

(Translation)

(Note)

This is an English translation of the Japanese original for reference purpose only. In the event of any discrepancy between the English translation and the Japanese original, the original shall prevail. The Company assumes no responsibility for the translation or for direct, indirect or any other forms of damages arising from the translation.

(Securities Code: 1979)

June 9, 2026

(Commencement date of electronic provision measures: June 3, 2026)

To Shareholders:

Masashi Osada
Representative Director, President
Taikisha Ltd.
8-17-1, Nishi-Shinjuku, Shinjuku-ku,
Tokyo, Japan

NOTICE OF THE 81ST ANNUAL SHAREHOLDERS' MEETING

Please be informed that the 81st Annual Shareholders' Meeting of Taikisha Ltd. (the "Company") will be held as described below.

In convening this Shareholders' Meeting, the Company has taken measures for electronic provision and has posted the matters subject to electronic provision on the following website on the Internet as the "Notice of the 81st Annual Shareholders' Meeting of Taikisha Ltd."

[The Company's website]

<https://www.taikisha-group.com/ir/stock/meeting/>

In addition to the above website, the matters subject to electronic provision are also made available on the following website on the Internet.

[Tokyo Stock Exchange's website]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Please access the above the Tokyo Stock Exchange's website, enter "Taikisha" into "Issue name (company name)" or "1979" into "Code," and click "search," select "Basic information" and "Documents for public inspection/PR information" in that order to find "Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting" in the "Filed information available for public inspection" section.

Please review the Reference Documents for the Shareholders' Meeting stated in the matters subject to electronic provision and exercise your voting rights in advance via the Internet or in writing by no later than 5:45 p.m. on Tuesday, June 23, 2026, Japan time. If you are unable to attend the meeting in person, we sincerely ask all shareholders to exercise your voting rights in advance via the Internet or in writing.

(Translation)

- 1. Date and Time:** Wednesday, June 24, 2026, at 10 a.m. Japan time
- 2. Place:** 42nd floor, “Takao” Keio Plaza Hotel, located at
2-2-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo, Japan
(As the venue differs from that of the previous year, please refer to the venue map at the end of this Notice to ensure that you arrive at the correct location.)
- 3. Meeting Agenda:**
 - Matters for Reporting:**
 - (1) The Business Report, the Consolidated Financial Statements for the 81st Fiscal Year (from April 1, 2025, to March 31, 2026) and the results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 - (2) The Non-consolidated Financial Statements for the 81st Fiscal Year (from April 1, 2025, to March 31, 2026)
 - Matters for Resolution:**
 - Proposal No. 1:** Appropriation of Surplus
 - Proposal No. 2:** Election of Nine (9) Directors
 - Proposal No. 3:** Revisions of Performance-linked Stock-based Compensation Plan for Directors, etc.

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(Notes)

1. Upon arrival on the day of the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk of the venue for confirmation.
2. Pursuant to applicable laws and regulations and the provisions of the Company’s Articles of Incorporation, the documents sent to shareholders who have requested delivery of paper copies do not include the items listed below. Please note that the Audit & Supervisory Board Members and the Accounting Auditor have audited the documents subject to audit, including those items.  
Business Report: “Principal Business,” “Principal Business Locations,” “Major Lenders,” “Share Subscription Rights (Shinkabu Yoyakuken) of the Company, etc.,” “The Company’s Systems to Ensure Proper Execution of Business, as well as Operational Status of Said Systems”  
Consolidated Financial Statements: “Consolidated Statement of Changes in Net Assets,” “Notes to Consolidated Financial Statements”  
Non-consolidated Financial Statements: “Non-consolidated Statement of Changes in Net Assets,” “Notes to Non-consolidated Financial Statements”
3. In the event of any revisions to the matters subject to electronic provision, the revised information will be posted on the respective websites where such matters are posted.

(Translation)

## Reference Documents for the Shareholders' Meeting

### Proposals and References

#### **Proposal No. 1:** Appropriation of Surplus

The Company adopts a fundamental policy of implementing steady dividends targeting a consolidated dividend on equity ratio (DOE) of 4.5%, and regards the profit return to shareholders through dividends as one of its most important measures.

In accordance with this policy, the Company proposes to distribute a year-end dividend with due consideration to the operating results to reflect our appreciation of shareholders' continued support.

The annual dividend, therefore, will be ¥110 per share, a year-on-year increase of ¥38 per share, including the interim dividend of ¥40 per share already paid.

#### 1. Matters concerning year-end dividends

(1) Type of property for dividends: Money

(2) Matters concerning allotment of property dividends to shareholders and the total amount thereof

¥70 per share of common shares

Total amount: ¥4,439,301,650

(3) Effective date of distribution from surplus: June 25, 2026

(Note)

Effective April 1, 2025, the Company conducted a share split of its common shares in the proportion of 1 share into 2 shares. The dividend per share is presented based on the figures after reflecting such share split.

(Translation)

**Proposal No. 2:** Election of Nine (9) Directors

The terms of office of all nine (9) Directors will expire at the conclusion of this Annual Shareholders' Meeting. Accordingly, the election of nine (9) Directors is proposed.

The candidates are as follows, and the four (4) candidates for Outside Director satisfy the "Independence Criteria for Outside Director/Outside Audit & Supervisory Board Member" stipulated by the Company. Refer to page 16 for details of said criteria.

| No |                                                                 | Name              | Positions and assignments<br>in the Company                                                                                                                       | Attendance at the<br>Board of Directors<br>Meetings<br>(Attendance rate) |
|----|-----------------------------------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| 1  | [Reappointment]                                                 | Masashi Osada     | Representative Director, President<br>Corporate Officer                                                                                                           | 15/15 (100%)                                                             |
| 2  | [Reappointment]                                                 | Yasushi Nakajima  | Representative Director, Executive<br>Vice President Corporate Officer, in<br>charge of Administrative<br>Management Headquarters and<br>Engineering Headquarters | 15/15 (100%)                                                             |
| 3  | [Reappointment]                                                 | Tadashi Sobue     | Director, Executive Corporate<br>Officer, Chief General Manager,<br>Green Technology System Division<br>and General Manager, Regional<br>Strategy Department      | 15/15 (100%)                                                             |
| 4  | [New appointment]                                               | Takuji Fukunaga   | Managing Corporate Officer, Chief<br>General Manager, Paint Finishing<br>System Division                                                                          | —                                                                        |
| 5  | [New appointment]                                               | Yoshihiro Matsuda | Managing Corporate Officer, Chief<br>Executive, Corporate Planning<br>Headquarters, in charge of<br>Sustainability Promotion                                      | —                                                                        |
| 6  | [Reappointment]<br>[Outside Director]<br>[Independent Director] | Hirokazu Hikosaka | Director                                                                                                                                                          | 15/15 (100%)                                                             |
| 7  | [Reappointment]<br>[Outside Director]<br>[Independent Director] | Nobuyuki Soda     | Director                                                                                                                                                          | 15/15 (100%)                                                             |
| 8  | [Reappointment]<br>[Outside Director]<br>[Independent Director] | Suga Soejima      | Director                                                                                                                                                          | 14/15 (93.3%)                                                            |
| 9  | [Reappointment]<br>[Outside Director]<br>[Independent Director] | Hiramasa Nakata   | Director                                                                                                                                                          | 12/12 (100%)                                                             |

(Translation)

| No | Name<br>(Date of birth; Age)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Career summary, positions and assignments in the Company<br>and important positions concurrently held at other companies                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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| 1  |  <p><b>Masashi Osada</b><br/>(April 20, 1959; 67)<br/>[Reappointment]</p> <p>Gender:<br/>Male</p> <p>Number of years as Director<br/>of the Company:<br/>9 years (at the conclusion of<br/>the Meeting)</p> <p>Attendance at the Board of<br/>Directors Meetings:<br/>15/15 (100%)</p> <p>Number of shares of the<br/>Company actually held:<br/>13,600</p> <p>Number of shares of the<br/>Company potentially held:<br/>70,552</p>           | <p>April 1983<br/>April 2007<br/>April 2009<br/>June 2009<br/>April 2012<br/>April 2015<br/>April 2019<br/>April 2020<br/>April 2021<br/>June 2021<br/>April 2023<br/>April 2024<br/>April 2025</p> | <p>Joined the Company<br/>Corporate Officer, General Manager, Planning<br/>Office, Green Technology System Division<br/>Managing Corporate Officer, Chief Executive,<br/>Planning Headquarters and in charge of<br/>environment, and General Manager, Corporate<br/>Planning Office<br/>Director, Managing Corporate Officer, Chief<br/>Executive, Planning Headquarters and in charge of<br/>environment, and General Manager, Corporate<br/>Planning Office<br/>Director, Managing Corporate Officer, General<br/>Manager, Chubu Branch Office, Green Technology<br/>System Division<br/>President, Taikisha (Singapore) Pte. Ltd.<br/>Assistant Director, Senior General Manager, Global<br/>Business Management Dept., Paint Finishing System<br/>Division<br/>Managing Corporate Officer, Chief Executive,<br/>Corporate Planning Headquarters<br/>Executive Corporate Officer, Chief General<br/>Manager, Green Technology System Division<br/>Director, Executive Corporate Officer, Chief General<br/>Manager, Green Technology System Division<br/>Representative Director, President Corporate Officer<br/>Representative Director, President Corporate Officer<br/>and Chief Executive, Business Development<br/>Headquarters<br/>Representative Director, President Corporate Officer<br/>(current position)</p> |
|    | <p>[Reason for nominating as a candidate for Director]<br/>Masashi Osada has led the management of the Taikisha Group as Representative Director, President<br/>Corporate Officer. The Company reappoints him as a candidate for Director based on its judgment that<br/>he qualifies for this position taking into account his good track record, as well as his competence in<br/>ensuring the stable and sustainable growth of the Group and increasing corporate value by implementing<br/>the Mid-Term Business Plan.</p> |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

(Translation)

| No | Name<br>(Date of birth; Age)                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Career summary, positions and assignments in the Company<br>and important positions concurrently held at other companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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| 2  | <br><b>Yasushi Nakajima</b><br>(February 23, 1960; 66)<br>[Reappointment]<br>Gender:<br>Male<br>Number of years as Director<br>of the Company:<br>9 years (at the conclusion of<br>the Meeting)<br>Attendance at the Board of<br>Directors Meetings:<br>15/15 (100%)<br>Number of shares of the<br>Company actually held:<br>30,700<br>Number of shares of the<br>Company potentially held:<br>72,054 | April 1982<br>April 2014<br>April 2015<br>April 2016<br>April 2017<br>June 2017<br>April 2019<br>April 2021<br>April 2023<br>April 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Joined the Company<br>Corporate Officer, Senior General Manager,<br>Engineering Supervisory Dept., Green Technology<br>System Division<br>Senior Corporate Officer, Senior General Manager,<br>Engineering Supervisory Dept. and Senior General<br>Manager, Global Business Management Dept.,<br>Green Technology System Division<br>Senior Corporate Officer, Vice General Manager in<br>charge of technology and Senior General Manager,<br>Engineering Supervisory Dept. and Senior General<br>Manager, Global Business Management Dept.,<br>Green Technology System Division<br>Managing Corporate Officer, Vice General Manager,<br>Green Technology System Division<br>Director, Managing Corporate Officer, Vice General<br>Manager, Green Technology System Division<br>Director, Executive Corporate Officer, Chief General<br>Manager, Green Technology System Division<br>Director, Executive Corporate Officer, Chief<br>Executive, Administrative Management<br>Headquarters<br>Representative Director, Executive Corporate<br>Officer, Chief Executive, Administrative<br>Management Headquarters<br>Representative Director, Executive Vice President<br>Corporate Officer, in charge of Administrative<br>Management Headquarters and Engineering<br>Headquarters (current position) |
|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | [Reason for nominating as a candidate for Director]<br>Yasushi Nakajima has supported the President and played a significant role in promoting the<br>strengthening of the management base that supports the Taikisha Group's transformation and growth as<br>Representative Director, Executive Vice President Corporate Officer. The Company reappoints him as a<br>candidate for Director based on its judgment that he qualifies for this position taking into account his<br>good track record, as well as his competence in ensuring the stable and sustainable growth of the Group<br>and increasing corporate value by implementing the Mid-Term Business Plan. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

(Translation)

| No | Name<br>(Date of birth; Age)                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Career summary, positions and assignments in the Company<br>and important positions concurrently held at other companies                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| 3  | <br><b>Tadashi Sobue</b><br>(December 16, 1964; 61)<br>[Reappointment]<br><br>Gender:<br>Male<br><br>Number of years as Director<br>of the Company:<br>3 years (at the conclusion of<br>the Meeting)<br><br>Attendance at the Board of<br>Directors Meetings:<br>15/15 (100%)<br><br>Number of shares of the<br>Company actually held:<br>10,200<br><br>Number of shares of the<br>Company potentially held:<br>28,889 | April 1987<br>April 2011<br><br>April 2013<br>March 2017<br>April 2019<br><br>April 2021<br><br>May 2022<br><br>April 2023<br>June 2023<br><br>April 2025<br>April 2026                                                                                                                                                                                                                                                                                                                                                                                                                | Joined the Company<br>Construction General Manager, Engineering Dept.,<br>Chubu Branch Office, Green Technology System<br>Division<br>General Manager, Engineering Dept., Tohoku<br>Branch Office, Green Technology System Division<br>Director, Taikisha (Thailand) Co., Ltd.<br>Senior General Manager, Engineering Dept., Osaka<br>Branch Office, Green Technology System Division<br>Corporate Officer, Senior General Manager,<br>Engineering Supervisory Dept., Green Technology<br>System Division<br>Corporate Officer, Senior General Manager,<br>Engineering Supervisory Dept. and Senior General<br>Manager, Global Engineering Supervisory Dept.,<br>Green Technology System Division<br>Managing Corporate Officer, Chief General<br>Manager, Green Technology System Division<br>Director, Managing Corporate Officer, Chief<br>General Manager, Green Technology System<br>Division<br>Director, Executive Corporate Officer, Chief General<br>Manager, Green Technology System Division<br>Director, Executive Corporate Officer, Chief General<br>Manager, Green Technology System Division, and<br>General Manager, Regional Strategy Department<br>(current position) |
|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | [Reason for nominating as a candidate for Director]<br>Tadashi Sobue has abundant business experience in the field of the green technology system business. In addition, he has sufficiently fulfilled his duties as a Director, including decisions on important management matters, the execution of business and supervising the execution of duties by other Directors, since his assumption of the Director position. The Company reappoints him as a candidate for Director based on its judgment that he qualifies for this position taking into account his good track record. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

