ended March 31, 2025) in the current Medium-term Management Plan, the dividend came to 90 yen per share (45 yen as interim dividend and 45 yen as year-end dividend), translating to a dividend payout ratio of 84.5% and DOE of 8.0%.

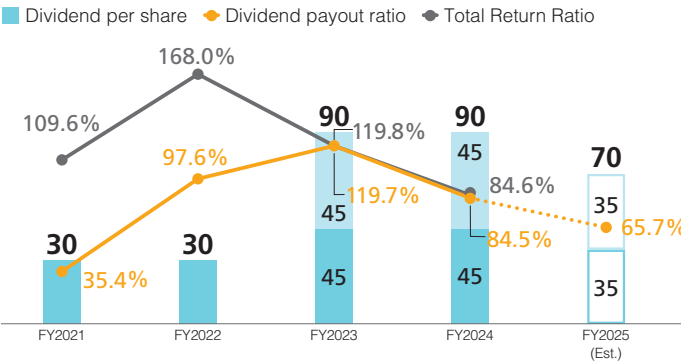
The dividend forecast for the fiscal year ending March 31, 2026 is an annual dividend of 70 yen per share (35 yen as interim dividend and 35 yen as year-end dividend with a dividend payout ratio of 65.7%), based on the abovementioned policy.

* DOE = (Interim dividends + Year-end dividends) / Equity [average during the year] x 100

Cash and cash equivalents/interest-bearing debt/D/E ratio (consolidated) (Millions of yen)



Dividend Per Share, Dividend Payout Ratio, Total Return Ratio (Yen)



Materiality of Seikitokyu Kogyo Group

Our Stance on Sustainability

The corporate philosophy, “A life infrastructure building company that helps to create affluent local communities,” forms the basis of Seikitokyu Kogyo Group’s business activities. For more than 70 years since the founding, the Group has been offering high quality services for social capital development, which resulted in a steady growth of its business. While road construction constitutes the main line of its business, the Group also engages in civil engineering works, works related to water use and environment, and pavement materials manufacturing and sales.

Due to the recent acceleration of changes in the social environment, businesses today face diverse expectations and challenges. Nevertheless, our mission remains unchanged, which is to sincerely fulfill its responsibilities as a company that plays a part in social capital development and to keep supporting the foundations of people’s lives and business activities.

In the long-term vision, we have set “A truly strong corporate group that pursues personal and corporate growth in tandem and helps realize a sustainable society” as Where We Should Be in 2030. The vision illustrates our intention to secure and develop human resources; strengthen our business foundation while valuing engagement with a wide range of stakeholders, such as customers, business partners, and local communities; and constantly address social issues.

We will continue to strive for fair business administration, as well as creation of a healthy and satisfying workplace, where employees and other actors in our business can fully demonstrate their abilities. In addition, we will work on further improvement of quality and safety, as well as reduction in the environmental burden, to contribute to the achievement of a sustainable society through our business activities.



Process to Identify Materiality



























Based on the 17 SDGs and 169 targets, etc., we extracted social issues the Group should address, responsibilities the Group should fulfill in addressing them, and what the Group should develop (work on) to address them. What have been extracted were systematically organized into six items to constitute materiality, in light of various factors including a medium- to long-term picture of society, our business model, our strengths, and importance to the Company and society. After discussing the matter in relation to medium- to long-term management policies and management plans, the Board of Directors finalized the items as important sustainability themes that set directions for the Group to realize our Where We Should Be in 2030 strategy.



Important Themes and the Group’s Goals

The Group has identified materiality for the achievement of both a sustainable society and a sustainable growth of the Group. The relevance of our contribution to sustainability to the SDGs is shown below.

ESG Initiatives

Important sustainability theme <Our way to 2030>	Specific initiatives (KPI)	FY2026 targets	FY2030 targets	Actual	Relevant SDGs
 Environmental protection Contributing to the environment by reducing the environmental impact through our business activities and that of our own business activities	GHG emissions (Scope 1 and 2) GHG emissions (Scope 3, Category 1) *Reduction targets and results: Compared with FY2020	-	42% reduction 25% reduction	1.2% reduction 25.0% reduction (FY2024)	   
	Rate of recycling of construction waste	98.0%	98.0%	97.5% (FY2024)	 
 Infrastructure Helping develop infrastructure that can be used safely, securely, and comfortably by all people	Evaluation score for construction performance (average for subject year) *Evaluation score for work contracted to the Company as a prime contractor and ordered by the Ministry of Land, Infrastructure, Transport and Tourism	80 points	80 points	79.4 points (FY2024)	    
 Natural disasters Helping restore regional economic activity and livelihoods through restoration and reconstruction work in the event of a natural disaster	Response rate for safety confirmation training by executives and employees *Response within three hours during working hours after commencement of training, within six hours outside working hours	90%	90%	75.9% (September 2025)	
 Local residents Helping create a better living environment as a good corporate citizen and local community member	Hosting of site visits and off-site workshops, participation in community activities	-	-	Hosted site visits and study events, and participated in community activities	   
 Job satisfaction Creating working environments with which everyone feels satisfied and transforming into a company that attracts workers in construction industry	Rate of taking paid leave	70%	70%	55.4% (FY2024)	  
	Rate of taking childcare leave (Male)	85%	85%	36.4% (FY2024)	
	Percentage of females in new graduates recruited (career-track positions)	20%	20%	20.0% (FY2024)	
	No. of female managers	5	7	4 (FY2024)	
	No. of fatal occupational accidents	0	0	1 (FY2024)	
 Governance and compliance <ul style="list-style-type: none">Pursue the best governance for the GroupRegain trust by promoting compliance management	Continuous enhancement of corporate government (ensuring effectiveness of Board of Directors, expanded information disclosure, etc.)	-	-	Ensured effectiveness of Board of Directors, promoted the expansion of information disclosure, including publishing of integrated report	
	Compliance training participation rate	100%	100%	100% (FY2024)	

Environmental

Environmental protection

Environmental Policy

1. SEIKITOKYU KOGYO CO., LTD. (the “Company”) engages in design and construction of pavement and civil engineering works, research and development of technologies, and manufacturing and sales of pavement materials as its main lines of business. The Company works to reduce the environmental impact in all business activities, protect the global environment, and establish a recycling-oriented society.
2. The Company takes the following actions to strive for constant improvement of its environmental management system and prevention of environmental pollution.

(1) Promote appropriate disposal of industrial waste

(2) Reduce CO₂ emissions

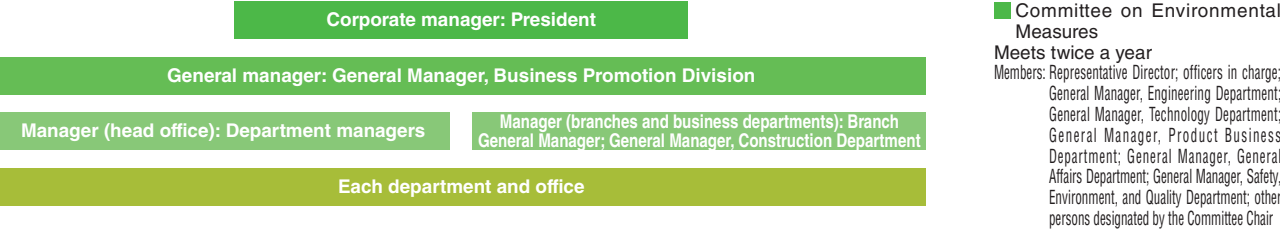
(3) Promote resource saving, energy saving, and recycling

(4) Engage in research and development of environmentally friendly technologies
3. The Company complies with relevant legal regulations on the environment and other requirements it agreed on.
4. To attain the environmental policy, the Company sets environmental goals within the scope that is technologically and economically possible, strives to achieve them, and reviews them on a periodic basis.

Environmental Management System

Seikitokyu Kogyo has implemented an environmental management system covering the head office and all branches, business offices, and mixture plants. Following the PDCA cycle, we strive for a constant improvement of environmental protection activities.

Organizational Structure



Acquisition of ISO 14001 Certification

Since April 2004, we have an environmental management system based on ISO 14001 in place. Periodic audits by external auditors and internal audits by internal auditors facilitate the appropriate implementation and sophistication of the system.

As of August 31, 2025, we have acquired the ISO 14001:2015 certification for the head office, branches, and all offices in Japan.

Results of the Most Recent External Audit

The 7th recertification audit in 2025

Category	Good practice	Improvement opportunity	Observation	Improvement needed (Nonconformity)
No. of cases	3	3	0	0

Web

ISO 14001

→ <https://www.seikitokyu.co.jp/company/iso>

(in Japanese)



Permission to Engage in the Industrial Waste Disposal Business

We have the permission to engage in intermediate processing of industrial waste at 22 facilities in 16 administrative districts, where construction waste, etc. is recycled.

As of March 31, 2025, 17 of these facilities in 12 administrative districts have been certified as excellent industrial waste disposal operators.

***Excellent Industrial Waste Disposal Operator Certification System:** A system where prefectural governors and designated city mayors accredit industrial waste disposal operators that conform to the Criteria for Industrial Waste Disposal Businesses with Excellent Capabilities and Track Record (Excellency Criteria)

Resource Recycling and Waste Reduction

- To reduce the final disposal volume of waste, we proactively take the measures listed below.
- 1 Recycle all concrete and asphalt waste
- 2 Simplify the packaging of procuring materials
- 3 Prevent reworking and returning
- 4 Promote sorting activities

Waste Volume (Non-consolidated)

FY	2022	2023	2024
Volume of industrial waste	271,051t	246,868t	229,173t
Volume of general waste	262t	249t	156t
Rate of recycling	96.2%	98.5%	97.5%

Global Environmental Protection

Based on the recognition that protection of the global environment constitutes an important business challenge, we take various measures to reduce the environmental impact and contribute to environmental protection. Specific measures include improvement of manufacturing facility functions, which takes place simultaneously with facility upgrade; replacement of fuels; and introduction of solar power generators. They are taken in the process of promoting growth strategies, with an eye on long-term prospects.

Major Facility Upgrades in FY2024

Nara Office of the Kansai Branch and Kansai Testing Laboratory

Construction was completed in April 2025 for renewal works of the Nara Office located on Company property in Nara Prefecture and of the Kansai Testing Laboratory's office.

The new offices not only provide an improved comfortable working environment for employees, but are also well-equipped with environmentally-conscious features and are resilient against natural disasters, such as conforming to the Nearly ZEB* standard and being fitted with BCP features including solar panels, storage batteries, and electric vehicle charging facilities.

*Buildings that, while not ZEB (net zero energy building), are close to ZEB and meet ZEB Ready requirements, and with an annual primary energy consumption of nearly zero through the adoption of renewable energy. (reduction of 50% or lower through energy saving, and a further reduction by an additional 25% or lower through energy saving + energy creation)



Nara Office of the Kansai Branch

Participation in GX League

The Company has participated in the GX League,* led by the Ministry of Economy, Trade and Industry, since fiscal 2024.

Prompted by this participation, the Company has further accelerated technological development pursued to date and reductions in its environment impact, and other initiatives to achieve carbon neutrality in 2050 and is contributing to the realization of a sustainable society.

*The GX League is a forum for companies taking up the challenge of green transformation (GX) and striving to realize sustainable growth in the current and future society to cooperate with other company groups, the government, and academic institutions with an eye to realizing carbon neutrality in 2050 and societal change. GX League corporate participants actively discuss and propose rule formation and other matters difficult to undertake solo concerning GHG emissions reductions across the supply chain and green purchasing.

Sustainable Management Strategy Project

In pursuit of the “Where We Should Be in 2030” strategy and further increase in corporate value, we launched an internal project in April 2021 aimed at promoting sustainability transformation (SX), and we reorganized and systematized development of the Sustainable Management Strategy Project in April 2022.

To achieve carbon-neutral business operation, we are now considering a roadmap and the like, led by this project, to achieve the fiscal 2030 and fiscal 2050 reduction targets for GHG emissions, and would also like to report on our specific emission reduction plan at the earliest stage possible.

The Group will continue to promote initiatives to realize carbon-neutral business operations and practice sustainable management.

External Evaluation (CDP score on climate change)

We achieved a B score for three consecutive years in the Climate Change Report 2024 published by the CDP (Carbon Disclosure Project), the third highest of the CDP's eight scoring bands. A B score means that the CDP evaluates the company as Management level, having a grasp of its environmental risks and impact and taking action on them.

*CDP is an international NGO established in the U.K. in 2000 which requests companies around the world to disclose information on their strategies for addressing climate change and their greenhouse gas emissions volumes, and publishes a score based on its analysis and evaluation.

Biodiversity-conscious Business Activities

The Company acknowledges that efforts to preserve and protect biodiversity that supports ecosystem services (supply services, adjustment services, cultural services, basic services) are important issues, and sets out in its environmental policy that it aims to protect the global environment and establish a recycling-oriented society. The Group understands that its business depends on biodiversity and recognizes its impact on biodiversity, and strives to minimize the impact of its activities on the ecosystem and conducts its business activities with a mind to contributing to ecosystem recovery.

Web

Consideration for biodiversity

→ <https://www.seikitokyu.co.jp/sustainability/environment/measures/#section06>

(in Japanese)

Outline of disclosure of climate change-related information (disclosure based on the framework of TCFD recommendations)

Governance

1. Board of Directors’ supervisory framework for climate change-related risks and opportunities

In the process of formulating our long-term vision, the Board of Directors deliberates on risks and opportunities related to climate change along with the measures to address them, and those details are reflected in the Group’s “Where We Should Be in 2030,” “Materiality,” and “Medium-term Management Plan.”

The Board of Directors is informed of important issues related to sustainability, including compliance, climate change, and human capital issues, and oversees the Group’s sustainability initiatives.

2. Role of management in assessing and managing climate change-related risks and opportunities

The risk management of the Company is undertaken by the officer in charge of Business Administration Division as General Manager of risk management, and the President as the officer taking ultimate responsibility for risk management.

In addition, we have established the Sustainable Management Strategy Project as an organization to formulate policies, set targets, and promote initiatives related to sustainability, including climate change. This project has been established as an organization that operates under the direct control of the President, and reports the status of its efforts to the Board of Directors for supervision as appropriate.

Overall environmental measures, including climate-related measures, are discussed by the Committee on Environmental Measures, which is chaired by the President and includes the General Manager of the environmental management system, who is the officer in charge of the Business Promotion Division, and several other members. As necessary, instructions are given regarding the investment of managerial resources and the addition or modification of environmental measures, and any matters of importance are reported to the Board of Directors.

Risk Management

Company-wide risks and opportunities, including those related to sustainability, are examined and managed by the respective departments in charge in the course of normal business activities. When necessary, the Emergency Response Committee is formed with the General Manager of risk management as the chairperson and the Internal Control Department, which has an internal audit function, as the executive office, to establish and operate an effective risk management system. The most significant risks (including, but not limited to, sustainability-related risks) and measures to address them are reported to the Board of Directors, and climate change-related measures are also integrated into this risk management process.

Strategy

1. Resilience in a changing climate

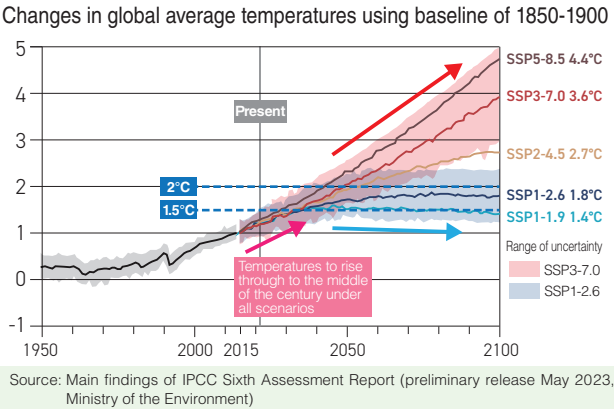
In formulating our long-term vision “Where We Should Be in 2030,” we have taken into consideration the future social vision on a medium- to long-term time horizon, our business model, our strengths, weaknesses, risks and opportunities, and the importance of our company and society. At the same time, we have systematically reorganized the key issues for achieving both a sustainable society and sustainable growth of the Group and have identified and announced an important sustainability theme (Materiality) as an integral part of the long-term vision.

Having clarified our vision for 2030, we have incorporated into our Medium-term Management Plan the strategies that we evaluated and that should be taken in light of our future backcast, which takes into account important themes, as well as our forecasts based on our competitive edge and strengths. We will work to reduce our own GHG emissions and focus on areas where demand is expected to grow, such as the development of renewable energy-related infrastructure and strengthening and extending the life of social infrastructure such as roads and others. Additionally, we are purposefully and strategically investing in human capital, intellectual assets facilities and equipment, and M&A, taking into account sustainability risks and opportunities, including those related to climate change.

2. Scenario analysis

We analyze multiple climate change scenarios based on publicly disclosed information of the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) in order to factor these into our strategic proposals and deliberations of management plans, taking into account the impact caused by climate change on our business with an eye to the future, which is increasingly uncertain.

The scenario analysis we conducted in 2024 considered risks and opportunities from both a qualitative and quantitative position and studied subsequent responses. We used a 4°C scenario, which assumes extremely severe climatic extremes, with no additional measures to counter climate change undertaken, and a 1.5°C scenario, which assumes more ambitious measures taken to counter climate change to achieve decarbonization.



3. Overview of risks, opportunities, and countermeasures

Category	Impacting changes (main)	Time horizon	Business impact (financial impact [FY2030])		Response underway or response in the future
			4°C	1.5°C	
Transition risk	Introduction of carbon pricing = increased costs	(Medium, long)	—	Major	Initiatives to reduce GHG emissions based on SBT
	Rising prices of energy, materials, etc.	(Medium, long)	Minor	Minor	Fuel conversion, R&D for alternative asphalt, etc.
	Changing evaluation axis of customers and other stakeholders	(Medium, long)	Minor	Medium	Development of technologies, provision of products and works, and disclosing information that contributes to carbon neutrality
Physical risk	Natural disasters (direct damage, construction schedule delays, plant shutdowns, etc.)	(Short, medium, long)	Minor	Minor	Strengthened resilience of factories and offices through BCP, etc.,
	Health risks and a declining labor productivity due to higher summer temperatures	(Short, medium, long)	Medium	Medium	Improvement in working environment, including heatstroke countermeasures Development of technology for improving productivity and labor savings/unmanned works
Opportunities	Expand investment in infrastructure such as national resilience and renewable energy	(Short, medium, long)	Medium	Major	Development of technology and services for improved efficiency of road construction, extended life Strengthening sales for renewable energy-related infrastructure development demand
	Growing needs for low-carbon and decarbonization technologies	(Short, medium, long)	Medium	Major	Development and provision of products and services meeting needs

*We identify transition risks, physical risks, and opportunities assumed over the short-term (through 2026: final year of current Medium-term Management Plan [FY2024-2026]), medium-term (around 2030) and long-term (around 2050) and evaluate degrees of business and financial impact based on the three levels of major, medium, and minor, assuming 4°C and 1.5°C (some 2°C) scenarios, based on information disclosures by the International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC).

Indices and Targets

We have set the following targets to reduce greenhouse gas emissions from our business activities and acquired SBT certification in August 2022. The progress of emission reductions is disclosed on our website.

Greenhouse Gas Emissions and Reduction Targets

	FY2020 emissions (actual, base)	Reduction targets for the 10 years leading up to fiscal 2030	FY2024 emissions (actual)	FY2030 emissions (target)
Scope 1	50,751t	Reduce total emissions for Scope 1 and Scope 2 by a yearly average of 4.2%, and by 42% in the 10 years leading up to fiscal 2030. [Level of 1.5]	50,504t	36,630t
Scope 2	12,405t		11,897t	
Scope 3	419,722t	Reduce emissions related to purchased products and services, classified into Category 1, by a yearly average of 2.5%, and by 25% in the 10 years leading up to fiscal 2030. [Level of Well Below2]	345,882t	—
Category 1	(356,629t)		(267,617t)	(267,471t)

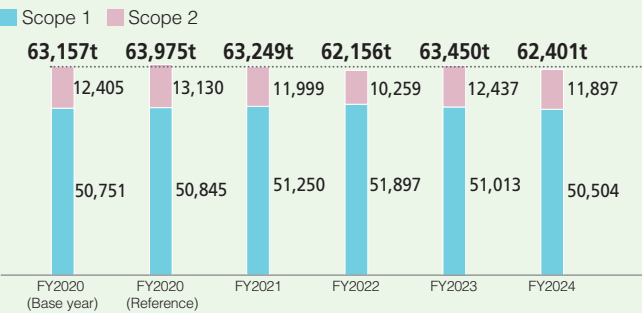
In addition to working to improve manufacturing efficiency and fuel consumption through operation improvements at nationwide asphalt mixture plants, the Group has also been working to reduce fuel and electricity consumption volumes at all offices and plants, including our head office building, which has received ZEB Ready certification, including by installing solar power generation panels, high-performance burners, LED, and other energy-saving equipment.