(Translation)

| No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Name<br>(Date of birth; Age)                                                                                                                                                                                                                                                                                                                                                                                                                                    | Career summary, positions and assignments in the Company<br>and important positions concurrently held at other companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |
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| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  <p><b>Takuji Fukunaga</b><br/>(October 8, 1961; 64)<br/>[New appointment]</p> <p>Gender:<br/>Male</p> <p>Number of years as Director<br/>of the Company:<br/>-</p> <p>Attendance at the Board of<br/>Directors Meetings:<br/>-</p> <p>Number of shares of the<br/>Company actually held:<br/>4,600</p> <p>Number of shares of the<br/>Company potentially held:<br/>2,635</p> | <p>April 1985<br/>April 2009<br/>September 2010<br/>April 2015<br/>April 2016<br/>April 2023<br/>April 2025<br/>April 2026</p> <p>Joined the Company<br/>President, TKS Industrial Company (current<br/>Taikisha USA, Inc.)<br/>General Manager, Sales Engineering Dept., Sales<br/>and Marketing Dept., Paint Finishing System<br/>Division<br/>Vice Senior General Manager, Sales and<br/>Engineering Dept. and General Manager, Sales<br/>Engineering Dept., Paint Finishing System Division<br/>Corporate Officer, Senior General Manager, Sales<br/>and Marketing Dept., Paint Finishing System<br/>Division<br/>Managing Corporate Officer, Senior General<br/>Manager, Sales and Marketing Dept. and Senior<br/>General Manager, Global Business Management<br/>Dept., Paint Finishing System Division<br/>Managing Corporate Officer, Vice Chief General<br/>Manager, Paint Finishing System Division and<br/>Senior General Manager, Engineering Supervisory<br/>Dept.<br/>Managing Corporate Officer, Chief General<br/>Manager, Paint Finishing System Division (current<br/>position)</p> |  |
| <p>[Reason for nominating as a candidate for Director]<br/>Takujī Fukunaga has abundant business experience in the field of the paint finishing system business and has served as Chief General Manager of the Paint Finishing System Division since April 2026. The Company newly appoints him as a candidate for Director based on its judgment that he qualifies for this position taking into account his good track record and his expected contribution to the further development of the Taikisha Group as Director.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |



(Translation)

| No | Name<br>(Date of birth; Age)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Career summary, positions and assignments in the Company<br>and important positions concurrently held at other companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| 5  |  <p><b>Yoshihiro Matsuda</b><br/>(October 2, 1965; 60)<br/>[New appointment]</p> <p>Gender:<br/>Male</p> <p>Number of years as Director<br/>of the Company:<br/>-</p> <p>Attendance at the Board of<br/>Directors Meetings:<br/>-</p> <p>Number of shares of the<br/>Company actually held:<br/>48,106</p> <p>Number of shares of the<br/>Company potentially held:<br/>1,756</p>                                                                           | <p>April 1988      Joined the Company</p> <p>April 2012      General Manager, Sales Dept. #2, Osaka Branch<br/>Office, Green Technology System Division</p> <p>April 2013      General Manager, Sales Dept. #2, Corporate Sales<br/>Dept., Osaka Branch Office, Green Technology<br/>System Division</p> <p>April 2017      Corporate Officer, General Manager, Chubu Branch<br/>Office, Green Technology System Division</p> <p>April 2022      Corporate Officer, Vice General Manager, Osaka<br/>Branch Office and General Manager, Corporate<br/>Sales Dept., Green Technology System Division</p> <p>April 2024      Corporate Officer, General Manager, Osaka Branch<br/>Office, Green Technology System Division</p> <p>April 2025      Managing Corporate Officer, General Manager,<br/>Osaka Branch Office, Green Technology System<br/>Division</p> <p>April 2026      Managing Corporate Officer, Chief Executive,<br/>Corporate Planning Headquarters, in charge of<br/>Sustainability Promotion (current position)</p> |
|    | <p>[Reason for nominating as a candidate for Director]<br/>Yoshihiro Matsuda has abundant business experience in the field of the green technology system<br/>business and has served as Chief Executive of the Corporate Planning Headquarters since April 2026.<br/>The Company newly appoints him as a candidate for Director based on its judgment that he qualifies for<br/>this position taking into account his good track record and his expected contribution to the further<br/>development of the Taikisha Group as Director.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

(Translation)

| No | Name<br>(Date of birth; Age)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Career summary, positions and assignments in the Company<br>and important positions concurrently held at other companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| 6  |  <p><b>Hirokazu Hikosaka</b><br/>(December 2, 1960; 65)</p> <p>[Reappointment]<br/>[Outside Director]<br/>[Independent Director]</p> <p>Gender:<br/>Male</p> <p>Number of years as Director<br/>of the Company:<br/>9 years (at the conclusion of<br/>the Meeting)</p> <p>Attendance at the Board of<br/>Directors Meetings:<br/>15/15 (100%)</p> <p>Number of shares of the<br/>Company actually held:<br/>5,400</p> <p>Number of shares of the<br/>Company potentially held:<br/>0</p> | <p>April 1983      Joined Asahi Shinkin Bank (resigned in March 1985)</p> <p>April 1992      Admitted as attorney and joined Nakajima Law Office (current Akanekusa Law Office) (current position)</p> <p>April 1999      Commissioner, Kanto Federation of Bar Associations</p> <p>April 2005      Executive Commissioner, Japan Federation of Bar Associations</p> <p>June 2006      Outside Director, Adways Inc.</p> <p>June 2010      Audit &amp; Supervisory Board Member, Adways Inc. (retired in March 2022)</p> <p>April 2014      Vice President, Tokyo Bar Association</p> <p>June 2015      Audit &amp; Supervisory Board Member of the Company</p> <p>June 2017      Director of the Company (current position)</p> <p>April 2019      Vice President, Kanto Federation of Bar Associations (retired in March 2020)</p>                                                                                                                                                                            |
|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>[Reason for nominating as a candidate for Outside Director and overview of expected role]<br/>Although Hirokazu Hikosaka has had no experience of directly engaging in corporate management, he has professional expertise and abundant experience as a lawyer, as well as specialized knowledge regarding internal control and governance, etc. from his business experience hitherto. Since his assumption of the Director position, he has provided valuable advice and supervision on the management of the Company from an independent and objective standpoint. Going forward, he is expected to continue providing advice and supervision by utilizing his specialized knowledge based on his abundant expertise and experience. The Company reappoints him as a candidate for Outside Director based on its judgment that he qualifies for this position from the viewpoint of ensuring transparent decision making by the Board of Directors and reinforcing the supervisory functions thereon.</p> |
|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>[View on independence]<br/>As Hirokazu Hikosaka satisfies the “Independence Criteria for Outside Director/Outside Audit &amp; Supervisory Board Member” stipulated by the Company, the Company judges that he maintains independence from the Company. There are no interests including personal, capital and transactional relationships between Akanekusa Law Office, at which he works as a lawyer, and the Company.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

(Translation)

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| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <div></div> <div><b>Nobuyuki Soda</b><br/>(March 7, 1964; 62)<br/><br/>[Reappointment]<br/>[Outside Director]<br/>[Independent Director]<br/><br/>Gender:<br/>Male<br/><br/>Number of years as Director<br/>of the Company:<br/>2 years (at the conclusion of<br/>the Meeting)<br/><br/>Attendance at the Board of<br/>Directors Meetings:<br/>15/15 (100%)<br/><br/>Number of shares of the<br/>Company actually held:<br/>2,200<br/><br/>Number of shares of the<br/>Company potentially held:<br/>0</div> | April 1986                                                                                                               | Joined Nippon Life Insurance Company                                                                                                                                                                                                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | March 2014                                                                                                               | Executive Officer, General Manager, Affiliated Business Dept., Nippon Life Insurance Company                                                                                                                                                                                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | March 2016                                                                                                               | Executive Officer, General Manager, Affiliated Business Dept., and Adviser to Corporate Planning Dept., Nippon Life Insurance Company                                                                                                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | March 2017                                                                                                               | Executive Officer, Deputy General Manager, Agency Marketing Headquarters, and Deputy General Manager, Financial Institution Relations Headquarters, Nippon Life Insurance Company                                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | March 2018                                                                                                               | Managing Executive Officer, General Manager, Financial Institution Relations Headquarters, Nippon Life Insurance Company                                                                                                                                                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | July 2018                                                                                                                | Director, Managing Executive Officer in charge of Agency Management Sector, Financial Institution Relations Sector, and Sales Staff Sector (related to agencies and financial institutions), and General Manager, Financial Institution Relations Headquarters, Nippon Life Insurance Company |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | March 2019                                                                                                               | Director, Nippon Life Insurance Company (retired in July 2019)                                                                                                                                                                                                                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | April 2019                                                                                                               | Director and Executive Vice President, Corporate-Pension Business Service Co., Ltd.                                                                                                                                                                                                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | June 2019                                                                                                                | Outside Director, Audit and Supervisory Committee Member, The Hyakujushi Bank, Ltd. (retired in June 2024)                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | April 2020                                                                                                               | Director and President, Corporate-Pension Business Service Co., Ltd. (retired in March 2024)                                                                                                                                                                                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | June 2020                                                                                                                | Audit & Supervisory Board Member of the Company                                                                                                                                                                                                                                               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | April 2024                                                                                                               | Representative Director and President, Nissay Business Service Co., Ltd. (current position)                                                                                                                                                                                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | June 2024                                                                                                                | Director of the Company (current position)                                                                                                                                                                                                                                                    |
| <div>[Reason for nominating as a candidate for Outside Director and overview of expected role]<br/>Nobuyuki Soda has abundant expertise and experience nurtured during his tenure as a manager at a leading life insurance company, as well as specialized knowledge regarding finance, accounting, human resources development, personnel and labor management, etc. from his business experience hitherto. Since his assumption of the Director position, he has provided valuable advice and supervision on the management of the Company from an independent and objective standpoint. Going forward, he is expected to continue providing advice and supervision by utilizing his specialized knowledge based on his abundant expertise and experience. The Company reappoints him as a candidate for Outside Director based on its judgment that he qualifies for this position from the viewpoint of ensuring transparent decision making by the Board of Directors and reinforcing the supervisory functions thereon. If his reelection is approved, the Company plans to appoint him as chairperson of the Board of Directors.</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                          |                                                                                                                                                                                                                                                                                               |
| <div>[View on independence]<br/>As Nobuyuki Soda satisfies the “Independence Criteria for Outside Director/Outside Audit &amp; Supervisory Board Member” stipulated by the Company, the Company judges that he maintains independence from the Company. Although he concurrently serves as Representative Director and President at Nissay Business Service Co., Ltd., there are no interests including personal, capital and transactional relationships between this company and the Company. He used to work at Nippon Life Insurance Company, but retired from the position of Director of this company in 2019. Although this company holds the Company’s shares, its shareholding ratio is 2.73% (calculated after subtracting treasury shares). Although this company and the Company had transactions such as construction contracts and insurance contracts in fiscal 2025, the respective amount of the relevant transactions did not exceed the amount of payments specified in the aforementioned criteria. (The average transaction amounts between both companies for the past three fiscal years (meaning fiscal 2023 through fiscal 2025, and the same period applies hereinafter) was less than 1% of the three-year average transaction amounts of this company’s consolidated ordinary income or the Company’s consolidated net sales of completed construction contracts for the past three fiscal years.) In addition, he used to work at Corporate-Pension Business Service Co., Ltd., but he retired from the position of Representative Director of this company in 2024. There are no interests including personal, capital and transactional relationships between Corporate-Pension Business Service Co. Ltd. and the Company.</div> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                          |                                                                                                                                                                                                                                                                                               |

(Translation)

| No | Name<br>(Date of birth; Age)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Career summary, positions and assignments in the Company<br>and important positions concurrently held at other companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8  |  <p><b>Suga Soejima</b><br/>(November 17, 1958; 67)</p> <p>[Reappointment]<br/>[Outside Director]<br/>[Independent Director]</p> <p>Gender:<br/>Female</p> <p>Number of years as Director<br/>of the Company:<br/>2 years (at the conclusion of<br/>the Meeting)</p> <p>Attendance at the Board of<br/>Directors Meetings:<br/>14/15 (93.3%)</p> <p>Number of shares of the<br/>Company actually held:<br/>700</p> <p>Number of shares of the<br/>Company potentially held:<br/>0</p> | <p>October 1984      Joined Deloitte Haskins &amp; Sells (later Mita Audit Corporation)</p> <p>February 1990      Joined Tohmatsu &amp; Co. (current Deloitte Touche Tohmatsu LLC) due to merger of Deloitte Haskins &amp; Sells</p> <p>June 2005      Partner, Tohmatsu &amp; Co. (retired in June 2019)</p> <p>June 2020      Director (Outside Director), Sanoyas Holdings Corporation (current position)</p> <p>June 2024      Director of the Company (current position)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>[Reason for nominating as a candidate for Outside Director and overview of expected role]<br/>Although Suga Soejima has had no experience of directly engaging in corporate management, she has abundant audit experience in the operations of multinational corporations during her tenure at major auditing firms, as well as specialized knowledge regarding internal control and governance, finance, and accounting etc. from her business experience hitherto. Since her assumption of the Director position, she has provided valuable advice and supervision on the management of the Company from an independent and objective standpoint. Going forward, she is expected to continue providing advice and supervision by utilizing her specialized knowledge based on her abundant expertise and experience. The Company reappoints her as a candidate for Outside Director based on its judgment that she qualifies for this position from the viewpoint of ensuring transparent decision making by the Board of Directors and reinforcing the supervisory functions thereon.</p> |
|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>[View on independence]<br/>As Suga Soejima satisfies the “Independence Criteria for Outside Director/Outside Audit &amp; Supervisory Board Member” stipulated by the Company, the Company judges that she maintains independence from the Company. She used to work at Deloitte Touche Tohmatsu LLC, but she left the said firm in 2019. Although this firm and the Company had transactions through consultation contracts in fiscal 2024, the amount of these transactions did not exceed the amount of payments specified in the aforementioned criteria. (The average transaction amounts between this firm and the Company for the past three fiscal years was less than 1% of the three-year average transaction amounts of this firm’s revenue for the past three fiscal years.)</p>                                                                                                                                                                                                                                                                                                  |