Scope 3 Category 1 emissions decreased significantly in fiscal 2024 by 25% compared to the base year of measurement. This was due to revised calculation methods, and going forward, we will consider recalculating actual emissions volumes for the base year.

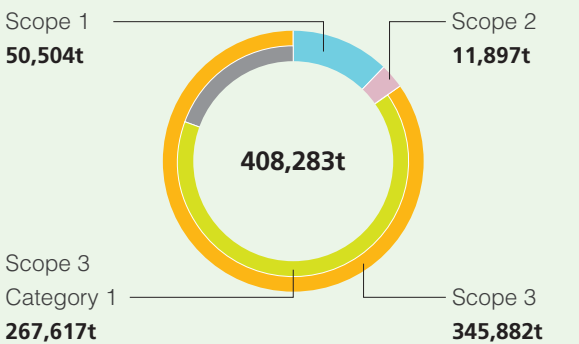
The Group will continue with energy-savings initiatives across the entire Company, and concerning reducing GHG emissions in the Pavement Materials Manufacturing and Sales Business, which accounts for 80% of the Company’s emissions, we are systematically upgrading equipment. While we also consider switching fuels from fuel oil and using renewable energy, we will strive to achieve our reduction targets.

The Sustainable Management Strategy Project is leading the building of knowledge in areas including alternative fuels as well as considerations of a roadmap to achieve emissions reduction targets. We intend to report on our specific reduction plans and targets at the earliest time possible.

Greenhouse gas emissions (Scope 1 and 2)



Breakdown of CO₂ emissions in FY2024



Social

Infrastructure

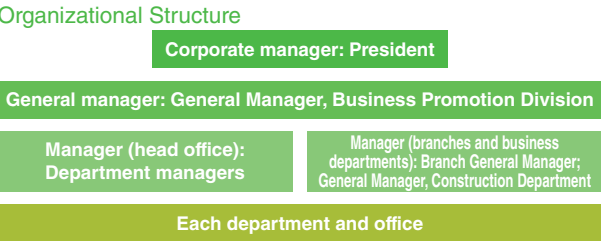
Quality Assurance

Quality Policy

“Satisfy customers and win trust from them”
1. We think from customers' perspectives and offer products that satisfy them.
2. We constantly improve the effectiveness of the quality management system.

Quality Management System

As a construction company that plays a part in developing roads and other social infrastructure, Seikitokyu Kogyo has established and implemented a quality management system covering the head office as well as all branches, business offices, and mixture plants to continue offering the stable quality and services that meet customers' expectations. Following the PDCA cycle, we constantly improve the system.



Acquisition of ISO 9001 Certification

Since March 1998, we have a quality management system based on ISO 9001 in place. Periodic audits by external auditors and internal audits by internal auditors facilitate the appropriate implementation and sophistication of the system.

As of August 31, 2025, we have acquired the ISO 9001:2015 certification for our head office, branches, and offices (excluding some departments) in Japan.

 ISO9001
➔ <https://www.seikitokyu.co.jp/company/iso> (in Japanese)



Supply Chain

Collaboration with Partner Companies

Partner companies are vital to our business. In order to realize contributions to a lasting, sustainable society based on our corporate philosophy, cooperation across the supply chain is essential. We intend to continue to build long-time good relationships with all our business partners, implementing initiatives for responsible procurement that take into consideration human rights and the environment using cloud-based ESG assessment services and other tools, in line with our procurement policy and supplier code of conduct.

Strong collaboration with partner companies is essential in particular to ensure health and safety in the Group's business activities. We engage in a range of activities, including joint safety patrols and technical training at our training center (training for mastering basic skills, obtaining qualifications related to civil engineering construction methods, and acquiring ICT construction and other cutting-edge skills), with member companies of the Seikitokyu Kogyo Accident Prevention Association established in 1994.

A mutual aid society established in 1976 was the predecessor organization of the Accident Prevention Association. As of March 31, 2025, the Association consists of 853 member companies.

Responsible Procurement That Takes into Consideration Human Rights and the Environment	 Seikitokyu Kogyo Group Procurement Policy ➔ https://www.seikitokyu.co.jp/assets/file/pdf/sustainability/common/procurement-policy.pdf (in Japanese)
Engagement and Collaboration with Suppliers	 Seikitokyu Kogyo Group Supplier Code of Conduct ➔ https://www.seikitokyu.co.jp/assets/file/pdf/sustainability/common/supplier-code-of-conduct.pdf (in Japanese)
Fair Transactions	 Declaration of partnership building ➔ https://www.seikitokyu.co.jp/assets/file/pdf/sustainability/society/partnership.pdf (in Japanese)
Ensuring an Appropriate Wage Level for Technical Workers	 Declaration of Respect for Labor Cost Estimates ➔ https://www.seikitokyu.co.jp/dev/wp-content/uploads/2020/07/20200717.pdf (in Japanese)
Collaborative Value Creation with Diverse Stakeholders	 Multi-stakeholder Policy ➔ https://www.seikitokyu.co.jp/assets/file/pdf/sustainability/society/multistakeholder.pdf (in Japanese)
Environmental Considerations	 Initiative to Reduce Packaging Materials (Request) ➔ https://www.seikitokyu.co.jp/assets/file/pdf/company/iso/konpou.pdf (in Japanese)

➔ Refer to page 36 for human rights initiatives.

Main External Awards and Recognition

Date	Title	Awarding body	Project receiving award or recognition
December 2024	Excellent Construction	Kobe City	Repair work for the Universiade Memorial Stadium in the Kobe Sports Park
July 2025	Excellent Safety Management	East Nippon Expressway Company Limited Tohoku Regional Head Office	Pavement repair work within the jurisdiction of Hachinohe Operation Office of Hachinohe Expressway
July 2025	Excellent Construction	Kanto Regional Development Bureau, MLIT	Surface repair work within the jurisdiction of R5 Kokubunji Branch Office
July 2025	Excellence in Construction Performance Award	Tohoku Regional Development Bureau, MLIT	Civil engineering works completed FY2023 and FY2024
July 2025	Excellence in Construction Performance Award	Hokuriku Regional Development Bureau, MLIT	Civil engineering works completed FY2023 and FY2024
July 2025	Excellence in Construction Performance Award	Chubu Regional Development Bureau, MLIT	Civil engineering works completed FY2023 and FY2024
July 2025	Excellence in Construction Performance Award	Chugoku Regional Development Bureau, MLIT	Civil engineering works completed FY2023 and FY2024

Natural disasters

Support to Disaster Restoration and Reconstruction

Construction companies are expected to support restoration and reconstruction after natural disasters, such as earthquakes, torrential rains, and heavy snowfalls. Through business activities, our Group has eliminated road obstacles, removed and taken in rubbles, and offered other types of support in many disaster-affected areas.

In addition, we directly and indirectly help the restoration and reconstruction of disaster-affected areas by donating aid money and essential supplies through the Tokyu Group, industry groups, etc.

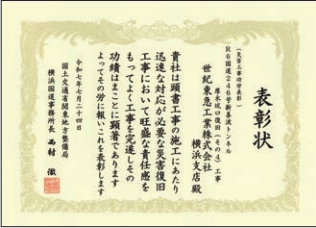
Not only the Company but also our subsidiaries and affiliates based in areas such as Kumamoto, Miyagi, Iwate, and Ishikawa play an important role in such activities. The Seikitokyu Kogyo Group will remain to be a healthy corporate group that plays a part in infrastructure development and continue to sincerely meet the expectations from society.



November 11, 2024
The Hokuriku Regional Development Bureau of the MLIT presented us with a letter of appreciation for supporting the Noto Peninsula disaster response.

Supporting natural disaster restoration efforts

- **Torrential rain from Typhoon No. 10 (slope collapse near Shin-Zenba Tunnel on National Route 246)**
Torrential rains brought by Typhoon No. 10 on August 30, 2024 (Friday) caused a landslide at the Atsugi-side entrance of the Shin-Zenba Tunnel on National Route 246 (Zenba district, Isehara City, Kanagawa Prefecture). Soil and sand covered the road which was closed to traffic as a result. We started soil and sand removal and road pavement works the same evening of the disaster, and poured our efforts into reopening the road as soon as possible.
- *Details of the circumstances from the time of the disaster to the time the road was reopened may be checked on the website of the Yokohama National Highway Office of the Kanto Regional Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism.
➔ https://www.ktr.mlit.go.jp/ktr_content/content/000893741.pdf (in Japanese)



July 24, 2025
The Yokohama National Highway Office of the Kanto Regional Development Bureau of the MLIT presented us with a letter of recognition for disaster response works.

Business Continuity Plan

We have had a business continuity plan (BCP) since the past, based on the recognition that continuing with our business even in the case of natural disasters or other contingencies and fulfilling the social responsibility as a company links directly to the reason we exist.

External Evaluation

In 2009, we received the Certificate for Basic Business Continuity Capabilities from the Kanto Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism (MLIT). Since then, we have undergone reviews for renewal every other year up to 2023. We have also concluded agreements on emergency response to disasters with National Highway Offices of MLIT and other entities in charge of road management.

Information Security

Item (10) of the Seikitokyu Kogyo Group Compliance Code of Conduct states that the Company strives “To seek to use electronic information fairly, maintain trust, and ensure confidentiality.” This clearly indicates our basic policy that we will seek to understand laws and the Company's rules, and will work to preserve and ensure the security of electronic information.

In addition to establishing and applying regulations for basic matters regarding the handling of electronic information and electronic equipment and information security, the Company works to minimize risks related to information security by undertaking specific initiatives to understand threats and risks of damage and violations, and to consider and implement countermeasures, as well as implementing training for all executives and employees, and regular system audits, and taking out insurance against cyber risks.



Certificate for Basic Business Continuity Capabilities

Local residents

Site Visits

To facilitate understanding of infrastructure and our business, we invite residents in the neighborhood, children, and students for site visits during and after construction and conduct other activities including implementing internships and cooperating in school education. Such activities not only help us secure and develop next-generation supporters but also spread understanding of infrastructure development, thereby contributing to the achievement of a sustainable society.

Awarded the 8th Infrastructure Maintenance Award* organized by the “Okayama Road Patrol Crew,” a collaborative initiative among industry, government, and academia
The Company has been part of the “Okayama Road Patrol Crew” initiative since 2017 as a maintenance company. As part of seminars provided to students of Okayama Prefecture high schools studying civil engineering works-related courses, the organization holds walking road inspections near schools to detect and report abnormalities. In this way, the road manager (Ministry of Land, Infrastructure, Transport and Tourism) and maintenance companies (including the Company) cooperate in an industry, government, and academia collaboration which is a unique feature of the organization, towards three outcomes of improving the quality and cost-effectiveness of highway maintenance management, developing skilled workers, and developing a scalable curriculum.



Infrastructure Maintenance Award (MLIT: Maintenance Support Category)

*The Infrastructure Maintenance Award recognizes excellent infrastructure maintenance-related initiatives and technological developments in Japan. It is jointly organized with the Ministry of Land, Infrastructure, Transport and Tourism and other relevant Ministries with the goal of stimulating the maintenance industry and spreading awareness of the principles of infrastructure maintenance.

Locally Rooted Activities

As we declare to be “an infrastructure building company that helps create affluent communities,” each office engages in locally rooted business activities at each site.
As a member of the local community, they conclude agreements on disaster restoration, organize site visits and cleaning activities, and participate in and offer support to community activities, not to mention engage in emergency disaster restoration works. A wide range of recent initiatives include painting a picture of a local mascot character on the renewed plant wall. Each office thus uses their ingenuity to be favorably accepted by local communities.

Case Studies



Road beautification and cleaning activities Saitama Road Support
Since 2011, we have entered into an agreement with the MLIT for a volunteer support program and carried out sidewalk beautification and cleaning activities.



We participated as a sponsor company in Relay for Life Japan Saitama 2024 (September 28, 2024).
*Relay for Life is a charity event, organized by the Japan Cancer Society, for raising funds to support patients diagnosed with cancer and their families and to aid research for drug discovery and treatment development.

Donations

Since 2013, we have been involved in the construction of Myanmar’s roads and have a history of contributing to the country’s infrastructure development, such as by establishing local road material manufacturing entities (operation is currently suspended). In Japan, we employ over 60 Myanmar nationals to support our business. In this context, we support the activities of International Medical Volunteers Japan Heart, a certified international medical NGO with medical and educational facilities in Myanmar. In March 2025, we made a donation to Dream Train, a child development facility operated by the NGO in Yangon.



Japan Heart presented us with a letter of appreciation in June 2025.
L: Dr. Haruna Yoshioka (President, International Medical Volunteers Japan Heart, pediatric doctor)
R: Yoshikazu Taira (Representative Director and President, Seikitokyu Kogyo Co., Ltd.)

Job satisfaction

Putting People-Centered Management into Practice

In presenting Where We Should Be in 2030, we sent a clear message within and outside the Company that the most important management resource for us is people, and that the Company will grow further when there is a corporate culture of high employee engagement and each employee fully demonstrates their abilities honed through an extensive education system. Putting people-centered management into practice and enhancing capabilities of the entire organization will be the key to increase corporate value.
Based on the recognition that the growth of individual employees leads to the development of the Company, we listen to the voice of employees, create systems to place the right people in the right jobs and let them fully demonstrate their abilities, and take other measures to encourage self-sustaining growth of employees.

Safety and Health

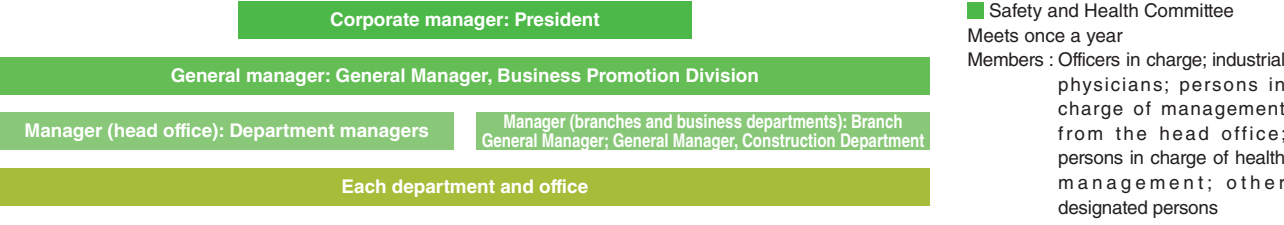
Occupational Safety and Health Policy

- 1. We strive to prevent accidents by eliminating occupational safety and health hazards and utilizing risk assessments to mitigate risks.
- 2. We comply with laws and regulations, as well as internal rules, related to occupational safety and health.
- 3. We establish an occupational safety and health management system and constantly improve the system.
- 4. All our officers, employees, temporary employees, and contract employees, as well as employees of partner companies who work under our supervision, will work to ensure occupational safety and health.

Occupational Safety and Health Management System

Seikitokyu Kogyo Group Compliance Code of Conduct states that the Company strives “(1) To recognize that safety always comes first when executing our business ” and “(9) To respect the human rights of all individuals and ensure a sound and positive workplace environment. ”
To prevent occupational accidents, we have established and implemented an occupational safety and health management system covering the head office and all branches, business offices, and material plants. Following the PDCA cycle, we constantly improve the system.

Organizational Structure



Acquisition of ISO 45001 Certification

Since June 2018, we have an occupational safety and health management system based on ISO 45001 in place. Periodic audits by external auditors and internal audits by internal auditors facilitate the appropriate implementation and sophistication of the system.
As of August 31, 2025, we have acquired the ISO 45001:2018 certification for the head office, branches, and all offices in Japan.

Results of the Most Recent External Audit The 2-1st surveillance audit in 2025

Category	Good practice	Improvement opportunity	Observation	Improvement needed (Nonconformity)
No. of cases	3	4	0	0

ISO 45001
➔ <https://www.seikitokyu.co.jp/company/iso> (in Japanese)



Safety Initiatives

We are working on improving occupational safety and health through various activities such as daily safety management at construction sites; safety inspection tours by responsible departments at all offices, branch offices, and the head office; coordination with the Accident Prevention Association; onsite inspections by executives; and patrols by female employees.

Summary of Accidents (Non-consolidated)

	FY2022	FY2023	FY2024
Occupational accidents (absence from work for four or more days)	7	5	13
Fatal occupational accidents	1	0	1
Deaths (officers and employees)	0	0	0
Deaths (employees of partner companies)	1	0	1
Public accidents	43	39	43
Traffic accidents	55	59	58

Note: Public accidents: Harm or inconvenience to the life, body, or property of any third party

Satisfying Work Environment

Workstyle Reform and Wellbeing

In April 2024, we established the Wellbeing Promotion Group within the Human Resources Department of the Business Administration Division to continue improvements in workstyles to lift job satisfaction, which is set as a materiality issue. At the same time, we progressively dissolved the workstyle reform project and consolidated its functions into the group.

The workstyle reform project, launched in May 2017, has introduced a range of systems and initiatives, focusing on the correction of long working hours and the realization of a five-day workweek, with an eye to responding to the maximum working hours limit, which came into effect for the construction industry in April 2024.

In addition to improving the working environment to comply with the maximum working hours limit in the construction industry, we will consider such changes in society in a positive way and further accelerate our efforts to secure qualified workers and improve productivity as an opportunity to transform our business structure into a sustainable one.

Achievement Rate of a five-day workweek (Non-consolidated)

FY	2022	2023	2024
Target	7 days off in 4 weeks	8 days off in 4 weeks	8 days off in 4 weeks
Achievement rate	92.1%	90.6%	90.4%

Diversity, Equity, and Inclusion (DE&I)

We recognize that promoting the employment of people with diverse backgrounds is a vital challenge in continuing to secure human resources and create value into the future. We are pushing ahead with DE&I initiatives, centering on the “Diversity Promotion Project,” established as an entity under the direct control of the President.

As part of initiatives undertaken in fiscal 2024, we supported female employees by introducing new policies for balancing work with childcare such as a relocation exemption policy and policies to allow returning to work early from maternity and childcare leave. We also organized various cultural exchanges and roundtables and shared insights and suggestions gathered from these events to cultivate a more comfortable working environment for foreign national employees, among other measures.

In addition, in recent years, the ratios of female employees and foreign national employees have grown significantly. As of March 31, 2025, 15.9% and 6.1% of total employees (non-consolidated) comprise women and foreign national employees respectively.

The promotion of DE&I is positioned as a key strategy even in the Medium-term Management Plan. Going forward, we will further accelerate such initiatives, led by the project.



Training for foreign national employees

Employees Who Took Maternity Leave and Childcare Leave (Non-consolidated, including Contract Employees)

FY	2022	2023	2024
No. of employees who took maternity leave	5	3	4

No. of female employees in career-track positions: 65 in FY2023 → 73 in FY2024 → Targeting 100 in FY2026 → Targeting 140 in FY2030
No. of female managers: 4 in FY2023 → 4 in FY2024 → Targeting 5 in FY2026 → Targeting 7 in FY2030

Fair Evaluation and Engagement

To achieve the management plan of the Company, our management by objectives system sets specific and clear goals for individual employees, after linking them to organizational goals. To evaluate employees fairly, we strive to implement the system in an impartial and reasonable manner by properly taking into consideration not only the results against the goals but also the process and actions that led to the results.

In addition, in fiscal 2021, we introduced a regular employee engagement survey as a way to understand how employees see the Company. We intend to put the information to use in analyzing the results as an index for visualizing existing conditions of our organization to identify our strengths and weaknesses, and to solving problems to improve employee engagement, including sending management to offices identified as having serious concerns to talk with employees.

Results of the engagement survey in June 2025 Engagement rating: BB

Of the 11 levels, BB is the fifth level from the top in the appraisal of the survey service provided by an external expert organization. In comparison with data collected from over 2 million people, the Company was placed roughly in the middle. This was the first time we have attained a rating of BB, an improvement of one grade over the B rating we had received in the last seven surveys.

While we improved the scores on certain issues identified through the previous survey, namely those relating to securing technicians and concerns related to holiday, vacation, and working hour circumstances, they were again identified as major issues, and all officers and employees will work as one to make improvements.