(Translation)

| No | Name<br>(Date of birth; Age)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Career summary, positions and assignments in the Company<br>and important positions concurrently held at other companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9  |  <p><b>Hiramasa Nakata</b></p> <p>(June 6, 1965; 61)</p> <p>[Reappointment]<br/>[Outside Director]<br/>[Independent Director]</p> <p>Gender:<br/>Male</p> <p>Number of years as Director<br/>of the Company:<br/>1 year (at the conclusion of<br/>the Meeting)</p> <p>Attendance at the Board of<br/>Directors Meetings:<br/>12/12 (100%)</p> <p>Number of shares of the<br/>Company actually held:<br/>500</p> <p>Number of shares of the<br/>Company potentially held:<br/>0</p> | <p>April 1989      Joined NEC Corporation</p> <p>April 2016      General Manager, Service &amp; Technology Division,<br/>Enterprise Business Unit, NEC Corporation</p> <p>April 2017      Vice President, Enterprise Business Unit, NEC<br/>Corporation</p> <p>June 2017      Vice President, Enterprise Business Unit, and<br/>General Manager, 1st Retails Solutions Division,<br/>Enterprise Business Unit, NEC Corporation</p> <p>April 2018      Senior Vice President, Enterprise Business Unit,<br/>NEC Corporation</p> <p>April 2021      Senior Vice President, Public Solutions Business<br/>Unit, NEC Corporation (retired in March 2022)</p> <p>April 2022      Executive Vice President, NEC Solution Innovators,<br/>Ltd.</p> <p>June 2022      Executive Vice President and Member of the Board,<br/>NEC Solution Innovators, Ltd. (retired in March<br/>2026)</p> <p>June 2025      Director of the Company (current position)</p> <p>April 2026      Senior Executive Officer, Management Solutions<br/>Co., Ltd. (current position)</p>                                                                                                                                                                                                                                                                                                                                  |
|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>[Reason for nominating as a candidate for Outside Director and overview of expected role]<br/>Hiramasa Nakata has abundant expertise and experience as a manager at a leading business corporation, as well as specialized knowledge and extensive insight regarding the IT sector from his business experience hitherto. Since assuming the position of Director, he has provided appropriate advice and supervision of the Company from an independent and objective standpoint. The Company expects that he will continue to provide advice and supervision by utilizing his specialized knowledge based on these abundant expertise and experience. The Company reappoints him as a candidate for Outside Director based on its judgment that he qualifies for this position from the viewpoint of ensuring transparent decision making by the Board of Directors and reinforcing the supervisory functions thereon.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>[View on independence]<br/>As Hiramasa Nakata satisfies the “Independence Criteria for Outside Director/Outside Audit &amp; Supervisory Board Member” stipulated by the Company, the Company judges that he maintains independence from the Company. Although he concurrently serves as Senior Executive Officer at Management Solutions Co., Ltd., there are no interests including personal, capital and transactional relationships between this company and the Company. He used to work at NEC Corporation, but he retired from the position of Senior Vice President of the said company in 2022. Although this company and the Company had transactions under subcontracting contracts and other contracts in fiscal 2025, the amount of these transactions did not exceed the amount of payments specified in the aforementioned criteria. (The average transaction amounts between both companies for the past three fiscal years was less than 1% of the three-year average transaction amount of this company’s consolidated net sales for the past three fiscal years.) In addition, although he is from NEC Solution Innovators, Ltd., he retired as Member of the Board and Executive Officer of this company in March 2026. There are no personnel, capital, transactional or other relationships of interest between NEC Solution Innovators, Ltd. and the Company.</p> |

(Translation)

(Notes)

1. The number of shares of the Company potentially held states the number of points awarded to the Director through the Board Benefit Trust (BBT), a performance-linked stock-based compensation plan.
2. No material conflict of interest exists between the Company and any of the above candidates for Director.
3. Hirokazu Hikosaka, Nobuyuki Soda, Suga Soejima and Hiramasa Nakata are candidates for Outside Director.
4. The Company has stipulated in its Articles of Incorporation that it can conclude a limited liability agreement with each Director who is not an executive director to limit his/her liability for damages to a certain degree, and has concluded the limited liability agreements with Hirokazu Hikosaka, Nobuyuki Soda, Suga Soejima, and Hiramasa Nakata respectively. If their appointments are approved, the Company intends to continue the limited liability agreement with each of them.  
The outline of the aforementioned limited liability agreement is as follows:
  - In case a Director causes damage to the Company due to his/her negligence of duty, his/her liability for the damage shall be up to the minimum liability amount provided for in laws and regulations when said Director's duty is performed in good faith and with no gross negligence.
5. The Company has entered into a directors and officers liability insurance contract with an insurance company. The said insurance contract will cover damages that may arise due to insured Officers, etc. assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If the appointments of the candidates are approved, they will be included among the insured persons under the insurance contract. The said insurance contract is scheduled to be renewed in October 2026 with the same terms and conditions.
6. The Company has notified the Tokyo Stock Exchange of the designation of Hirokazu Hikosaka, Nobuyuki Soda, Suga Soejima and Hiramasa Nakata as Independent Directors as stipulated in the provisions of the Tokyo Stock Exchange.
7. The age of the respective candidates indicated is as of the date of this Annual Shareholders' Meeting.

(Translation)

[Reference] Specialized knowledge and experience, etc. possessed by candidates for Director (in the event of approval of Proposal 2 as originally proposed)

| Name                                                                         | Number of years as Director | Specialized knowledge and experience that candidates for Director have |                                          |                 |                                       |                                                             |                              |                              | Nomination and Compensation Advisory Committee | Governance Committee | Sustainability Committee | Digital Innovation Committee |
|------------------------------------------------------------------------------|-----------------------------|------------------------------------------------------------------------|------------------------------------------|-----------------|---------------------------------------|-------------------------------------------------------------|------------------------------|------------------------------|------------------------------------------------|----------------------|--------------------------|------------------------------|
|                                                                              |                             | Corporate management                                                   | Technological development, IT strategies | Global business | Industrial insights, market awareness | Human resources development, personnel and labor management | Internal control, governance | Laws, finance and accounting |                                                |                      |                          |                              |
| Masashi Osada                                                                | 9 years                     | ●                                                                      |                                          | ●               | ●                                     |                                                             | ●                            |                              | ●                                              | ●                    | ●                        | ●                            |
| Yasushi Nakajima                                                             | 9 years                     | ●                                                                      | ●                                        | ●               | ●                                     | ●                                                           | ●                            |                              | ●                                              | ●                    | ●                        | ●                            |
| Tadashi Sobue                                                                | 3 years                     | ●                                                                      | ●                                        | ●               | ●                                     |                                                             |                              |                              |                                                |                      | ●                        | ●                            |
| Takuji Fukunaga                                                              | —                           | ●                                                                      | ●                                        | ●               | ●                                     |                                                             |                              |                              |                                                |                      | ●                        | ●                            |
| Yoshihiro Matsuda                                                            | —                           | ●                                                                      |                                          | ●               | ●                                     |                                                             |                              |                              |                                                | ●                    | ●                        | ●                            |
| (Outside Director)<br>Hirokazu Hikosaka                                      | 9 years                     |                                                                        |                                          |                 |                                       |                                                             | ●                            | ●                            | ●                                              | ★                    | ●                        | ●                            |
| (Outside Director)<br>Nobuyuki Soda<br>Chairperson of the Board of Directors | 2 years                     | ●                                                                      |                                          |                 |                                       | ●                                                           |                              | ●                            | ★                                              | ●                    | ●                        | ●                            |
| (Outside Director)<br>Suga Soejima                                           | 2 years                     |                                                                        |                                          |                 |                                       |                                                             | ●                            | ●                            | ●                                              | ●                    | ★                        | ●                            |
| (Outside Director)<br>Hiramasa Nakata                                        | 1 year                      | ●                                                                      | ●                                        |                 |                                       |                                                             |                              |                              | ●                                              | ●                    | ●                        | ★                            |

(Notes) 1. The table above does not represent all the knowledge and experience possessed by the candidates.  
2. ★ represents chairperson.



(Reference)

“Independence Criteria for Outside Director/Outside Audit & Supervisory Board Member”

In order to increase the soundness and transparency of management, the Company has established the following independence criteria for outside directors and outside audit & supervisory board members. Outside directors and outside audit & supervisory board members are considered to be independent unless any of the following criteria applies.

1. Major shareholder<sup>1</sup> of the Company or an executive thereof;
2. Major lender<sup>2</sup> of the Company or an executive thereof;
3. A party whose major client or supplier is the Company<sup>3</sup> or an executive thereof;
4. Major client or supplier of the Company<sup>4</sup> or an executive thereof;
5. Consultant, accountant or legal professional who receives more than ¥10 million per year in monetary consideration or other property from the Company besides compensation as a Director/Audit & Supervisory Board Member (if the recipient of such property is a corporation, partnership or other entities, a person who belongs to an entity for which the total amount of money and property received from the Company exceeds 2% of its annual gross revenue);
6. Person who receives more than ¥10 million per year in donation from the Company (or executive thereof, if the recipient of such donation is a corporation, partnership or other entities);
7. Person who fell under any of the above-listed items 1. through 6. during the past three years; or
8. Relatives within the second degree of kinship of the person (excluding those who are not significant persons) who fall under any of the following items (1) through (3).
  - (1) Person who falls under any of the above-listed items 1. through 7.;
  - (2) Executive of any subsidiaries of the Company; or
  - (3) Non-executive director of any subsidiaries of the Company.

(Notes)

1. “Major shareholder” refers to a shareholder who holds 10% or more of the voting rights directly or indirectly at the end of the most recent fiscal year.
2. “Major lender” refers to a lender to whom the Company has outstanding borrowings in the amount that exceeded 2% of the consolidated total assets of the Company at the end of the most recent fiscal year.
3. “A party whose major client or supplier is the Company” refers to a party for whom the average amount of payments received from the Company for the past three fiscal years exceeds 2% of the average consolidated net sales of said party for the past three fiscal years.
4. “A major client or supplier of the Company” refers to a party for whom the average amount of payments to the Company for the past three years exceeds 2% of the average consolidated net sales of the Company for the past three fiscal years.



(Translation)

**Proposal No. 3:** Revisions of Performance-linked Stock-based Compensation Plan for Directors, etc.

1. Reasons for the proposal and reasons why the proposal is deemed appropriate

The Company will revise the performance-linked stock-based compensation plan as part of the revisions to executive compensation system with the aim of providing stronger incentives for “enhancing corporate value” through the improvement of the Company’s economic and social value, based on the Company’s 10-Year Plan 2035 and Mid-Term Business Plan announced on May 15, 2025. For details on the revised executive compensation system, please refer to the “Policy concerning the amount of compensation to Directors and Audit & Supervisory Board Members and the calculation method” (set forth below).

The performance-linked stock-based compensation plan, “Board Benefit Trust (BBT)” (hereinafter referred to as the “Current Plan”) was originally approved at the 74th Annual Shareholders’ Meeting held on June 27, 2019 (hereinafter referred to as the “Original Resolution”). Subsequently, the Company resolved to add Corporate Officers to the beneficiaries of Current Plan which has remained in effect to today.

The Board of Directors of the Company requests approval for the revisions of the Current Plan and the transition to “Board Benefit Trust-Restricted Stock (BBT-RS)” (hereinafter referred to as the “Proposed Plan”) to further promote value-sharing with shareholders by granting Directors, etc. the same rights of shareholders, such as exercising voting rights and receiving dividends in addition to the purpose upon the introduction of the Current Plan to clarify the link between the compensation of Executive Directors and Corporate Officers (hereinafter referred to as “Directors, etc.”) and the Company’s operating performance and stock value and enhancing their motivation to contribute to the improvement of operating performance in the medium- to long-term and to boost corporate value by sharing not only the benefit of stock price increases but also the risk of stock price decreases with shareholders.

The Company believes that the content of this proposal is appropriate because it is consistent with the revised executive compensation system of the Company, including the “Policy concerning the amount of compensation to Directors and Audit & Supervisory Board Members and the calculation method” (set forth below).

This proposal requests approval of the specific calculation method and specific details of the amount of compensation, etc., in order to provide compensation based on the Proposed Plan to the Company’s Directors separately from the amount of compensation for Directors approved at the 79th Annual Shareholders’ Meeting held on June 27, 2024 (within 540 million yen per year (including within 70 million yen per year for Outside Directors), provided, however, that employee salaries are not included). The Company requests that the details of the Proposed Plan be left to the discretion of the Board of Directors within the framework described in 2. below.

If Proposal No. 2 is approved as originally proposed, the number of Executive Directors who will be eligible under the Proposed Plan will be five.

2. Specific calculation method and specific details of the amount of compensation, etc. under the Proposed Plan  
(1) Outline of the Proposed Plan

The Proposed Plan is a performance-linked stock-based compensation plan under which the trust (hereinafter, the trust established under the Proposed Plan, including the Current Plan, is referred to as the “Trust”) acquires shares of the Company using funds contributed by the Company and grants the Company’s shares and cash equivalent to the market value of such shares (hereinafter referred to as “Stock Compensation”) to Directors, etc. in accordance with the director stock benefit rules and the corporate officer stock benefit rules (hereinafter referred to as “officer stock benefit rules”) determined by the Company. In principle, the Company’s shares will be granted to Directors, etc. at a fixed time each year, while cash equivalent to the market value of the Company’s shares will be provided to Directors, etc. upon resignation. When Directors, etc. receive the Company’s shares during their term of office, they must enter into a Comprehensive Transfer Restriction Agreement with the Company as set out in Section 3 below prior to receiving such shares. These shares granted to Directors, etc. will be subject to restrictions on transfer and other forms of disposal until their resignation. In connection with the transition to the Proposed Plan, points already granted under the Current Plan to Directors, etc. who remain in office at the conclusion of the Annual Shareholders’ Meeting will be converted to points under the Proposed Plan, subject to approval of this proposal. At a time determined by the Company following the conclusion of the Annual Shareholders’ Meeting, such Directors, etc. will receive shares based on the number of the converted points. The shares granted to such Directors, etc. will also be subject to restrictions on transfer and other forms of disposal under the Comprehensive Transfer Restriction Agreement above.

(2) Beneficiaries of the Proposed Plan

Executive Directors and Corporate Officers (excluding those who concurrently serve as Directors)

(3) Period of Trust

(Translation)

From August 2019 until the termination of the Trust (The Trust shall continue without determining a specific expiry date as long as the Proposed Plan remains in effect. The Proposed Plan shall be terminated upon the occurrence of events such as the delisting of the Company's shares or abolition of the officer stock benefit rules.)

(4) Amount of Trust Money

The Company established the Trust by contributing funds to enable it to acquire in advance the number of shares reasonably deemed necessary to cover share grants for a certain period under the Current Plan. The Company will use the remaining Company shares and money held in the trust assets as funds for grants under the Current Plan and the Proposed Plan once the plan has been revised following approval of this proposal. In order for the Proposed Plan to function as an appropriate incentive toward enhancing the Company's medium- to long-term corporate value, the Company will not set an upper limit on the amount of money to be contributed to the Trust, taking into consideration the impact of stock price fluctuations on the number of shares to be acquired by the Trust.

Subject to approval of this proposal, the Company will revise the Current Plan to the Proposed Plan for two fiscal years from the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2028 (hereinafter, the period covering the said two fiscal years is referred to as the "BBT-RS Initial Target Period" and the BBT-RS Initial Target Period and each period that begins after the BBT-RS Initial Target Period and is determined in advance by the Board of Directors from time to time (in principle, linked to the period of the Mid-Term Business Plan, with a minimum of 3 fiscal years and maximum of 4 fiscal years), are individually referred to as the "Target Period") and for each subsequent Target Period.