Employee Engagement Rating: B in December 2024 → BB in June 2025 → targeting BB or higher in FY2026 → targeting A or higher in FY2030

Education and Training

We encourage self-sustaining growth and career development of employees by offering various education and training opportunities to selected personnel and employees eager to learn, in addition to job- and rank-specific education, so that employees can develop management skills, obtain qualifications, and gain expertise.

In the next-generation leader development training and successive generation leader development training for prospective next-generation and successive-generation corporate leaders, we offer the opportunity to gain a broad, future-oriented corporate view from the corporate manager perspective, as well as to enhance strategic thinking and insight into business and build the foundation as a corporate manager.

A number of support systems for obtaining qualifications are also in place to enhance employees' expertise and skills, such as relevant training, opportunities to take correspondence courses, and payment of subsidies.



Next-generation leader development training

Training Conducted (excluding internal department training and voluntary training)

	FY2022	FY2023	FY2024
No. of participants	441	416	385
Investment per participant	151,000 yen	153,000 yen	174,000 yen



Education System

→ <https://www.seikitokyu.co.jp/recruit/system.html> (in Japanese)

Health Management and Creating a Safe and Satisfying Workplace Environment

For a company to secure human resources and maintain competitiveness, it is essential to be engaged in employees' health management and create an employee-friendly workplace environment.

We strive to create a satisfying workplace environment by implementing an occupational safety and health management system and introducing relevant systems and policies, such as the Occupational Safety and Health Committee (including site inspections and lectures by occupational physicians), health checkups, mental health care, support for childcare and nursing care, and maintenance and improvement of health.

Improving the workplace environment in terms of safety, health, and comfort is also imperative in the tangible aspects that support our business. Over the past few years, we have been proactively working on the rebuilding and upgrading of not only manufacturing facilities but also office buildings and other facilities.

In June 2022, our new head office building was successfully completed. During fiscal 2024, we renovated the Nara Office of the Kansai Branch and the office of the Kansai Testing Laboratory. Additionally, for fiscal 2025, plans for relocation and renovation are progressing across several offices. We will continue to work systematically on improving the work environment throughout the Company.

Health Management Summary (Non-consolidated)

	FY2022	FY2023	FY2024
No. of employees who underwent health checkups	100.0%	100.0%	100.0%
No. of employees who underwent stress checkups	99.6%	94.3%	95.6%

Average Years of Service and Turnover Rate (Non-consolidated)

FY	2022	2023	2024
Average years of service	15.2	14.7	13.5
Turnover rate (voluntary resignation)	3.3%	3.4%	4.4%

Respect for Human Rights and Prevention of Harassment

The Group regards respecting human rights as the foundation of sustainable management and a fundamental element of all its business activities. In April 2025, we clarified the Group's approach to respecting human rights and formulated the Seikitokyu Kogyo Group Human Rights Policy in accordance with the UN's Guiding Principles on Business and Human Rights, to serve as the guiding policy on human rights for our corporate philosophy, action guidelines, and codes of conduct.

A principle specified in our codes of conduct and elsewhere is “To respect the human rights of all individuals and ensure a sound and positive workplace environment.” Our employees undergo education to prevent human rights violations and harassment in induction training and rank-based training, and we establish and operate compliance and sexual harassment hotlines that serve as grievance handling mechanisms as a system where anyone can feel secure to consult about such issues.

Currently, the Company is preparing to roll out ESG evaluation in relation to key business partners, and plans to undertake human rights due diligence as part of our supply chain management operations.



Seikitokyu Kogyo Group Human Rights Policy

→ <https://www.seikitokyu.co.jp/sustainability/society/employee/#section05> (in Japanese)

Seikitokyu Kogyo Group Human Rights Policy (summary) *Please see the Company's website for the full document.

1. Scope of application

All officers and employees of the Seikitokyu Kogyo Group. Understanding and support from supply chain businesses are also expected.

2. Support and respect international codes

Formulated in accordance with the UN's Guiding Principles on Business and Human Rights.

3. Respect and observe laws and regulations

4. Key human rights issues

- Occupational safety and health
- Eradication of discrimination and harassment
- Respecting laws and regulations concerning hours of work and wages
- Prohibition of forced labor and child labor
- Impact on regional communities
- Human rights issues in the supply chain

5. System for promotion

The Board of Directors ensures compliance and supervises the circumstances of implementation.

6. Human rights due diligence

7. Corrections and remedies

8. Dialogue and consultation

9. Training

10. Information disclosure

Governance

Corporate Governance

Basic Stance on Corporate Governance

To sincerely fulfill our responsibility as “an infrastructure building company that helps create affluent communities (our corporate philosophy),” live up to expectations from society, and achieve a sustainable growth of the Company and a medium- to long-term increase in corporate value, we recognize that enhancing corporate governance to ensure the fundamental fairness, health, and efficiency of management is one of the top priorities in management. We strive to enhance corporate governance in accordance with the following basic stance.

- 1

We ensure substantial equality among shareholders, respect the rights and interests of shareholders and all other stakeholders, and build harmonious relationships with them.
- 2

Directors and Audit & Supervisory Board Members recognize their fiduciary responsibilities and fulfill expected roles and responsibilities.
- 3

We disclose corporate information in an appropriate manner and ensure transparency.
- 4

We engage in constructive dialogues with stakeholders.

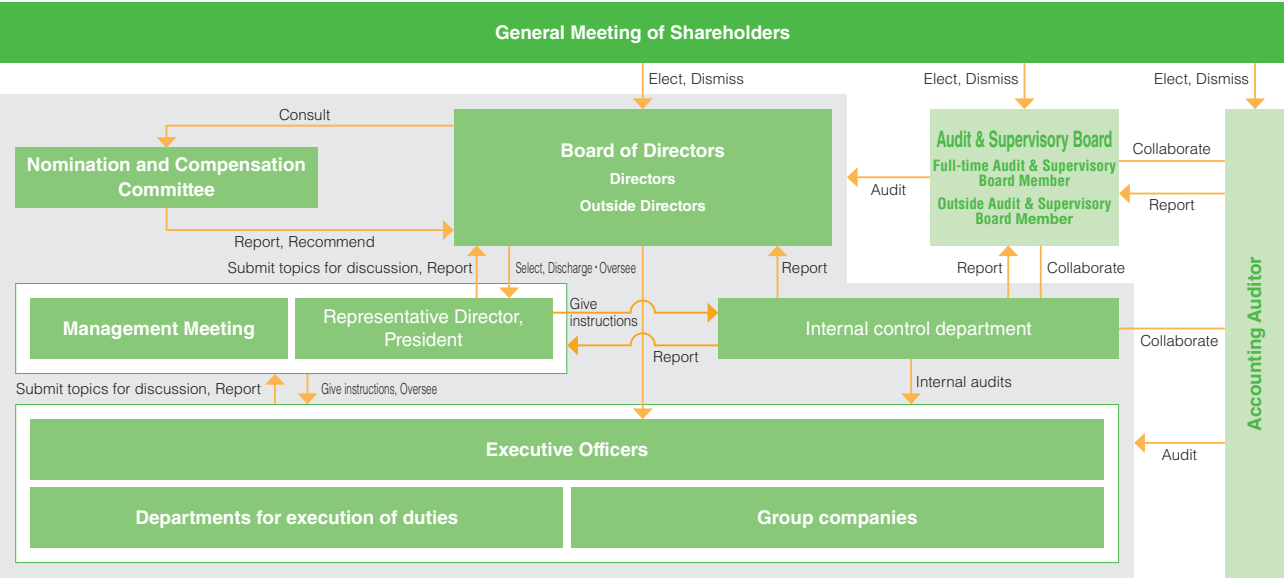
We have compiled basic matters on corporate governance as Seikitokyu Kogyo Corporate Governance Guidelines, which can be found on our website.

Web

Seikitokyu Kogyo Corporate Governance Guidelines Web

➔ https://www.seikitokyu.co.jp/assets/file/pdf/sustainability/governance/corporate/20211221_1.pdf (in Japanese)

Organizational Structure for Corporate Governance



Internal Control

We recognize that the development of an internal control system is an important management issue to ensure compliance with laws and regulations and the Articles of Incorporation in Directors' execution of duties, as well as the appropriateness of operations. To this end, we have developed a range of rules, manuals, etc. and established and implemented a whistle-blowing system that ensures anonymity of whistleblowers and protects them from disadvantageous treatment. In addition, we conduct periodic internal audits to monitor business execution from various perspectives, including legality. The audit results are reported to Directors and Audit & Supervisory Board Members as occasion arises, as well as to the Management Meeting and Board of Directors twice a year. In April 2007, the Internal Control Department was established in the head office to strengthen and promote internal control. We constantly work on the review of existing systems and the establishment of systems to ensure the appropriate and efficient execution of duties and the appropriateness of financial reporting. Please refer to the following document for the systems to ensure the appropriateness of operations and the status of implementation of the systems (fiscal year ended March 31, 2025).

Web

Notice of the 76th Annual General Meeting of Shareholders (in Japanese)

➔ <https://contents.xj-storage.jp/xcontents/AS03190/d2dfd359/828c/490d/9106/8bbe4d990501/140120250528570683.pdf>

Risk Management

The Company's risk management system establishes a Committee on Risk Management under the President, undertaken by the officer in charge of Business Administration Division as the General Manager of risk management, and appoints the President, who serves as the chairperson, as the officer taking ultimate responsibility for risk management. Company-wide risks are examined and managed by the respective departments in charge in the course of normal business activities. When necessary, the Emergency Response Committee is formed with the General Manager of risk management as the chairperson and the Internal Control Department, which has an internal audit function, as the executive office, to establish and operate an effective risk management system. The most significant risks and measures to address them are reported to the Board of Directors regularly and at any time when the need arises. Please refer to the following document for the key risks, etc. identified by the Group as of March 31, 2025.

Web

Business and other risks (Securities Report for the 76th fiscal year)

➔ <https://contents.xj-storage.jp/xcontents/AS03190/684cd5d8/395c/4647/8935/649b82d7edcb/S100W69L.pdf> (in Japanese)

➔ Refer to page 32 for measures in place to respond to natural disasters and any other unforeseen circumstances (Business Continuity Plan).

Evaluation of the Effectiveness of Board of Directors

To ensure an effective and appropriate oversight over corporate management by the Board of Directors and enhance its functions, we analyze and evaluate the effectiveness of the Board of Directors as a whole every year, by taking into consideration self-evaluation by each Director and other indicators. An overview of the results is disclosed. For fiscal 2024, the effectiveness of the Board of Directors as a whole was analyzed and evaluated at the Board of Directors meeting, based on the evaluation by and opinions of all Directors and Audit & Supervisory Board Members obtained through surveys on the composition of the Board of Directors, its administration, and other factors. The Board of Directors considers that although there is room for further improvement in terms of securing opportunities for deliberations on medium- to long-term management issues, including methods for providing materials and quality of presentations, steady improvements are being made in the matters recognized as issues in the previous evaluations. All told, the Board is considered functional enough to ensure effectiveness. The Company intends to conduct an evaluation utilizing the knowledge of an external institution every three to five years (the last external evaluation was in fiscal 2022) and will enhance the functions of the Board of Directors by constantly analyzing and evaluating the effectiveness of the Board and making improvements.

Issues identified in fiscal 2023 (Major Issues or Key Issues)	Initiatives implemented in fiscal 2024 (Major Issues or Key Issues)
▶ Securing time for deliberations on medium- to long-term management issues, including initiatives for issues surrounding sustainability.	▶ Periodically reported, twice a year, on the status of initiatives related to climate change, human capital and other issues. (Ongoing) ▶ The status of responses to sustainability issues was reported in a separate session for each theme. ▶ Conducted deliberations on the officer compensation system and determined the introduction of a KPI-linked structure to the variable component of compensation.
▶ Adjusting the agenda in a planned manner so that the meeting time in specific months does not become too long.	▶ Adjusted the schedule for raising each agenda item in a planned manner to avoid long meetings and secure sufficient time for deliberations on important agenda items. ▶ Continued with measures to distribute meeting materials in advance as early as possible to reduce the amount of time spent on explanations on the day of the meeting.

Dialogue with Shareholders and Investors

We strive to promote constructive dialogues with shareholders and investors to pay attention to management-related analysis, opinions, etc. offered by capital providers, including shareholders, and in turn achieve sustainable growth and medium- to long-term increase in corporate value. The specific implementation status is shown in the table below. Based on the “Policy on Dialogues with Stakeholders” set forth in the Seikitokyu Kogyo Corporate Governance Guidelines, the President and other senior management members are entering into more rewarding dialogue with shareholders and investors through IR/SR activities and other means. In addition, useful opinions and requests obtained through IR/SR activities are shared regularly and in a timely manner at management meetings and Board of Directors meetings to improve information disclosure and improve corporate and shareholder value. In the process of formulating our “Where We Should Be in 2030” strategy and the Medium-term Management Plan announced in May 2021, as well as in the consideration of measures to improve the valuation of our shares (see pages 19-20), we took into consideration a lot of feedback received in the dialogues, which is partly reflected in the final vision, plan, policy, etc.

	Status of holding of meetings	Main topics of discussion
Financial results presentation (for analysts and institutional investors)	June, November	Financial results presentations, Financial results forecast, Medium-term Management Plan
IR meeting (individual)	17 times	Capital policy and financial strategy, climate change, human capital, the Medium-term Management Plan, growth strategy, governance, compliance, business models, results and business in general
SR meeting (individual)	8 times	

➔ Refer to page 20 for an overview of discussions on strategies for improving valuation of the stock.

Officer Compensation

Compensation for Directors is determined by the Board of Directors after consultation with the Nomination and Compensation Committee, which comprises largely Outside Directors.

Calculation methods and evaluation criteria for variable compensation are stipulated in the officer compensation rules determined by the Board of Directors in order to ensure transparency and objectivity while functioning as an appropriate incentive, and to ensure that sustainability efforts are reflected in the compensation plan.

Overview of Compensation Plan

Compensation type	Compensation objective	Payment timing	Recipient	Calculation method for individual compensation amounts
Basic compensation	Fixed compensation	Monthly	Directors	Determined based on compensation amounts per position, stipulated in officer compensation rules determined by the Board of Directors.
			Audit & Supervisory Board Members	Determined through discussion by the Audit & Supervisory Board Members.
Variable compensation (monetary)	Short-term Incentive	June, December	Executive directors	Determined based on calculation methods and evaluation criteria stipulated in officer compensation rules.*
Stock compensation (restricted stock awarded as monetary claim)	Long-term Incentive	July	Executive directors	Determined based on the monetary claim payment amount per position stipulated in stock compensation payment rules determined by the Board of Directors and the calculation method for the number of shares to be issued.

*The calculation method for variable compensation and evaluation criteria are as follows.

【Calculation method】

Standard amount for variable compensation
(monthly basic compensation X no. of months' salary paid for the average employee bonus)

×

evaluation coefficient per evaluation
(coefficient based on individual evaluations)

=

variable compensation amount

【Evaluation criteria】

Using company earnings results (achievement rate of net sales, operating income margin, and ROE), earnings results for business departments (achievement rate for gross profit), and individual evaluations (including contributions to materiality) as evaluation criteria, each is multiplied by the weighting allocated to each position, and the sum of these becomes the individual evaluation.

Total Amount of Compensation, Etc. for Directors and Audit & Supervisory Board Members (FY2024)

	Basic compensation (basic compensation + variable compensation)	Stock compensation (cost incurred based on the restricted stock compensation plan)	Total amount of compensation	No. of eligible persons
Directors	127 million yen	14 million yen	142 million yen	8
Of which Outside Directors	25 million yen	—	25 million yen	4
Audit & Supervisory Board Members	47 million yen	—	47 million yen	4
Of which Outside Audit & Supervisory Board Members	31 million yen	—	31 million yen	3

(Reference) 1. Basic compensation, variable compensation, and stock compensation accounted for approximately 63%, 24%, and 13% respectively of the compensation for executive directors.
2. The above amounts include the amount of compensation for one Director who left office at the conclusion of the 75th Annual General Meeting of Shareholders held on June 21, 2024.
3. At the 57th Annual General Meeting of Shareholders held on June 29, 2006, it was resolved that the total amount of annual compensation for Directors and Audit & Supervisory Board Members shall be not more than 324 million yen (excluding employee's salary for Directors who also serve as employees) and not more than 60 million yen, respectively.
4. At the 69th Annual General Meeting of Shareholders held on June 22, 2018, it was resolved that a restricted stock compensation plan shall be introduced for Directors (excluding Outside Directors), that the amount of monetary compensation receivables provided from the total amount of compensation for Directors shall be not more than 60 million yen per year, and that the number of common shares issued or disposed of as restricted stock shall be not more than 50,000 per year.

Prevention of Illegal Activities and Corruption; Compliance

Initiatives to Enhance Compliance

The Group positions the observance of compliance as an important management priority. We have established the Seikitokyu Kogyo Group Compliance Code of Conduct and strive to ensure effective compliance management through measures such as developing and implementing a whistle-blowing system and offering periodic training by the department in charge, to raise awareness of compliance and prevent illegal activities and corruption (including bribery, abuse of superior bargaining position, and collusive bidding).

We constantly took action in fiscal 2024 to raise awareness among officers and employees of the Company and its subsidiaries. This includes a compliance training session for management on November 18*, as well as grade-based and e-learning training, distribution of an email magazine to all officers and employees, and holding study sessions at each office. The Board of Directors constantly monitors the status of compliance management.

In July 2019, the Japan Fair Trade Commission took measures against the Company for violations of the Anti-Monopoly Act. Since then, and throughout fiscal 2024, there has been no violation of the Code of Conduct in connection with corruption, and there has been no case in which measures have been taken against an employee (including dismissal) or which are the subject of any fines or penalties.

*The Company has designated November 18 as “Compliance Day” to ensure that the past violation of the Anti-Monopoly Act is not forgotten.

Systems to Ensure Compliance

Compliance Training, etc.

We provide training programs for all levels of staff from employees to officers based on job scope, role, and grade, to ensure effective compliance management, raise awareness around compliance, and prevent illegal activities and corruption (including bribery, abuse of superior bargaining position, and collusive bidding).

Regarding prevention of illegal activities and corruption, we conduct awareness-raising activities for all Group officers and employees and suppliers through the internal audit process and dissemination of information on ESG evaluation based on our Group supplier code of conduct.

Whistle-blowing and Consultation System

In order to prevent compliance violations and for early detection and correction of illegal activity, the Company has established and implemented a whistle-blowing system to directly receive information and queries concerning actions that violate the Company's codes of conduct and various policies including violations of laws and regulations by Group officers and employees (including but not limited to violations of the Anti-Monopoly Act and corruption, including bribery), human rights violations, harassment, illegal or improper activity.

The system ensures anonymity of whistleblowers and protects them from disadvantageous treatment, and also allows anonymous reporting. It accepts reports not only from officers and employees of the Group, but also from partner companies and members of the public. There is an internal whistle-blowing hotline as well as an external whistle-blowing contact point managed by a legal adviser. Details of reports and discussions, as well as investigation outcomes, are reported at Management Meetings and meetings of the Board of Directors.

Compliance Promotion Officer

Our system to ensure compliance with laws and regulations, etc. includes a department in charge of compliance, which centrally handles issues related to the matter, and Compliance Promotion Officers appointed in each department. In fiscal 2024, 89 offices had Compliance Promotion Officers, for whom a dedicated training program was in place.

Systems to Ensure Compliance with the Anti-Monopoly Act

We have developed internal systems to eliminate any violation of the Anti-Monopoly Act. Specifically, we update the Anti-Monopoly Act compliance manual as necessary, take strict disciplinary actions against violations, have set up a hotline dedicated to Anti-Monopoly Act violations, ensure thorough education and training, carry out appropriate job rotation, and conduct internal audits.

Compliance with the Anti-Monopoly Act

Between September 6, 2016 and July 30, 2019, the Japan Fair Trade Commission took multiple measures against our violations of the Anti-Monopoly Act, which had taken place in the period up to January 27, 2015.

After recognizing that violations had taken place, the Group has constantly carried out measures to prevent recurrence, which we laid out with the help of external experts. The Group monitors the implementation of measures and periodically reports the same at meetings of the Board of Directors and Management Meetings. To regain the trust of our stakeholders, we announce summaries concerning the status of implementation of measures to prevent recurrence on the Company's website.

The Group will remember its past mistakes, make sure to implement measures to prevent recurrence, promote compliance management across the entire Company, and strive to eliminate any illegal activities.