The Company will, in principle, make additional contributions to the Trust for each Target Period until the termination of the Proposed Plan, providing funds deemed necessary for the Trust to acquire in advance the number of shares reasonably expected to be required for delivering shares to Directors, etc. based on the Proposed Plan. However, if the Company makes such additional contributions, any remaining Company shares (excluding shares that are equivalent to points awarded to Directors, etc. in the latest Target Period but have not been provided yet) and money held in the trust assets (collectively the "Residual Assets") will be used as funds for grants under the Proposed Plan in subsequent Target Periods. The Company will calculate the amount of additional contributions after taking these Residual Assets into account. The Company will disclose any decisions regarding additional contributions in a timely and appropriate manner.

(5) Method for the Trust to Acquire the Company's Shares and the Number of Shares to be Acquired

The Trust will acquire the Company's shares using the funds contributed as specified in (4) above, either via the stock market or by subscribing to treasury shares disposed of by the Company.

The maximum number of points awarded to Directors, etc. is 158,880 per fiscal year (of which 132,400 points for Executive Directors) as specified in (6) below, so the maximum number of the Company's shares to be acquired by the Trust for BBT-RS Initial Target Period is 317,760 (of which 264,800 points for Executive Directors). For example, if the Board of Directors determines each period that begins after the Initial Target Period to be 3 fiscal years in the future, the maximum number of the Company's shares to be acquired by the Trust for the Target Period is 476,640 (of which 397,200 points for Executive Directors). Details of the acquisition of the Company's shares through the Trust shall be disclosed in a timely and appropriate manner.

(6) Upper limit on Stock Compensation for Directors, etc.

For each fiscal year, Directors, etc. shall be granted points determined after taking into consideration matters such as their positions and performance achievement levels in accordance with the officer stock benefit rules. The maximum total number of points that can be granted to Directors, etc. shall be 158,880 points (of which 132,400 points for Executive Directors). This was decided after comprehensively taking into consideration the current level of officers' compensation, the trend and future prospects for the number of Directors, etc., and other factors, and is deemed to be fair and adequate.

The points granted to Directors, etc. shall be converted to the number of the Company's shares by converting one point to one share of common stock of the Company, upon the Granting of Stock Compensation in (7) below (however, in the event a stock split, a gratis allotment of shares, or a stock consolidation of the Company's shares is carried out after the approval of this proposal, the Company shall reasonably adjust the limit of the number of points, the number of points already granted or their conversion ratio, in accordance with the ratios of such stock-related actions).

The number of points used as the basis for Stock Compensation grants to Directors, etc. described in (7) below will, in principle, be the number of points granted to each individual by the time of confirmation of their beneficiary rights specified in (7) below (hereinafter, points calculated in this manner will be referred to as the "Number of Confirmed Points").

(Translation)

(7) Granting of Stock Compensation and Specific Calculation Method for the Amount of Compensation, etc.  
In principle, Director, etc. who meet the beneficiary requirements will receive the Company's shares from the Trust at a fixed time each year based on the Number of Confirmed Points set out in (6), after completion of the designated beneficiary confirmation procedures. However, if Directors, etc. meet certain requirements set forth in the officer stock benefit rules, a portion of the granted points will be settled in cash equivalent to the market value of the Company's shares upon resignation, in principle, in lieu of the share grant. The Trust may sell the Company's shares in order to fund the cash payment.

If Directors, etc. receive the Company's shares during their term of office, they must enter into a Comprehensive Transfer Restriction Agreement with the Company prior to receiving such shares, pursuant to Section 3 below. These shares granted to Directors, etc. will be subject to restrictions on transfer and other forms of disposal until their resignation.

Further, even if Director, etc. have been granted points, they will not be entitled to receive Stock Compensation if they resign for certain violations during their term of office or if they perform misconduct which may cause damage to the Company during their term of office.

The amount of compensation, etc. to be received by Directors shall be based on the amount obtained by multiplying the total number of points granted to Directors by the book value per share of the Company's shares held by the Trust as of the final day of each fiscal year (provided, however, that if a share split, allotment of shares without consideration, share consolidation or the like is conducted with respect to the Company's shares, reasonable adjustment will be made according to such ratio, etc.). In addition, if money is exceptionally delivered in accordance with the provisions of the director stock benefit rules and it is deemed appropriate, the amount of such money shall be added.

#### (8) Exercise of Voting Rights

In accordance with instructions from the trust administrator, the voting rights attached to the Company's shares held in the Trust account shall not be exercised without exception. This approach intends to ensure neutrality in the Company's management regarding the exercise of the voting rights attached to the Company's shares held in the Trust account.

#### (9) Treatment of Dividends

The Trust shall receive dividends from the Company's shares held in the Trust account and allocate them to the payment of the costs for acquiring the Company's shares and to the trust fees for the Trust's trustees, etc. If the Trust is terminated, any residual funds in the Trust, including dividends, shall be provided to the Directors, etc. who are in office at the time based on the number of points held by each Directors, etc. on a pro-rata basis, in accordance with the provisions of the officer stock benefit rules.

#### (10) Termination of Trust

The Trust shall terminate upon the occurrence of events such as a delisting of the Company's shares or abolition of the officer stock benefit rules.

Of the Trust's residual assets as at the termination of the Trust, the Company plans to acquire all of the Company's shares without consideration and to retire them by resolution of the Board of Directors. Of the Trust's residual assets as at the termination of the Trust, cash shall be provided to the Company, excluding the amount to be provided to Directors, etc. as described in (9) above.

### 3. Outline of the Comprehensive Transfer Restriction Agreement for the Company's shares granted to Directors, etc.

When Directors, etc. receive the Company's shares during their term of office under the Proposed Plan, they must enter into a Comprehensive Transfer Restriction Agreement with the Company (hereinafter referred to as the "Transfer Restriction Agreement") prior to receiving such shares. The Transfer Restriction Agreement will include the following provisions. (The grant of shares is conditional upon the execution of the Transfer Restriction Agreement.) However, if an Executive Director or Corporate Officer has already resigned at the time of the grant, the shares may be granted without the execution of the Transfer Restriction Agreement.

#### (a) Details of transfer restrictions

Directors, etc. may not transfer, pledge, or otherwise dispose of the Company's shares granted from the date of grant until the date they resign from all positions as Directors, etc. of the Company.

#### (b) Free acquisition by the Company

In the event of certain violations or if the conditions for lifting the transfer restrictions set forth in (c) below are not met, the Company will acquire the relevant shares without consideration.

#### (c) Lifting of transfer restrictions

(Translation)

If an Executive Director or Corporate Officer resigns from all positions as Directors, etc. of the Company for a legitimate reason or due to death, the transfer restrictions will be lifted at that time.

(d) Treatment in the event of corporate reorganization

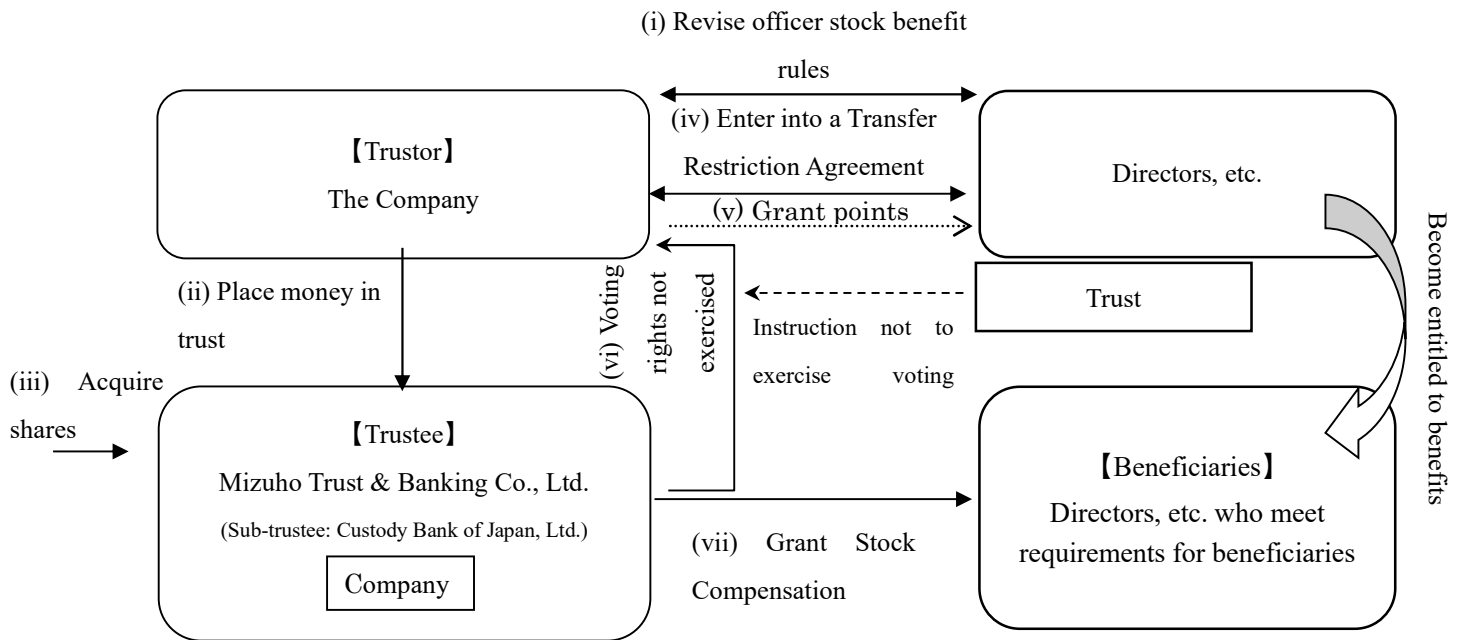
If a merger agreement in which the Company is to be dissolved or any other corporate reorganization matter is approved at a General Shareholders' Meeting or equivalent body during the transfer restriction period, the Board of Directors will, by resolution, lift the transfer restrictions immediately before the business day preceding the effective date of the reorganization.

The Company's shares subject to transfer restrictions under the Transfer Restriction Agreement will be managed in a dedicated account opened by the eligible Executive Director or Executive Officer at a securities company designated by the Company to ensure that such shares cannot be transferred, pledged, or otherwise disposed of during the transfer restriction period.

In addition to the above, the Transfer Restriction Agreement will include provisions regarding methods of declaration and notification under the agreement, procedures for amending the agreement, and other matters determined by the Board of Directors.

(Translation)

<Reference: Scheme of the Proposed Plan>



- (i) Subject to approval of the resolution regarding officers' compensation under the Proposed Plan at the General Shareholders' Meeting, the Company will revise officer stock benefit rules within the scope approved at the General Shareholders' Meeting.
- (ii) The Company will place money in trust within the scope approved under the resolution at the General Shareholders' Meeting in (i).
- (iii) The Trust will use funds entrusted by the Company in (ii) to acquire shares in the Company either via the stock market or by subscribing to treasury shares disposed of by the Company.
- (iv) Directors, etc. will enter into a Transfer Restriction Agreement with the Company. The agreement stipulates that the Company's shares received during their term of office will be subject to restrictions on transfer and other forms of disposal until their resignation and includes provisions for free acquisition by the Company under certain conditions.
- (v) The Company will grant points to Directors, etc. in accordance with the officer stock benefit rules.
- (vi) In accordance with instructions from the trust administrator, independent from the Company, the Trust will refrain from exercising voting rights associated with the Company's shares held within the Trust account.
- (vii) At a certain time each year, the Trust will provide Directors, etc. who meet requirements for beneficiaries set forth in the officer stock benefit rules (hereinafter "Beneficiaries") with the Company's shares based on the number of points they have been granted. However, If Directors, etc. meet certain requirements set forth in the officer stock benefit rules, a portion of the granted points will be settled in cash equivalent to the market value of the Company's shares.

(Translation)

[Policy concerning the amount of compensation to Directors and Audit & Supervisory Board Members and the calculation method (after the revisions)]

If this proposal is approved as originally proposed, the content of the policy concerning the amount of compensation to Directors and Audit & Supervisory Board Members and the calculation method will be as follows:

1) Basic views on the system of compensation

Compensation to Executive Directors (Directors who concurrently serve as Corporate Officers) is composed of basic compensation, which is fixed compensation, and bonus and stock-based compensation, which are performance-linked compensation. Compensation to Non-Executive Directors (Outside Directors and Directors who do not concurrently serve as Corporate Officers; hereinafter the same applies) and Audit & Supervisory Board members is limited to basic compensation and no bonus and stock-based compensation shall be paid.

2) Compensation structure

Compensation to Directors and Audit & Supervisory Board Members is composed of basic compensation, which is fixed compensation, and bonus and stock-based compensation, which are performance-linked compensation. The types of compensation applicable according to officer classification are as follows:

- Executive Directors: Basic compensation, bonuses, stock-based compensation
- Non-Executive Directors: Basic compensation
- Audit & Supervisory Board Members: Basic compensation

3) Performance-linked compensation scheme

Performance-linked compensation is composed of bonus and stock-based compensation.

a. Bonuses are paid in cash after annual performance has been finalized, with the objective of providing incentives for the reliable achievement of annual performance targets and appropriate management. In principle, bonuses are calculated based on the standard bonus amount determined according to position, taking into account consolidated orders received, consolidated net sales of completed construction contracts, consolidated ordinary income, consolidated profit, and the individual evaluation of each Director for the relevant fiscal year. These indicators have been selected as financial indicators for the calculation of bonuses because each of them is an important KPI set forth in the Mid-Term Business Plan. The payment rate shall fluctuate within a range of 0% to 150% depending on the degree of achievement of the financial indicators.

b. For stock-based compensation, the Company has introduced the Stock Benefit Trust (BBT-RS) with the objective of enhancing medium- to long-term corporate value and sharing value from a perspective closer to that of shareholders. Points are granted at a fixed time each year, and restricted shares corresponding to the number of points granted are delivered. However, for a certain percentage of the points granted, cash equivalent to the market value of the Company's shares shall, in principle, be paid at the time of retirement in lieu of delivery of the Company's shares. In principle, stock-based compensation is calculated based on the standard stock-based compensation amount determined according to position, taking into account relative TSR (TOPIX including dividends), ROE, and non-financial indicators (initiatives for long-term strategies (including sustainability and investment in human capital and intellectual property, etc.) and strengthening of governance) for the relevant fiscal year. These indicators have been selected for the calculation of stock-based compensation because they are either important KPIs set forth in the 10-Year Plan 2035 or important indicators for achieving the 10-Year Plan 2035. The payment rate shall fluctuate within a range of 0% to 200% depending on the degree of achievement of the targets.

c. The ratio of basic compensation to performance-linked compensation consisting of bonuses and stock-based compensation shall be structured such that higher-ranking positions carry a greater weighting of performance-linked compensation than lower-ranking positions. Based on the standard payment amount, the ratio for the Representative Director and President shall be 45.0:27.5:27.5.