Please refer to the following for an overview of the past violations of the Anti-Monopoly Act, measures taken to prevent recurrence, and their current status.



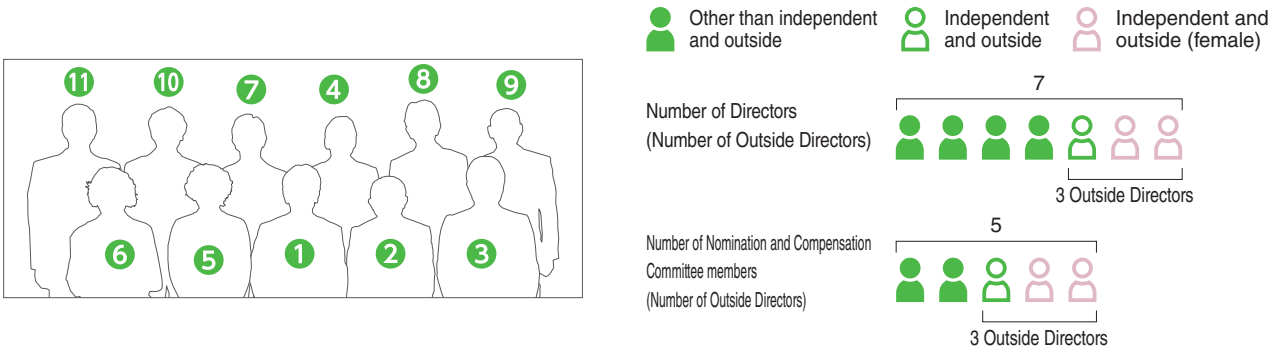
Compliance with the Anti-Monopoly Act; Prevention of Corruption

➡ <https://www.seikitokyu.co.jp/sustainability/governance/compliance/#section02> (in Japanese)



Compliance training for the 76th fiscal year

Officers (As of September 30, 2025)



Name	Positions, responsibilities, and significant concurrent positions	Independent director/auditor	Nomination and Compensation Committee	Areas where officers have particular expertise and experience							
				Career	Officers' knowledge and experience	Non-engineering/Sales fields	Engineering field	Management experience	Legal affairs/compliance	Finance/accounting	Human resources/labor affairs
1 Yoshikazu Taira	Representative Director, President		○				●	●			
2 Kazushi Ishida	Representative Director; Senior Managing Executive Officer; General Manager, Business Administration Division		○			●			●		
3 Yuji Ooteki	Director; Senior Managing Executive Officer; General Manager, Business Promotion Division;						●				
4 Takanori Kawano	Director; Managing Executive Officer; Deputy General Manager, Business Administration Division; General Manager, Finance Department					●				●	●
5 Rena Shimizu	Director (Outside Director); Representative Director, President, CHANCE for ONE Co., Ltd.;	○	◎					●		●	●
6 Ikuko Komachiya	Director (Outside Director); Attorney; Outside Director (Audit and Supervisory Committee Member), Toagosei Co., Ltd.	○	○						●		
7 Hitoshi Matsumoto	Director (Outside Director); Certified Public Accountant	○	○							●	●
8 Kenichi Eto	Full-time Audit & Supervisory Board Member					●				●	●
9 Tsunehisa Otsuki	Full-time Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	○					●	●			
10 Yoichi Saito	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member); Attorney; External Audit & Supervisory Board Member, TOKYU CONSTRUCTION CO., LTD.	○							●		
11 Yukio Ono	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member); Certified Public Accountant; External Audit & Supervisory Board Member, TIS Inc.	○								●	

Note: ◎ in the "Nomination and Remuneration Committee" column indicates that the person chairs the committee.

The Company designates the skills (knowledge, experience, and abilities) that our Board of Directors should possess in order to appropriately demonstrate their decision-making and supervisory functions for the Company's continuous growth and improvement of medium- to long-term corporate value. We have formulated a skills matrix summarizing the relevant skills possessed by the Directors and Audit & Supervisory Board Members.

Outside Directors are required not only to have a deep understanding of the Company's business but also to be equipped with a good overall balance of skills as members regarding the business departments and business management as a whole. Outside Directors are also required to possess specialization, abundant experience, and wide-ranging knowledge to leverage in giving useful advice covering supervision of business execution and management overall. Skills and background considered particularly important at the present time are as specified in the table above.

We will reexamine the necessary skills for the Board of Directors and Audit & Supervisory Board as needed, in accordance with changes in the business environment, medium- to long-term management trends, and revisions to our business strategy.

Messages from the Outside Directors



Director (Outside Director)
Rena Shimizu

I recognize that in order to achieve the Group's goal of Where We Should Be in 2030, it is critical to secure, stabilize, and develop human resources. The Board of Directors has had more dynamic deliberations over the years in relation to improving the working environment as well as treatment of workers, and I have been working to provide candid suggestions based on employee feedback I have heard through site visits and exchange sessions with female employees.

Employee engagement surveys, which assess employees' evaluations of the company, continue to be conducted, and specific improvement measures have been implemented based on the results of multiple surveys to date. The Company operates as a unified whole in its activities, with management visiting operational sites and sharing and resolving issues through frank dialogue. We will

continue to focus on achieving our target engagement rating.

It is now the fourth year of operations of the Diversity Promotion department under the direct control of the President. Initially, the focus was on securing quantities of human resources to prepare for future worker shortages, but we have gradually established a foundation where employees of diverse backgrounds—including age, gender, nationality, and career history—can collaborate effectively. I believe we are about to enter a phase in which the fusion of different viewpoints and experiences from these diverse employees will create new corporate value.

I will continue to work actively as an Outside Director to further advance diversity management, harnessing employee diversity to create corporate value, and contribute to the sustainable growth of the company.

It has been one year since I took up the position of Outside Director of the Company in June 2024. During this time, an incident occurred that shook the trust in the road pavement industry. Two industry players fraudulently delivered asphalt mixtures that contained recycled aggregate, which went against what was specified in the contract. The December 2024 interim report of the panel of experts established by the Ministry of Land, Infrastructure, Transport and Tourism determined that, based on a structural analysis, the issue was one that was present in pavement materials works as a whole. The Company must carefully note the investigation results in the report. The "lack of awareness for compliance" that was identified as an issue may arise in any kind of business activity. This may take the form of attitudes such as, "this should be good enough," "it should be ok to skip this," or "everybody does this too, it's fine as long as we

make sure we don't get found out." I believe that the key is whether each employee can be made to realize that every time they entertain such a thought, the Company is one step closer to committing fraud. The Company has worked hard to ensure thorough compliance, learning from past downfalls, and will spare no effort in raising its level of compliance.

Placing too high a priority on securing profits may also present an opportunity for fraud to occur. We will keep up our efforts to fulfil the principles of our Compliance Code of Conduct including: "To conduct fair and transparent business activities that not only naturally comply with all laws and regulations but also conform with internal rules," "To conduct fair and transparent decision making," and "To focus on the market and provide products that customers trust," while striking a balance with economic growth.



Director (Outside Director)
Ikuko Komachiya



Director (Outside Director)
Hitoshi Matsumoto

I was appointed as an independent Outside Director of the Company at the Annual General Meeting of Shareholders on June 24, 2025. The Company contributes significantly to constructing society's infrastructure, building primarily road pavements that utilize advanced technology. In fiscal 2025, the second year of the Medium-term Management Plan, the Company will accelerate the promotion of sustainable management, strengthening its business foundation while speeding up its transformation into a "truly strong corporate group." The entire organization is working in tandem to address the issues of human resource development and diversity while ensuring that safety takes the highest priority.

I will comprehensively identify the management issues facing the Company and ensure the effective execution of actions to address them, leveraging the over 40 years'

audit experience I have as a certified public accountant and experience as a person in charge of global and Asia Pacific governance. I will also endeavor to actively provide valuable recommendations that contribute to enhancing the Company's corporate value.

Furthermore, I will work with my teammates in the Company to define more tangible targets of sustainable management from an external perspective and clarify and implement action plans for achieving them, and establish next steps by measuring implementation outcomes. The Company continues to make sincere efforts toward diversity, supporting the Company's foreign national employees and other diverse human resources. I will accelerate the Company's various initiatives as a member of the team, heed feedback from inside and outside the Company, and contribute to setting clear milestones and achieving them.

Financial Information

Consolidated Balance Sheets for the Years Ended March 31 (Millions of Yen)

	75th fiscal year 2024	76th fiscal year 2025		75th fiscal year 2024	76th fiscal year 2025
Assets			Liabilities and net assets		
Current assets	47,153	51,233	Current liabilities	28,713	36,656
Cash and deposits	13,440	7,751	Total trade payables	21,363	23,359
Trade receivables	30,633	40,571	Short-term loans payable	106	5,106
Cost on uncompleted construction contracts	105	75	Income taxes payable	939	1,354
Raw materials and supplies	429	344	Advances received on uncompleted construction contracts	641	797
Other current assets	2,545	2,489	Provision for warranties for completed construction	18	127
Non-current assets	28,889	31,322	Provision for loss on construction contracts	19	28
Property, plant and equipment	26,880	25,932	Provision for bonuses	1,735	1,613
Buildings and structures	13,469	13,334	Other current liabilities	3,889	4,269
Machinery, equipment, vehicles, tools, furniture and fixtures	23,021	23,531	Non-current liabilities	6,795	4,207
Land	14,849	14,744	Long-term loans payable	6,700	1,600
Construction in progress	—	1	Net defined benefit liability	—	2,525
Accumulated depreciation	(24,459)	(25,679)	Other long-term liabilities	95	81
Intangible assets	266	269	Total liabilities	35,509	40,863
Other intangible assets	266	269	Net assets		
Investments and other assets	1,742	5,120	Shareholders' equity	39,541	40,373
Investment securities	375	415	Share capital	2,000	2,000
Deferred tax assets	925	699	Capital surplus	512	623
Retirement benefit asset	62	3,631	Retained earnings	37,816	38,421
Other investments and other assets	378	374	Treasury stock	(786)	(671)
Total assets	76,042	82,556	Accumulated other comprehensive income	992	1,319
			Unrealized gain (loss) on investment securities	103	137
			Foreign currency translation adjustment	(37)	(38)
			Remeasurements of defined benefit plans	925	1,220
			Total net assets	40,533	41,692
			Total liabilities and net assets	76,042	82,556

Consolidated Statements of Income for the Years Ended March 31 (Millions of Yen)