The performance-linked indicators, compensation structure ratios, compensation scheme, and other matters shall be periodically reviewed by the Nomination and Compensation Advisory Committee in light of changes in the business environment and other factors, and revised as necessary.

4) Level of compensation

The Nomination and Compensation Advisory Committee verifies the level of compensation by analyzing and comparing compensation data of industry peer companies from survey data compiled by a third-party organization.

## Business Report

(From April 1, 2025, to March 31, 2026)

### 1. Overview of the Taikisha Group

#### (1) Business Progress and Results

##### 1) Overview of business

In this fiscal year, the global economy remained unstable due to prolonged geopolitical risks in regions including Eastern Europe and the Middle East, as well as fluctuations in prices and financial and capital markets associated with the monetary policies of various countries, coupled with the impact of U.S. tariff policies. In the U.S., while there were concerns over downside risks to the economy due to soaring energy prices and persistently high interest rates, the economy generally remained firm, supported by solid consumption among high-income earners and increased capital investment by companies. In China, growth continued to slow due to sluggish domestic and foreign demand caused by the stagnation of the real estate market and the impact of U.S.-China trade friction. In Southeast Asia, domestic and foreign demand remained firm against a backdrop of increased capital investment associated with supply chain reorganization and improvements in labor markets, and the economy maintained positive growth. The Japanese economy mildly recovered along with improvements in employment and income conditions and inbound demand, despite the ongoing concerns of downward pressures on economy, such as financial policies and geopolitical risks overseas.

Among the market environments of the Taikisha Group, in overseas markets, capital investment by various manufacturers continued to be steady, despite concerns about slowdown in the global economy.

On the other hand, in the domestic market, investments related to semiconductors and data centers, as well as investments by automobile manufacturers continued, and the demand for the renovations in the metropolitan area was steady.

Under such circumstances, in the 10-Year Plan 2035, the Taikisha Group set the slogan “Be Engineering for a Sustainable Society” as our goal for 2035, and promotes the following initiatives in order to achieve medium- to long-term growth.

Firstly, as an initiative for the global regional strategies of the Green Technology System Business under the 10-Year Plan 2035, the Company promotes order acquisition and construction activities through collaboration among bases in multiple countries in ASEAN.

As achievements for this fiscal year, through a referral from the Company’s base in India, the Company received orders from the same pharmaceutical manufacturer for factory construction projects in Indonesia and Vietnam. In addition, as an example of collaboration in construction, for a data center project ordered by a mega cloud provider, the Company gathered supporting construction personnel from bases different from the construction base to carry out the work. In connection with this project, local personnel visited Japan and toured data center construction sites in order to acquire know-how regarding efficient construction methods and other matters. Going forward, while establishing a framework to respond to demand for capital investment in ASEAN, the Company will focus on acquiring orders from customers related to data centers, pharmaceuticals, food products, and semiconductors.

In order to further enhance and systematically promote such region-specific initiatives, the Company newly established the Regional Strategy Department and established strategy offices for each region under the department. The newly established Asean Strategy Office will work on approaches to global companies through collaboration among the ASEAN bases; the East Asia Strategy Office will work on approaches to semiconductor-related companies centered on Japan and Taiwan; the India Strategy Office will work on expanding the order acquisition structure by utilizing bases for the HVAC, paint finishing system, and panel businesses; the North America Strategy Office will work on establishing the HVAC business by utilizing bases for the paint finishing system business; and the Domestic Strategy Office will work on improving productivity.

Secondly, as an initiative for the global regional strategies of the Paint Finishing System Business, the Company conducted an M&A of a North American automation company with a strong customer base among major U.S. automobile manufacturers (the Detroit Three), aiming to strengthen the automation field, which is a growth business. Going forward, by leveraging development bases in Japan and the U.S.,

(Translation)

the Company will analyze issues at users' sites from multiple perspectives and aim to provide automation systems equipped with optimal equipment configurations and control methods.

Given such circumstances, consolidated orders received increased both in Japan and overseas by 26.8% year-on-year to ¥351,740 million. This includes orders received overseas, which increased 32.4% year-on-year to ¥185,480 million.

Consolidated net sales of completed construction contracts increased 3.6% year-on-year to ¥286,127 million, increasing overseas although decreasing in Japan. This includes net sales of completed construction contracts overseas, which increased 9.4% year-on-year to ¥144,031 million.

In regard to profits, gross profit on completed construction contracts increased ¥10,253 million year-on-year to ¥55,259 million, operating income increased ¥5,349 million year-on-year to ¥23,320 million, ordinary income increased ¥4,852 million year-on-year to ¥24,790 million, and profit attributable to owners of parent increased ¥4,568 million year-on-year to ¥15,594 million.

**Orders received, net sales of completed construction contracts and construction carried forward by each division**

(Millions of yen)

| Category                         |                                   | Construction brought forward | Orders received   | Total             | Net sales of completed construction contracts | Construction carried forward |
|----------------------------------|-----------------------------------|------------------------------|-------------------|-------------------|-----------------------------------------------|------------------------------|
| Green Technology System Division | Building HVAC                     | 56,015                       | 77,129            | 133,144           | 46,186                                        | 86,958                       |
|                                  | Industrial HVAC                   | 96,705                       | 139,458           | 236,164           | 136,856                                       | 99,307                       |
|                                  | Subtotal [Overseas]               | 152,720 [41,868]             | 216,588 [72,342]  | 369,308 [114,210] | 183,043 [61,448]                              | 186,265 [52,762]             |
| Paint Finishing System Division  | Paint Finishing System [Overseas] | 86,072 [67,724]              | 135,151 [113,138] | 221,224 [180,862] | 103,084 [82,582]                              | 118,140 [98,280]             |
| Total [Overseas]                 |                                   | 238,793 [109,593]            | 351,740 [185,480] | 590,533 [295,073] | 286,127 [144,031]                             | 304,405 [151,042]            |

(Note)

Regarding foreign exchange translation of contracts brought forward from previous year in foreign subsidiaries, fluctuation amount because of foreign exchange is adjusted in the beginning balance of construction contracts brought forward.



(Translation)

Earnings by reportable segment (including intersegment transactions)

|                                         |                                                                                           |                                                                                                                        |
|-----------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>Green Technology System Division</b> | Consolidated orders received<br><b>¥216,588 million</b><br>(increased 20.9% year-on-year) | Consolidated net sales of completed construction contracts<br><b>¥183,176 million</b><br>(increased 8.1% year-on-year) |
|-----------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|

Consolidated orders received increased compared to the previous fiscal year, as orders increased in Thailand, Singapore, and other countries in the building HVAC sector and industrial HVAC sector. Consolidated net sales of completed construction contracts increased compared to the previous fiscal year, mainly due to an increase in the building HVAC sector.

As a result, consolidated orders received increased 20.9% year-on-year to ¥216,588 million. The breakdown is orders received for building HVAC of ¥77,129 million which increased 43.4% year-on-year and orders received for industrial HVAC of ¥139,458 million which increased 11.2% year-on-year. Consolidated net sales of completed construction contracts increased 8.1% year-on-year to ¥183,176 million. The breakdown is sales for building HVAC of ¥46,186 million which increased 25.4% year-on-year and sales for industrial HVAC of ¥136,990 million which increased 3.3% year-on-year. Segment profit (ordinary income) increased ¥5,520 million year-on-year to ¥20,820 million.

|                                        |                                                                                           |                                                                                                                        |
|----------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>Paint Finishing System Division</b> | Consolidated orders received<br><b>¥135,151 million</b><br>(increased 37.6% year-on-year) | Consolidated net sales of completed construction contracts<br><b>¥103,088 million</b><br>(decreased 3.6% year-on-year) |
|----------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|

Consolidated orders received increased compared to the previous fiscal year, due to increases in Europe, China, and other regions. Consolidated net sales of completed construction contracts decreased compared to the previous fiscal year, due to a decrease in Japan caused by a reactionary decline from the contribution of large-scale domestic projects in the previous fiscal year, although increasing in India, Europe, and other regions.

As a result, consolidated orders received increased 37.6% year-on-year to ¥135,151 million and consolidated net sales of completed construction contracts decreased 3.6% year-on-year to ¥103,088 million. Segment profit (ordinary income) increased ¥109 million year-on-year to ¥4,365 million.

As for the non-consolidated performance of the Company, orders received increased 14.9% year-on-year to ¥164,528 million while net sales of completed construction contracts increased 0.5% year-on-year to ¥145,404 million. Profit of the Company increased ¥7,108 million year-on-year to ¥17,374 million.

## 2) Capital expenditures

There is nothing of significance to mention for the fiscal year.

## 3) Financing

There is nothing of significance to mention for the fiscal year.

(Translation)

## (2) Changes in Assets and Income

### 1) Changes in operating results

(Millions of yen)

|                                                        | Year ended<br>March 31, 2022<br>(77th term) | Year ended<br>March 31, 2023<br>(78th term) | Year ended<br>March 31, 2024<br>(79th term) | Year ended<br>March 31, 2025<br>(80th term) | Year ended<br>March 31,<br>2026<br>(81st term)<br>This<br>consolidated<br>fiscal year |
|--------------------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------------------------------------------------|
| Orders received                                        | 232,120                                     | 288,670                                     | 263,549                                     | 277,403                                     | 351,740                                                                               |
| Net sales of<br>completed<br>construction<br>contracts | 209,261                                     | 214,793                                     | 293,556                                     | 276,212                                     | 286,127                                                                               |
| Ordinary income                                        | 10,818                                      | 13,001                                      | 19,852                                      | 19,938                                      | 24,790                                                                                |
| Profit<br>attributable to<br>owners of parent          | 7,248                                       | 7,917                                       | 15,602                                      | 11,026                                      | 15,594                                                                                |
| Basic earnings<br>per share (Yen)                      | 106.35                                      | 117.31                                      | 235.97                                      | 169.44                                      | 245.14                                                                                |
| Total assets                                           | 228,159                                     | 237,105                                     | 266,494                                     | 268,448                                     | 286,820                                                                               |
| Net assets                                             | 130,788                                     | 131,992                                     | 151,562                                     | 156,486                                     | 170,232                                                                               |
| Net assets per<br>share (Yen)                          | 1,829.27                                    | 1,894.37                                    | 2,194.04                                    | 2,282.91                                    | 2,555.19                                                                              |

(Notes)

1. “Basic earnings per share” is calculated based on the average number of shares outstanding during the year after subtracting treasury shares. “Net assets per share” is calculated based on the total number of issued shares at the end of the year after subtracting treasury shares. The number of treasury shares does not include the number of the Company’s shares held by Custody Bank of Japan, Ltd. (Trust E Account), because of the introduction of the ESOP (Employee Stock Ownership Plan). Meanwhile, the number of treasury shares includes the number of the Company’s shares held by Custody Bank of Japan, Ltd. (Trust E Account), because of the introduction of the BBT (Board Benefit Trust).
2. The Company conducted a 2-for-1 share split of common share, with an effective date of April 1, 2025. “Basic earnings per share” and “net assets per share” are calculated assuming that the share split was executed at the beginning of the 77th term.

(Translation)

## 2) Changes in net sales of completed construction contracts by each division

(Millions of yen)

|                                           |                              | Year ended<br>March 31,<br>2022<br>(77th term) | Year ended<br>March 31,<br>2023<br>(78th term) | Year ended<br>March 31,<br>2024<br>(79th term) | Year ended<br>March 31,<br>2025<br>(80th term) | Year ended<br>March 31,<br>2026<br>(81st term)<br>This<br>consolidated<br>fiscal year |
|-------------------------------------------|------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|---------------------------------------------------------------------------------------|
| Green<br>Technology<br>System<br>Division | Building<br>HVAC             | 40,978                                         | 45,355                                         | 40,756                                         | 36,839                                         | 46,186                                                                                |
|                                           | Industrial<br>HVAC           | 93,414                                         | 126,488                                        | 175,763                                        | 132,580                                        | 136,856                                                                               |
|                                           | Subtotal                     | 134,393                                        | 171,844                                        | 216,519                                        | 169,420                                        | 183,043                                                                               |
| Paint<br>Finishing<br>System<br>Division  | Paint<br>Finishing<br>System | 74,867                                         | 42,948                                         | 77,036                                         | 106,792                                        | 103,084                                                                               |
| Total<br>[Overseas]                       |                              | 209,261<br>[101,552]                           | 214,793<br>[80,556]                            | 293,556<br>[137,792]                           | 276,212<br>[131,635]                           | 286,127<br>[144,031]                                                                  |

## (3) Issues to Be Addressed

### 1) Basic management policy of the Company

In order to respond flexibly and swiftly to the dramatic changes in the business environment surrounding the Company and to aim for the long-term and sustainable increase of the economic value and social value of the Taikisha Group, the Taikisha Group reviewed its philosophy system and established the Purpose, “Protect TAIKI\*, Pioneer the Future,” based on the spirit of “Customers First,” believing that it is necessary to clarify the unchanging principles that serve as our foundation regardless of the times.

\*“TAIKI” echoes our name and represents the air—and the wider global environment.

#### a. Purpose: Protect TAIKI, Pioneer the Future

Through our engineering expertise and ingenuity, we strive to harmonize industrial advancement with the global environment, contributing to richer lives for people.

The company name “Taikisha” embodies the strong aspiration and unwavering determination to “restore clear air” at a time when pollution issues became a major social concern in Japan. In the years ahead as well, driven by our commitment to our customers and greater society, we will continuously pursue harmony between industrial advancement and the global environment by creating more innovative solutions.

#### b. Vision: Total Knowledge for Solutions

As an engineering company, we create optimal solutions in workplaces around the world by integrating cutting-edge technologies into Green Technology and Robotics Automation.

To realize our Purpose, we will continue to materialize the solutions required at each workplace every day through creating innovation by leveraging our “Green Technology” and “Robotics Automation” cultivated in the fields of energy, air, and water, together with insights and networks from around the world.

### 2) 10-Year Plan 2035 (FY2025–FY2034)

In the 10-year plan disclosed on May 15, 2025, the Taikisha Group set our goal for 2035: “Be Engineering for a Sustainable Society” (global engineering company dedicated to social sustainability). In response to the demand for progress of production innovation in wide variety of industry sectors and sustainability including decarbonization, the Taikisha Group believes that solving social problems by creating optimal systems by integrating core technologies from various fields is our mission. To realize our goal for 2035, the Taikisha Group has set two strategic policies, “Innovative Engineering” and “Global Inclusion.” In

(Translation)

addition, under these two strategic policies, the Taikisha Group set the “eight strategic focal points” for the Company.

a. Two policies

(i) “Innovative Engineering”

The Taikisha Group aims to be a company that contributes to smart and carbon-neutral industrial development by developing systems and mechanisms that provide required functions through combining “element technologies in various engineering fields.”

- Focus on industry sectors

The Taikisha Group will strengthen engineering in advanced industry sectors such as electronics, automotive, pharmaceuticals, and data centers, and demonstrate its uniqueness, which is its “point of origin.”

- Pursuit of “Design, Build & Care”

The Taikisha Group will aim to establish the engineering that creates high value added by providing integrated services from proposal of design to construction and after-sales services.

- Optimization of green transformation (GX) and digital transformation (DX)

The Taikisha Group will promote decarbonization and smartification of production environment of companies that are taking on the challenge of carbon neutrality and digitization, and provide them solutions that utilize cutting-edge technologies.

(ii) “Global Inclusion”

The Taikisha Group will develop businesses that are based on local communities around the world to resolve global environmental and social issues, and aims to be a company that can thrive with industries, societies, and people around the world.

- Global network

The Taikisha Group will strengthen its trusting relationship with industrial communities in Japan and overseas by utilizing the global network across 30 business locations in 20 countries developed over 50 years.

- Global R&D framework

The Taikisha Group will take on the challenge of technology innovation with its five global R&D centers to meet the needs of industrial communities around the world and to provide issue-solving engineering and wide variety of advanced technologies.

- Global and local commitments

The Taikisha Group will contribute to the resolution of global-scale environmental and social issues through business development by people who fully understand the local market needs of various countries around the world.

(Translation)

b. Eight strategic focal points

- (i) Active expansion into growth industries  
The Taikisha Group will expand its business by focusing on growing industrial markets, such as semiconductors, electronic parts/components, mobility, batteries, biopharmaceuticals, and data centers and responding to technology innovation and market needs. By doing so, the Taikisha Group will provide engineering services that support a sustainable society.
- (ii) Global regional strategies  
The Taikisha Group will strengthen its global competitiveness by providing required technologies and products and developing strategies that align with the regional characteristics in overseas markets such as North America, India, Europe and ASEAN.
- (iii) Development of non-Japanese customers  
The Taikisha Group will proceed with the discovery and development of non-Japanese customers that are expected to grow globally through making its technical capability visible and turning its unique technologies into global standard. By doing so, the Taikisha Group aims to transform its Japan-centered customer portfolio.
- (iv) Enhancement of intellectual capital  
The Taikisha Group will contribute to greening and smartification in a wide variety of industry sectors through the advancement of GX engineering to be achieved by development of new businesses utilizing new technologies that contribute to CO<sub>2</sub> reduction in industries and society and advancement of DX/automation technology to be achieved by advanced factory automation technologies developed in automobile paint finishing system business.
- (v) Enhancement of human capital  
The Taikisha Group will ensure quantitative and qualitative enhancement of human capital and business process rationalization and efficiency improvement to enhance its ability to address rapidly expanding business opportunities.
- (vi) Enhancement of business execution/monitoring structures  
The Taikisha Group will strengthen its framework for business promotion and monitoring through various measures, including the establishment of the Growth Strategy Council and the Digital Innovation Committee, strengthening of functions of the Digital Strategy Committee, and group-wide extension of ROIC management.
- (vii) Enhancement of global group management infrastructure  
The Taikisha Group will strengthen global governance through the initiatives including introduction of the common global IT systems infrastructure, enhancement of IT governance structures, and establishment of the ASEAN Regional Management Dept.
- (viii) DX strategy  
The Taikisha Group will leverage data analytics and simulations to provide new value, accelerate global collaboration and co-creation, and improve operational efficiency and develop high-profit structures through business process reforms centered on digital infrastructure.

(Translation)

### 3) Targeted management indices

The financial and non-financial targets under the 10-Year Plan 2035 and the Mid-Term Business Plan are as follows:

(Billions of yen)

| Item                                                | Actual<br>(March 31,<br>2026) | Forecast<br>(March 31,<br>2027) | Mid-Term<br>Business Plan<br>(March 31,<br>2028) | Mid-Term<br>Business Plan<br>(March 31,<br>2031) | Mid-Term<br>Business Plan<br>(March 31,<br>2035) |
|-----------------------------------------------------|-------------------------------|---------------------------------|--------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Orders received                                     | 351.7                         | 330.5                           | 296.0                                            | —                                                | —                                                |
| Net sales of completed construction contracts       | 286.1                         | 307.0                           | 336.5                                            | 400.0                                            | Over 500.0                                       |
| Ordinary income                                     | 24.7                          | 25.0                            | 22.7                                             | —                                                | —                                                |
| Profit attributable to owners of parent             | 15.5                          | 18.0                            | 15.8                                             | —                                                | —                                                |
| Return on equity (ROE)                              | 10.1%                         | 11.0%                           | 10.3%                                            | 11.0%                                            | 12.0% or more                                    |
| Shareholders' equity ratio                          | 56.1%                         | —                               | 40% or more                                      | —                                                | —                                                |
| Dividend policy (DOE)                               | 4.5% (4.0%)                   | 4.5% (4.0%)                     | 4.5% (4.0%)                                      | 4.5%                                             | 5.0% or more                                     |
| Share buybacks                                      | 5.0                           | 5.0                             | 5.0                                              | —                                                | —                                                |
| Ratio of cross-shareholdings to net assets          | 21.1%                         | 15%-20%                         | 15% or less                                      | —                                                | —                                                |
| CO <sub>2</sub> emissions (Scope 1, 2) (vs. FY2022) | —                             | —                               | 26% lower                                        | 42% lower                                        | 53% lower                                        |
| CO <sub>2</sub> emissions (Scope 3) (vs. FY2022)    | —                             | —                               | 15% lower                                        | 25% lower                                        | 35% lower                                        |
| Number of employees                                 | 5,525                         | —                               | —                                                | —                                                | 7,200                                            |

\*Figures in red indicate the revised numerical targets. Figures in parentheses indicate the target values as of May 2025.

(Translation)

#### 4) Issues to be addressed preferentially

To realize our goal for 2035, the Taikisha Group positions the Mid-Term Business Plan starting in the fiscal year ended March 31, 2026 as a three-year period of “restructuring for transformation,” and sets the following as the management issues: implementation of financial strategies, implementation of growth strategies, and development of systems/structures to support growth strategies.

##### a. Implementation of financial strategies

While considering the optimal capital balance, the Taikisha Group will conduct investment in growth and infrastructure investment to enhance the cash generating power in future, as well as dividend payment as shareholder returns and share buybacks on a steady basis, by utilizing funds from sale of cross-shareholdings, cash flows from operating activities before investment, allocatable funds, and funds from loans.

|          |                                                                          | (Billions of yen) |
|----------|--------------------------------------------------------------------------|-------------------|
| Category | Item                                                                     | Amount            |
| Cash in  | Sale of cross-shareholdings                                              | 5.0               |
|          | Core cash flows (Cash flows from operating activities before investment) | 51.5              |
|          | Use of allocatable funds (cash and deposits) or loans                    | 16.5              |
|          | Total cash in                                                            | 73.0              |
| Cash out | Business growth investment (R&D, new businesses, etc.)                   | 6.5               |
|          | Growth investment Capital allocation (M&A, etc.)*                        | 22.0              |
|          | Digital growth investment                                                | 7.0               |
|          | Human capital investment for growth                                      | 2.5               |
|          | Investment in growth total                                               | 38.0              |
|          | Infrastructure investment                                                | 3.5               |
|          | Dividend                                                                 | 16.5              |
|          | Share buybacks                                                           | 15.0              |
|          | Total cash out                                                           | 73.0              |

\* Regional breakdown of capital allocation

|               |      |
|---------------|------|
| Japan         | 7.0  |
| North America | 7.0  |
| India         | 5.0  |
| Europe        | 2.0  |
| ASEAN         | 1.0  |
| Total         | 22.0 |

(Translation)

b. Implementation of growth strategies

(i) Green Technology System Business

As for the market strategy, the Taikisha Group aims to maintain and improve its presence in semiconductor and electronic parts/components markets. In the semiconductor sector, the Taikisha Group will promote enhancement of project structure and offer solutions for precise temperature control in Kyushu and East Asia. In the electric parts/components sector, the Taikisha Group intends to enter into the water treatment business, expand the energy management business, and expand the overseas electrical engineering business. As initiatives to support these, the Taikisha Group will expand and optimize human capital, improve productivity, and strengthen relationships with partner companies in Japan. In ASEAN, the Taikisha Group established Management Dept. in Singapore as part of enhancement of the organizational structure and will promote information sharing, human resources enhancement, and establish bases for technology innovation. Furthermore, the Taikisha Group will create a path to carbon neutrality through the development of GX engineering technology, to enhance energy solutions, expand support for resource recycling, and enhance support for environmental compliance.

(ii) Paint Finishing System Business

The Taikisha Group aims to maintain and improve its presence in automotive and non-automotive markets. In the automotive market, the Taikisha Group will promote implementation of dry decoration technology with green factory technologies, proactive marketing to automotive OEMs, advancement of automation with smart factory technologies, and expansion of European customer portfolio. In the non-automotive market, the Taikisha Group will contribute to development of smart industrial HVAC systems by leveraging sales synergy with Green Technology System Business, aiming to apply the painting technologies and the carbon neutral technology it has cultivated in the automotive market to other industries. The Taikisha Group intends to promote smart factories capable of high-mix, low-volume production, explore dry decoration market, use digital twinning technology to provide integrated services from consulting to after-maintenance, and make proposals of GHG reduction solutions as part of factory operation consulting. Especially in the battery industry, the Taikisha Group will create new value by offering new production line development technologies in response to growing demand for battery plant construction, by utilizing technology synergies between the Green Technology System Business and the Paint Finishing System Business.

(iii) New businesses

Under the Business Development Headquarters, the Taikisha Group will create a unified structure capable of integrating all tasks from surveys and R&D to operations and business development, and advance toward our medium- to long-term business creation goals by further strengthening inter-process linkage. In addition to working for enhancement of the business development infrastructure, the Taikisha Group will proceed with exploitation of unknown/undeveloped areas from the three perspectives, technologies, industries, and regions, through convergence of diverse technologies through the internal and external networks. Specifically, the Taikisha Group will promote new businesses that will resolve environmental and social issues, such as processing of heat energy and exhaust gases, contribution to circular economy, and carbon capture, utilization, storage.

c. Development of systems/structures to support growth strategies

- Enhancement of business execution/monitoring structures

In addition to enhancing management resource allocation strategy and digital strategy governance by establishing the Growth Strategy Council and the Digital Innovation Committee, the Taikisha Group will promote the digital strategies by establishing five subcommittees for the following themes under the Digital Strategy Committee: 1) company-wide BIM, 2) global communications, 3) IT governance and information security, 4) proactive utilization of AI, and 5) electronic procurement.

- Strengthening of global governance

The Taikisha Group will strengthen the global governance by introducing systems, including the Group Corporate Officer System to allow top national managers (CEO) of overseas affiliates to participate in the Group management, the new management accounting system to continuously promote long-term investments by enhancing investment incentives, such as growth investment, and the common global IT systems infrastructure.

- Development of global human resources portfolio management

Toward the creation of global human capital portfolio management system, the Taikisha Group will start development and administration of human capital database for overseas affiliates, firstly in



(Translation)

ASEAN. The Taikisha Group will seek effective administration through visualization and management using technology record sheets. For new graduates and mid-career recruitments, the Taikisha Group will utilize scholarship programs, partnerships with universities, and conduct scouting to acquire specialized personnel. Furthermore, the Taikisha Group will enhance the human resource development systems for overseas markets, develop attractive evaluation and remuneration systems, and promote measures to improve loyalty and engagement to strengthen the human resources base with global talents.

## 5) Capital dividend policy

The Company adopted a fundamental policy of implementing steady dividends targeting a consolidated dividend on equity ratio of 3.2%, with profit return to shareholders through dividends as one of our most important measures, from the fiscal year ended March 31, 2023. Based on the recent improvement in profitability, the Company has raised its target consolidated dividend on equity ratio to 4.5% for the fiscal year ended March 31, 2026 and beyond. In addition, the Group will flexibly purchase and retire treasury shares in order to improve capital efficiency and promptly implement financial policies.

The amount of treasury shares to be purchased during the period of the Mid-Term Business Plan is planned to be ¥5.0 billion per year. (For the fiscal year ended March 31, 2026, ¥5.0 billion of treasury shares has already been purchased.)

## 6) Plan to sell cross-shareholdings

As of March 31, 2026, the Company had progressed with sales amounting to ¥1.9 billion. However, due in part to the impact of rising share prices, the ratio of cross-shareholdings to net assets stood at 21.1%.

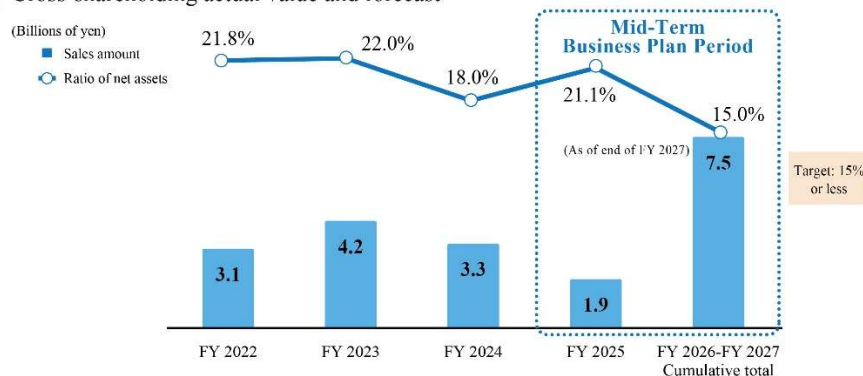
In light of the recent rise in share prices, the Company determined that it would be difficult to achieve the target of reducing the ratio to net assets to 15% or less under the previous target amount of sales of ¥5.0 billion. Accordingly, the Company revised the target amount of sales for the three-year period of the Mid-Term Business Plan upward by ¥4.5 billion to a cumulative total of ¥9.5 billion.