	75th fiscal year 2024	76th fiscal year 2025
Net sales	88,037	99,358
Cost of sales	78,091	87,325
Gross profit	9,946	12,033
Selling, general and administrative expenses	5,854	6,191
Operating income	4,091	5,842
Other income	106	79
Other expenses	119	133
Ordinary profit	4,078	5,788
Extraordinary income	310	13
Extraordinary losses	363	391
Profit before income taxes	4,025	5,410
Income taxes - current	1,210	1,864
Income taxes - deferred	74	(341)
Net income	2,740	3,887
Net profit attributable to owners of parent	2,740	3,887

Consolidated Statements of Cash Flows for the Years Ended March 31 (Millions of Yen)

	75th fiscal year 2024	76th fiscal year 2025
Cash flows from operating activities	10,949	(971)
Cash flows from investing activities	(2,873)	(1,339)
Cash flows from financing activities	(2,823)	(3,376)
Effect of exchange rate change on cash and cash equivalents	14	(0)
Net increase (decrease) in cash and cash equivalents	5,267	(5,688)
Cash and cash equivalents at beginning of year	8,173	13,440
Cash and cash equivalents at end of year	13,440	7,751

Consolidated Statements of Comprehensive Income for the Years Ended March 31 (Millions of Yen)

	75th fiscal year 2024	76th fiscal year 2025
Net income	2,740	3,887
Other comprehensive income (loss)	838	327
Comprehensive income	3,578	4,215

ESG Data

Environmental Data

		Scope	Unit	FY2022	FY2023	FY2024
Greenhouse gas	Scope 1	Direct emissions by the reporting company (the use of fuel and industrial processes)	Consolidated Thousand tons of CO ₂	52	51	51
	Scope 2	Indirect emissions from the use of electricity, heat, and steam provided by other companies	Consolidated Thousand tons of CO ₂	10	12	12
	Scope 3	Indirect emissions not included in Scope 1 or 2 (emissions of other companies related to the activities of the reporting company)	Consolidated Thousand tons of CO ₂	333	318	346

(Note) Values for FY2022 and FY2023 have been recalculated using the latest calculation method.

Social Data

No. of employees	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
No. of employees	Consolidated	Persons	1,043	1,098	1,117	1,149	1,152
No. of employees		Persons	869	931	969	995	1,002
Male	SEIKITOKYU KOGYO CO., LTD.	Persons	773	812	832	846	843
Female		Persons	96	119	137	149	159

Diversity	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Composition of employees							
Percentage of females		%	11.0	12.8	14.1	15.0	15.9
Percentage of foreign nationals	SEIKITOKYU KOGYO CO., LTD.	%	1.4	1.6	3.4	5.2	6.1
Percentage of mid-career employees		%	30.0	31.3	33.0	34.8	34.7
Recruitment status							
Percentage of females		%	21.3	23.5	21.2	19.1	21.5
Percentage of foreign nationals	SEIKITOKYU KOGYO CO., LTD.	%	8.8	4.1	21.2	21.3	15.2
Percentage of mid-career employees		%	55.0	43.9	46.5	53.9	40.5
Status of managers							
Percentage of females		%	0.9	0.8	1.3	1.7	1.7
Percentage of foreign nationals	SEIKITOKYU KOGYO CO., LTD.	%	—	—	—	—	—
Percentage of mid-career employees		%	11.5	12.8	13.1	12.7	13.1

Childcare leave	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Rate of taking childcare leave (Male)	SEIKITOKYU KOGYO CO., LTD.	%	—	9.5	14.3	55.6	36.4

Annual paid leave	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
No. of days of paid leave taken (average)	SEIKITOKYU KOGYO CO., LTD.	Days	12.0	11.3	12.0	14.0	12.5

Employment of persons with disabilities	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Employment rate of persons with disabilities	SEIKITOKYU KOGYO CO., LTD.	%	1.78	2.86	2.98	2.74	3.23

Safety and health	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Occupational accidents							
Frequency rate	SEIKITOKYU KOGYO CO., LTD.	—	0.58	0.55	1.05	0.85	1.34
Severity rate		—	0.01	0.03	1.05	0.14	1.13

(Note): Frequency rate = No. of deaths and injuries due to occupational accidents / Gross actual man-hours x 1,000,000. Severity rate = No. of working days lost / Gross actual man-hours x 1,000.

Governance Data

Composition of the Board of Directors	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Total no. of Directors	SEIKITOKYU KOGYO CO., LTD.	Persons	9	9	7	6	7
No. of Outside Directors		Persons	3	3	3	3	3

Status of holding of Board of Directors meetings	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
No. of meetings held	SEIKITOKYU KOGYO CO., LTD.	Times	14	14	14	15	14
Rate of attendance of Outside Directors		%	100.0	100.0	100.0	100.0	95.2

Status of holding of Audit & Supervisory Board meetings	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
No. of meetings held	SEIKITOKYU KOGYO CO., LTD.	Times	13	9	9	10	11
Rate of attendance of Outside Audit & Supervisory Board Members		%	100.0	100.0	100.0	100.0	100.0

Compliance	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
No. of compliance training participants (cumulative total)	SEIKITOKYU KOGYO CO., LTD.	Persons	619	1,790	1,224	1,849	1,261
No. of internal audits implemented (cumulative total)		Offices	107	105	113	118	114

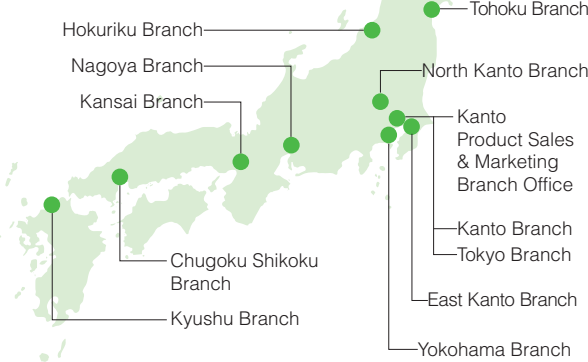
Company Profile and Stock Information (As of March 31, 2025)

Company Profile

Corporate name	SEIKITOKYU KOGYO CO., LTD.
Established	January 16, 1950
Head office location	2-9-3, Shibakoen, Minato-ku, Tokyo, Japan
Share capital	2.0 billion yen
Number of employees	1,002

Sites

Branches	Hokkaido Branch (Hokkaido) Tohoku Branch (Miyagi) Hokuriku Branch (Niigata) Kanto Branch (Tokyo) North Kanto Branch (Saitama) East Kanto Branch (Chiba) Tokyo Branch (Tokyo) Yokohama Branch (Kanagawa) Kanto Product Sales & Marketing Branch Office (Tokyo) Nagoya Branch (Aichi) Kansai Branch (Osaka) Chugoku Shikoku Branch (Hiroshima) Kyushu Branch (Fukuoka)
Business offices and others	50 sites
Technology research laboratory	Tochigi
Testing laboratories	8 sites
Equipment center	Tochigi
Material plants and others	51 sites
Training center	Tochigi



Note: The Kanto Product Sales & Marketing Branch Office was renamed the Kanto Product Branch on April 1, 2025.

Group Companies

Subsidiaries	HODOU KOGYO CO., LTD.	SHINSEIKI KOGYO CO., LTD.
	HOEI KENSETSU KOGYO CO., LTD.	KUMAREKI KOGYO CO., LTD.
	MICHINOKU KOGYO CO., LTD.	SEIKITOKYU MYANMAR ROAD COMPANY LIMITED
	YAMABIKO KOGYO CO., LTD.	STK PACIFIC CORPORATION
	CHUGAI ENGINEERING CO., LTD.	
	ST SERVICE CO., LTD.	
Affiliates	NITTOU ROAD CO., LTD.	GULF-SEAL KOGYO CORPORATION
	TAKAMATSU KOUMUTEN CO., LTD.	NOTO ASCON CORPORATION

(Note) STK PACIFIC CORPORATION was dissolved on January 27, 2025, and is undergoing liquidation procedures as of March 31, 2025.

Stock Information

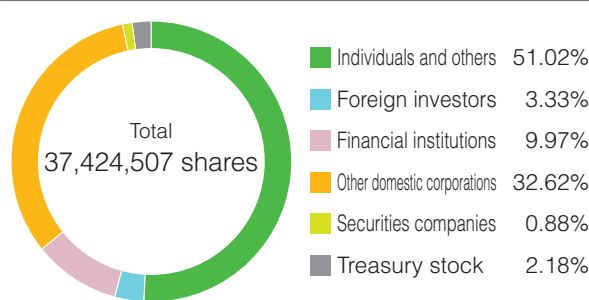
Total number of shares authorized	150,000,000 shares
Total number of shares issued	37,424,507 shares
Number of shareholders	32,649
Listed stock exchange	Prime Market of the Tokyo Stock Exchange

Major Shareholders

Names of shareholders	Number of shares held (Thousand of shares)	Shareholding ratio (%)
TOKYU CONSTRUCTION CO., LTD.	8,931	24.40
The Master Trust Bank of Japan, Ltd. (trust account)	3,033	8.29
TOKYU CORPORATION	1,533	4.19
Seikitokyu Employees' Shareholding Association	918	2.51
Chishiro Saimaru	465	1.27
Ikahata Co. Ltd.	307	0.84
Seikitokyu Partner Companies' Shareholding Association	307	0.84
Custody Bank of Japan, Ltd. (trust account)	295	0.81
MORGAN STANLEY & CO. LLC	209	0.57
JP MORGAN CHASE BANK 385794	184	0.50

Notes: The Company holds 815,440 shares as treasury stocks and is excluded from the above major shareholders. The shareholding ratio was calculated after deducting treasury stock.

Distribution of Shares by Types of Ownership





SEIKITOKYU KOGYO CO.,LTD.

SEIKITOKYU KOGYO CO., LTD.

2-9-3, Shibakoen, Minato-ku, Tokyo, 105-8509, Japan

Inquiries: <https://www.seikitokyu.co.jp/en/>

Issued in December 2025

(This document is a translation of the Japanese version of our Integrated Report published in September 2025.)

ST and K

(Seikitokyu Kogyo's mascot characters)

ST and **K**, our mascot characters, were born in January 2020 on the occasion of our 70th anniversary. They will help promote safety at construction sites and asphalt plants across the country, improve the industry's image, and conduct public relations activities.

世紀業自工業キャラクター
エスティとケイ