The Company will continue to proceed with the sale of cross-shareholdings in order to achieve the plan of reducing the ratio to 15% or less by the end of the fiscal year ending March 31, 2028.

|                     | Previous Mid-Term Business Plan Period Actual |              |              | Mid-Term Business Plan Period Plan |                               |                             |
|---------------------|-----------------------------------------------|--------------|--------------|------------------------------------|-------------------------------|-----------------------------|
|                     | FY 2022                                       | FY 2023      | FY 2024      | FY 2025<br>(actual value)          | FY 2026-FY 2027<br>(estimate) | Three-year cumulative total |
| Sales amount        | ¥3.1 billion                                  | ¥4.2 billion | ¥3.3 billion | ¥1.9 billion                       | ¥7.5 billion                  | ¥9.5 billion [¥5.0 billion] |
| Ratio of net assets | 21.8%                                         | 22.0%        | 18.0%        | 21.1%                              | 15% or less                   | -                           |

\* Figures in red indicate the revised numerical targets, and figures in brackets indicate the target figures as of May 2025

### ■ Cross-shareholding actual value and forecast



(Translation)

**(4) Significant Subsidiaries**

| Company name                                         | Capital             | Percentage of voting rights held by the Company | Principal business                                                                                                               |
|------------------------------------------------------|---------------------|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| San Esu Industry Co., Ltd.                           | ¥100 million        | 100.00%                                         | Pipework, sheet metal work and can manufacturing work, as well as manufacture and sales of machinery and equipment               |
| Nippon Noise Control Ltd.                            | ¥30 million         | 100.00%                                         | Design, manufacture, sales and installation of silencer and vibration-proof equipment                                            |
| Tokyo Taikisha Service Ltd.                          | ¥20 million         | 100.00%                                         | Design and installation of HVAC systems                                                                                          |
| Vege-factory Co., Ltd.                               | ¥350 million        | 100.00%                                         | Plant factory consulting<br>Design and supervision, production and sales of vegetables<br>Cultivation support at plant factories |
| Taikisha USA, Inc.                                   | USD 10 thousand     | 100.00%                                         | Design and installation of paint finishing and HVAC systems                                                                      |
| Encore Automation LLC <sup>1,2</sup>                 | —                   | 100.00%                                         | Design and installation of paint systems and plants for automobile industry and aviation industry                                |
| Taikisha Canada Inc. <sup>1</sup>                    | CAD 442 thousand    | 100.00%                                         | Design and installation of paint finishing and HVAC systems                                                                      |
| Taikisha de Mexico, S.A. de C.V. <sup>1</sup>        | MXN 11,729 thousand | 100.00%                                         | Design and installation of paint finishing and HVAC systems                                                                      |
| Taikisha do Brasil Ltda. <sup>1</sup>                | BRL 12,107 thousand | 100.00%                                         | Design and installation of paint finishing and HVAC systems                                                                      |
| Taikisha (Singapore) Pte. Ltd.                       | SGD 20 million      | 100.00%                                         | Design and installation of HVAC and paint finishing systems                                                                      |
| Taikisha (Thailand) Co., Ltd. <sup>1</sup>           | THB 40 million      | 85.65%                                          | Design and installation of HVAC and paint finishing systems                                                                      |
| Taikisha Trading (Thailand) Co., Ltd. <sup>1</sup>   | THB 5 million       | 98.80%                                          | Exports and imports of HVAC and paint finishing systems and other products for plants                                            |
| Thaiken Maintenance & Service Co., Ltd. <sup>1</sup> | THB 5 million       | 100.00%                                         | Maintenance services and small-scale works, etc.                                                                                 |
| Token Interior & Design Co., Ltd. <sup>1</sup>       | THB 20 million      | 90.00%                                          | Manufacture and sales of interior goods and materials                                                                            |
| TKA Co., Ltd. <sup>1</sup>                           | THB 5 million       | 100.00%                                         | Manufacture and sales of precision machinery parts                                                                               |
| Taikisha Engineering (M) Sdn. Bhd.                   | MYR 750 thousand    | 100.00%                                         | Design and installation of HVAC and paint finishing systems                                                                      |
| P.T. Taikisha Indonesia Engineering                  | IDR 982 million     | 98.91%                                          | Design and installation of HVAC and paint finishing systems                                                                      |
| P.T. Taikisha Manufacturing Indonesia <sup>1</sup>   | IDR 87,531 million  | 100.00%                                         | Painting of automobile parts                                                                                                     |
| Taikisha Philippines Inc. <sup>3</sup>               | PHP 22 million      | 40.00%                                          | Design and installation of HVAC and paint finishing systems                                                                      |

(Translation)

| Company name                                              | Capital            | Percentage of voting rights held by the Company | Principal business                                                                                               |
|-----------------------------------------------------------|--------------------|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Taikisha Vietnam Engineering Inc.                         | VND 53,895 million | 100.00%                                         | Design and installation of HVAC and paint finishing systems                                                      |
| Taikisha (Cambodia) Co., Ltd.                             | USD 300 thousand   | 100.00%                                         | Design and installation of HVAC and paint finishing systems                                                      |
| Taikisha Myanmar Co., Ltd. <sup>1</sup>                   | USD 2 million      | 100.00%                                         | Design, installation and maintenance of HVAC and paint finishing systems                                         |
| Taikisha Lao Co., Ltd. <sup>1</sup>                       | USD 505 thousand   | 100.00%                                         | Design and installation of HVAC and paint finishing systems                                                      |
| WuZhou Taikisha Engineering Co., Ltd.                     | CNY 51 million     | 70.00%                                          | Design and installation of paint finishing and HVAC systems                                                      |
| Tianjin Taikisha Paint Finishing System Ltd. <sup>1</sup> | CNY 73 million     | 100.00%                                         | Research, development, manufacture, sales and maintenance of paint systems                                       |
| Taikisha Hong Kong Limited                                | HKD 2 million      | 100.00%                                         | Design and installation of HVAC and paint finishing systems                                                      |
| Taikisha (Taiwan) Ltd.                                    | TWD 230 million    | 100.00%                                         | Design and installation of HVAC and paint finishing systems                                                      |
| Taikisha Korea Ltd.                                       | KRW 850 million    | 80.00%                                          | Design and installation of paint finishing and HVAC systems                                                      |
| Taikisha Engineering India Private Ltd.                   | INR 5 million      | 57.89%                                          | Design and installation of paint finishing and HVAC systems                                                      |
| Nicomac Taikisha Clean Rooms Private Limited <sup>1</sup> | INR 10 million     | 100.00%                                         | Manufacture, mounting and design of clean rooms, and design and installation of HVAC and paint finishing systems |
| Taikisha Hungary Kft.                                     | EUR 70 thousand    | 100.00%                                         | Design and installation of paint finishing and HVAC systems                                                      |
| Taikisha Deutschland GmbH                                 | EUR 25 thousand    | 100.00%                                         | Design and installation of paint finishing and HVAC systems                                                      |

(Notes)

- For the companies marked with “1,” the percentage of voting rights held by the Company includes the equity investment by the Company’s subsidiaries.
- The company marked with “2” is a “limited liability company” under U.S. laws; the “Capital” is not stated in the table because the concept precisely falling under such “capital” does not exist.
- Although the Company’s equity in the company marked with “3” is less than 50%, this company is included in the category of “consolidated subsidiaries” as the Company substantially controls it.

## (5) Principal Business

The Taikisha Group is mainly engaged in the design, supervision and installation of HVAC systems and paint finishing systems in Japan and overseas, as well as in the manufacture and sales of related equipment and materials. Major markets and client fields for each business segment are as follows:

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Green Technology System Division | <ul style="list-style-type: none"> <li>General-purpose HVAC systems for offices, hotels, stores, schools, research institutes, theaters, halls, hospitals, data centers and so forth</li> <li>Industrial HVAC systems, including clean rooms and plant factories, for factories and plants of semiconductors, electronic parts/components, batteries, precision machinery, pharmaceuticals, foods and so forth</li> </ul> |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                 |                                                                                                                                                                                                                                                                                                           |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Paint Finishing System Division | <ul style="list-style-type: none"> <li>Paint finishing systems in factories not only for automobile parts/components such as chassis and bumpers slated for automobile industry but also for construction vehicles, rolling stock, aircraft, general-purpose industrial equipment and the like</li> </ul> |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

(Translation)

## (6) Principal Business Locations

### 1) The Company

|                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Head Office         | 8-17-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Branch              | Sapporo Office, Tohoku Branch Office (Sendai-shi), Kanto-Shinetsu Office (Saitama-shi), Tokyo Branch Office (Nakano-ku, Tokyo), Yokohama Office, Hokuriku Office (Kanazawa-shi, Ishikawa), Chubu Branch Office (Nagoya-shi), Osaka Branch Office, Chugoku Office (Hiroshima-shi), Kyushu Branch Office (Fukuoka-shi), New Field Industrial Product And Development Office (Shinjuku-ku, Tokyo), East Japan Office (Shinjuku-ku, Tokyo), West Japan Office (Nagoya-shi), Automation System Head Office (Zama-shi, Kanagawa), ASEAN Management Dept. (Singapore) |
| Sales Office        | Ibaraki (Tsukuba-shi), Nagano, Kyoto, Kobe                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Research Laboratory | Technical Center (Zama-shi, Kanagawa), Research and Development Center (Aikawa-cho, Aiko-gun, Kanagawa)                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

### 2) Subsidiaries

|          |                                              |                       |
|----------|----------------------------------------------|-----------------------|
| Japan    | San Esu Industry Co., Ltd.                   | Hirakata-shi, Osaka   |
|          | Nippon Noise Control Ltd.                    | Nakano-ku, Tokyo      |
|          | Tokyo Taikisha Service Ltd.                  | Shinjuku-ku, Tokyo    |
|          | Vege-factory Co., Ltd.                       | Kasukabe-shi, Saitama |
| Overseas | Taikisha USA, Inc.                           | U.S.A.                |
|          | Encore Automation LLC                        | U.S.A.                |
|          | Taikisha Canada Inc.                         | Canada                |
|          | Taikisha de Mexico, S.A. de C.V.             | Mexico                |
|          | Taikisha do Brasil Ltda.                     | Brazil                |
|          | Taikisha (Singapore) Pte. Ltd.               | Singapore             |
|          | Taikisha (Thailand) Co., Ltd.                | Thailand              |
|          | Taikisha Trading (Thailand) Co., Ltd.        | Thailand              |
|          | Thaiken Maintenance & Service Co., Ltd.      | Thailand              |
|          | Token Interior & Design Co., Ltd.            | Thailand              |
|          | TKA Co., Ltd.                                | Thailand              |
|          | Taikisha Engineering (M) Sdn. Bhd.           | Malaysia              |
|          | P.T. Taikisha Indonesia Engineering          | Indonesia             |
|          | P.T. Taikisha Manufacturing Indonesia        | Indonesia             |
|          | Taikisha Philippines Inc.                    | The Philippines       |
|          | Taikisha Vietnam Engineering Inc.            | Vietnam               |
|          | Taikisha (Cambodia) Co., Ltd.                | Cambodia              |
|          | Taikisha Myanmar Co., Ltd.                   | Myanmar               |
|          | Taikisha Lao Co., Ltd.                       | Laos                  |
|          | WuZhou Taikisha Engineering Co., Ltd.        | China                 |
|          | Tianjin Taikisha Paint Finishing System Ltd. | China                 |
|          | Taikisha Hong Kong Limited                   | China                 |
|          | Taikisha (Taiwan) Ltd.                       | Taiwan                |
|          | Taikisha Korea Ltd.                          | South Korea           |
|          | Taikisha Engineering India Private Ltd.      | India                 |
|          | Nicomac Taikisha Clean Rooms Private Limited | India                 |
|          | Taikisha Hungary Kft.                        | Hungary               |
|          | Taikisha Deutschland GmbH                    | Germany               |

(Translation)

**(7) Employees**

**1) Taikisha Group**

| Type of business            | Number of employees | Increase/Decrease from previous fiscal year-end |
|-----------------------------|---------------------|-------------------------------------------------|
| Equipment installation work | 5,525               | 258                                             |

**2) The Company**

| Number of employees at this fiscal year-end | Increase/Decrease from previous fiscal year-end | Average age | Average years of service |
|---------------------------------------------|-------------------------------------------------|-------------|--------------------------|
| 1,824                                       | 97                                              | 42.0        | 15.2                     |

**(8) Major Lenders**

(Millions of yen)

| Lenders           | Balance of borrowings |
|-------------------|-----------------------|
| Mizuho Bank, Ltd. | 1,005                 |

(Translation)

## 2. Status of Shares (As of March 31, 2026)

### (1) Number of Shares

Total Number of Authorized Shares 200,000,000 shares  
Total Number of Issued Shares 63,418,595 shares  
(excluding 45,423 treasury shares)

### (2) Number of Shareholders

5,926 persons  
(a year-on-year increase of 1,189 persons)

### (3) Major Shareholders (top 10)

| Name of shareholders                                 | Number of shares held (in thousands) | Percentage of shares held to the total number of issued shares (%) |
|------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 7,683                                | 12.12                                                              |
| Custody Bank of Japan, Ltd. (Trust Account)          | 4,079                                | 6.43                                                               |
| Kenzaisha Ltd.                                       | 3,280                                | 5.17                                                               |
| Taikisha Employees Shareholding Association          | 2,486                                | 3.92                                                               |
| Sumitomo Realty & Development Co., Ltd.              | 2,269                                | 3.58                                                               |
| Luft Zwei Ltd.                                       | 2,000                                | 3.15                                                               |
| Taikisha Business Partners Shareholding Association  | 1,942                                | 3.06                                                               |
| Nippon Life Insurance Company                        | 1,732                                | 2.73                                                               |
| BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)           | 1,610                                | 2.54                                                               |
| STATE STREET BANK AND TRUST COMPANY 505001           | 1,496                                | 2.36                                                               |

(Notes)

- The above treasury shares do not include 419,000 shares of the Company held by Custody Bank of Japan, Ltd. (Trust E Account), because of the introduction of the Board Benefit Trust (BBT).
- The “Percentage of shares held to the total number of issued shares” is calculated by subtracting treasury shares from all issued shares.

### (4) Other Share-Related Significant Matters

#### 1) Share split

The Company resolved at a meeting of its Board of Directors held on February 10, 2025 to conduct a 2-for-1 share split of common share, and revise its Articles of Incorporation for the total number of shares authorized in accordance with the provisions of the Article 184, Paragraph 2 of the Companies Act, effective on April 1, 2025.

As a result, the total number of shares authorized was changed to 200,000,000 shares.

#### 2) Acquisition of treasury shares

The Company has completed the acquisition of treasury shares, which was resolved at the Board of Directors Meeting held on May 15, 2025, as follows.

|                                     |                                                                                                                                                                                                 |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Total number of shares acquired | 1,857,600 shares                                                                                                                                                                                |
| (2) Total price of shares acquired  | 4,999,983,900 yen                                                                                                                                                                               |
| (3) Period of acquisition           | From May 16, 2025 to December 31, 2025                                                                                                                                                          |
| (4) Reason for acquisition          | To enhance shareholder returns and to increase capital efficiency as well as to enable the Company to implement a flexible capital strategy in response to changes in the business environment. |

(Translation)

3) Disposal of treasury shares

The Company has completed the disposal of treasury shares, which was resolved at the Board of Directors Meeting held on February 10, 2026, as follows.

|                                  |                                                                                                                                                                     |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Number of shares disposed of | 124,700 shares                                                                                                                                                      |
| (2) Total disposal price         | 443,059,100 yen                                                                                                                                                     |
| (3) Allottees                    | Executive Directors and Corporate Officers of the Company                                                                                                           |
| (4) Disposal date                | February 26, 2026                                                                                                                                                   |
| (5) Reason for disposal          | To enable the performance-linked stock-based compensation plan, the “Board Benefit Trust (BBT),” to acquire the shares expected to be required for future benefits. |

(Note) The formal allottee of this disposal of treasury shares is Custody Bank of Japan, Ltd. (Trust E Account). Custody Bank of Japan, Ltd. (Trust E Account) is a trust account established by concluding a trust agreement related to the Board Benefit Trust (BBT) between the Company and Mizuho Trust & Banking Co., Ltd., with the Company as the trustor, Mizuho Trust & Banking Co., Ltd. as the trustee, and Custody Bank of Japan, Ltd. as the re-trustee. On the other hand, this disposal of treasury shares is conducted in order to provide benefits to Executive Directors and Corporate Officers based on the Board Benefit Trust (BBT), and is substantially the same as allotting shares to Executive Directors and Corporate Officers as consideration for the provision of services to the Company. Therefore, Executive Directors and Corporate Officers are stated as the allottees.

4) Retirement of treasury shares

The Company retired 3,700,000 treasury shares on February 27, 2026, based on a resolution of the Board of Directors Meeting held on February 10, 2026.

5) Board Benefit Trust (BBT)

The Company has introduced a Board Benefit Trust (BBT) (hereinafter referred to as the “System”), which is a performance-linked stock-based compensation plan, meant to further clarify the link between the compensation of Executive Directors and the Company’s operating performance and stock value, thereby enhancing their motivation to contribute to the improvement of operating performance in the medium and long term and to boost corporate value. On April 1, 2023, Corporate Officers were added to those eligible for stock benefits under the System.

Under this System, in accordance with the Director Stock Benefit Rules and Corporate Officer Stock Benefit Rules established in advance by the Company, its Executive Directors and Corporate Officers who satisfy certain requirements can receive the Company’s shares after their retirement. The said shares including the future portion are acquired in advance, through money designated to the trust, and are managed separately as trust assets.

**3. Share Subscription Rights (Shinkabu Yoyakuken) of the Company, etc. (As of March 31, 2026)**

Not applicable.

(Translation)

#### 4. Company Officers

##### (1) Directors and Audit & Supervisory Board Members

| Position                                     | Name              | Assignments in the Company and important positions con-currently held at other companies                                               |
|----------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Representative Director                      | Masashi Osada     | President Corporate Officer                                                                                                            |
| Representative Director                      | Yasushi Nakajima  | Executive Vice President Corporate Officer, in charge of Administrative Management Headquarters and Engineering Headquarters           |
| Director                                     | Masanori Nakagawa | Executive Vice President Corporate Officer, Chief Executive, Corporate Planning Headquarters and in charge of Sustainability Promotion |
| Director                                     | Yukinori Hamanaka | Executive Corporate Officer, Chief General Manager, Paint Finishing System Division                                                    |
| Director                                     | Tadashi Sobue     | Executive Corporate Officer, Chief General Manager, Green Technology System Division                                                   |
| Director                                     | Hirokazu Hikosaka | Lawyer                                                                                                                                 |
| Director                                     | Nobuyuki Soda     | Representative Director and President, Nissay Business Service Co., Ltd.                                                               |
| Director                                     | Suga Soejima      | Director (Outside Director), Sanoyas Holdings Corporation                                                                              |
| ○ Director                                   | Hiramasa Nakata   | Executive Vice President and Member of the Board, NEC Solution Innovators, Ltd.                                                        |
| Full-time Audit & Supervisory Board Member   | Makoto Wakida     |                                                                                                                                        |
| Full-time Audit & Supervisory Board Member   | Junichi Sakurai   |                                                                                                                                        |
| ○ Full-time Audit & Supervisory Board Member | Yasuhiro Sato     |                                                                                                                                        |
| Audit & Supervisory Board Member             | Koichi Nagao      | Representative Director and President, Works'WORKS Co., Ltd.                                                                           |
| Audit & Supervisory Board Member             | Shoko Yamashita   | Lawyer                                                                                                                                 |

(Notes)

- The Director and the Audit & Supervisory Board Member marked with “○” were newly elected as a Director and an Audit & Supervisory Board Member respectively at the 80th Annual Shareholders' Meeting held on June 26, 2025, and assumed their positions.
- Due to expiry of their terms of office at the conclusion of the 80th Annual Shareholders' Meeting held on June 26, 2025, Masasuke Kishi retired from the position of Director, while Hiroyuki Matsunaga retired from the position of Audit & Supervisory Board Member.
- Directors Hirokazu Hikosaka, Nobuyuki Soda, Suga Soejima and Hiramasa Nakata are Outside Directors.
- Audit & Supervisory Board Members Junichi Sakurai, Koichi Nagao and Shoko Yamashita are Outside Audit & Supervisory Board Members.
- Audit & Supervisory Board Member Makoto Wakida has abundant knowledge regarding finance and accounting affairs through years of experience at a major bank, and Outside Audit & Supervisory Board Member Koichi Nagao has abundant knowledge regarding finance and accounting affairs through experience as a manager at a major life insurance company.
- The Company has notified the Tokyo Stock Exchange of the designation of Directors Hirokazu Hikosaka, Nobuyuki Soda, Suga Soejima and Hiramasa Nakata as well as Audit & Supervisory Board Members Junichi Sakurai, Koichi Nagao and Shoko Yamashita, as Independent Directors/Auditors as stipulated in the provisions of the Tokyo Stock Exchange.



(Translation)

7. Effective April 1, 2026, there was a change in the following Director's position and assignment.

| Name              | After change                                                                                                                                     | Before change                                                                                                                                    |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Tadashi Sobue     | Director, Executive Corporate Officer, Chief General Manager, Green Technology System Division and General Manager, Regional Strategy Department | Director, Executive Corporate Officer, Chief General Manager, Green Technology System Division                                                   |
| Masanori Nakagawa | Director                                                                                                                                         | Director, Executive Vice President Corporate Officer, Chief Executive, Corporate Planning Headquarters and in charge of Sustainability Promotion |
| Yukinori Hamanaka | Director                                                                                                                                         | Director, Executive Corporate Officer, Chief General Manager, Paint Finishing System Division                                                    |

**(2) Outline of limited liability agreement**

The Company has concluded limited liability agreements respectively with all Directors who are not executive directors and all Audit & Supervisory Board Members to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, in accordance to the provision of Article 427, Paragraph 1 of the Act.

The liability for damages both for such Directors and Audit & Supervisory Board Members pursuant to the agreements is up to the minimum liability amount provided for in laws and regulations.

**(3) Outline of directors and officers liability insurance contract**

The Company has entered into a directors and officers liability insurance contract with an insurance company. The said insurance contract will cover damages that may arise due to insured Officers, etc. assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. All Directors, Audit & Supervisory Board Members and Corporate Officers, etc. of the Company and its subsidiaries are insured under the said insurance contract. The insurance premiums are fully borne by the Company. Also, the Company takes the following measure to prevent the appropriateness of duty execution by Officers, etc. from being compromised: the insurance contract does not cover personal damages, etc. of the Officer arising from his/her criminal acts, or acts committed with the knowledge that they violate the law.

**(4) Compensation, etc. of Directors and Audit & Supervisory Board Members in the fiscal year**

- 1) Matters regarding policy for determining details of compensation, etc. of individual Directors and Audit & Supervisory Board Members

a. Policy

The Company has determined the policy concerning the amount of compensation to Directors and Audit & Supervisory Board Members and the calculation method thereof, and the details of the policy are as follows.

(i) Basic views on the system of compensation

The compensation to Executive Directors (Directors who concurrently serve as Corporate Officers) is composed of basic compensation, which is fixed compensation, and bonus and stock-based compensation, which are performance-linked compensation. The amount of bonus and stock-based compensation fluctuates in close correlation with evaluations of the financial indicators (consolidated ordinary income) and the non-financial indicators (initiatives for long-term strategies (including sustainability, investment in human capital and intellectual property, etc.) and strengthening of governance) to serve as an incentive for achieving their performance goals. Compensation to Non-Executive Directors (Outside Directors and Directors who do not concurrently serve as Corporate Officers; hereinafter the same applies) and Audit & Supervisory Board members is limited to basic compensation and no bonus and stock-based compensation shall be paid.

(ii) Compensation structure

- a. Compensation to Directors and Audit & Supervisory Board Members is composed of basic compensation, which is fixed compensation, and bonus and stock-based compensation, which are performance-linked compensation. The types of compensation applicable according to officer classification are as follows:
- Executive Directors: Basic compensation, bonuses, stock-based compensation

(Translation)

- Non-Executive Directors: Basic compensation
- Audit & Supervisory Board Members: Basic compensation
- b. The ratio of fixed compensation to performance-linked compensation (total bonus and stock-based compensation) within the total compensation paid to Executive Directors shall be approximately 5:5 based on the standard payment amount, and shall change depending on the “(iii) Performance-linked compensation scheme” below.
- (iii) Performance-linked compensation scheme

Performance-linked compensation is composed of bonus and stock-based compensation, with an amount equivalent to 50% paid as bonus and 50% as stock-based compensation. Performance-linked compensation is evaluated based on financial indicators (consolidated ordinary income) and non-financial indicators (initiatives for long-term strategies (including sustainability, investment in human capital and intellectual property, etc.) and strengthening of governance), with the evaluation ratio being 70% for financial indicators and 30% for non-financial indicators. For the 30% portion of the non-financial indicators, the payment rate will fluctuate within the range of 70% to 130%, depending on the degree of target achievement.

Consolidated ordinary income is one of the key KPIs in the Company’s Mid-Term Business Plan, and is thus selected as a financial indicator for the calculation of performance-linked compensation. In addition to the base payment amount equal to a fixed percentage of consolidated ordinary income, if consolidated ordinary income exceeds a certain amount, an amount obtained by multiplying the base payment by the ratio of excess performance shall be paid as an extra payment, which is expected to serve as an incentive for achieving numerical targets in the Mid-Term Business Plan, thereby further improving the Company’s operating performance. In addition, a fixed percentage (30%) of the total amount will be evaluated based on these non-financial indicators in order to provide an incentive to further strengthen initiatives for sustainability, investment in human capital and intellectual property, and governance as part of the long-term strategy.

The bonus is paid in cash after the Company’s operating performance is finalized. For stock-based compensation, points are granted after the Company’s operating performance is finalized. The points granted will be provided, in principle, to Executive Directors at the time of their retirement in the form of the Company’s shares or cash equivalent to the fair value thereof.
- (iv) Level of compensation

The Nomination and Compensation Advisory Committee verifies the level of compensation by analyzing and comparing compensation data of industry peer companies from survey data compiled by a third-party organization.
- b. Methods for decisions on compensation

Based on “a. Policy” in 1) above, in order to enhance the appropriateness of compensation and the objectivity and transparency of the process for determining compensation, the total amount of performance-linked compensation is calculated within the scope approved by the Shareholders’ Meeting based on the calculation formula prescribed in the Director Stock Benefit Regulations resolved by the Board of Directors and, in principle, is not subject to discretionary determination. In addition, when determining the amount of individual fixed compensation and the details of individual performance-linked compensation, the Nomination and Compensation Advisory Committee, whose chairperson and a majority of whose members are Outside Directors, conducts objective and multifaceted reviews of the determination policy, the process for evaluating individuals, and the compensation amounts calculated based on performance. Based on the recommendations of the Nomination and Compensation Advisory Committee, the Board of Directors determines the amount of individual fixed compensation and the amount of individual performance-linked compensation.

The Board of Directors confirms that the method for determining the details of compensation, etc. for individual Directors and the compensation, etc. as determined are consistent with the determination policy resolved by the Board of Directors, and that the recommendations of the Nomination and Compensation Advisory Committee have been respected, and has determined that such compensation, etc. are in line with the said determination policy.
- c. Methods for decisions on policy

The policy for compensation, etc. of Directors and Audit & Supervisory Board Members is determined by the Board of Directors upon consultation with the Nomination and Compensation Advisory Committee.

(Translation)

(Note) The above reflects the policy in effect as of March 31, 2026. If Proposal No.3 “Revisions of Performance-linked Stock-based Compensation Plan for Directors, etc.” is approved as originally proposed, the content of the Company’s “policy concerning the amount of compensation to Directors and Audit & Supervisory Board Members and the calculation method” is scheduled to be as described in such proposal in the Reference Documents for the Shareholders’ Meeting.

2) Matters regarding resolution of Shareholders’ Meeting for compensation, etc. of Directors and Audit & Supervisory Board Members

|                                   | Type of compensation            |                          | Recipient                             | Date of resolution                                                                                                                                   | Number of persons (as of the resolution) |
|-----------------------------------|---------------------------------|--------------------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| Directors                         | Fixed compensation              | Basic compensation       | All Directors                         | June 27, 2024<br>Within ¥540 million per year                                                                                                        | 9<br>(including 4 Outside Directors)     |
|                                   | Performance-linked compensation | Bonus                    | Executive Directors                   | (Of which that for Outside Directors to be within ¥70 million per year; excluding employee salaries for Directors concurrently serving as employees) |                                          |
|                                   |                                 | Stock-based compensation | Executive Directors                   | June 27, 2019<br>Within 132,400 points per fiscal year                                                                                               | 7                                        |
| Audit & Supervisory Board Members | Fixed compensation              | Basic compensation       | All Audit & Supervisory Board Members | June 27, 2024<br>Within ¥90 million per year                                                                                                         | 5                                        |

3) Total amount, etc. of compensation, etc. to Directors and Audit & Supervisory Board Members

3) Total amount, etc. of compensation, etc. to Directors and Audit & Supervisory Board Members

| Category                                                                                | Total amount of compensation, etc. | Total amount of compensation, etc. by type |                                 |                          | Number of persons |
|-----------------------------------------------------------------------------------------|------------------------------------|--------------------------------------------|---------------------------------|--------------------------|-------------------|
|                                                                                         |                                    | Fixed compensation                         | Performance-linked compensation |                          |                   |
|                                                                                         |                                    | Basic compensation                         | Bonus                           | Stock-based compensation |                   |
| Directors (excluding Outside Directors)                                                 | ¥861 million                       | ¥225 million                               | ¥244 million                    | ¥391 million             | 5                 |
| Outside Directors                                                                       | ¥60 million                        | ¥60 million                                | —                               | —                        | 5                 |
| Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members) | ¥48 million                        | ¥48 million                                | —                               | —                        | 3                 |
| Outside Audit & Supervisory Board Members                                               | ¥40 million                        | ¥40 million                                | —                               | —                        | 3                 |

(Notes)

- The amounts of compensation, etc. to Directors include ¥244 million in bonuses expected to be paid, ¥244 million in stock-based compensation expected to be paid, and ¥147 million in adjustment amount relating to the fiscal year (see Note 2).
- The amount of stock-based compensation for the fiscal year includes ¥147 million in adjustment amount for the difference between the average acquisition price of the Company’s shares including shares additionally acquired by the trust through additional contribution of money and disposal of treasury shares associated with the continuation of the stock-based compensation plan implemented pursuant to the resolutions of the Board of Directors dated May 15, 2023 and February 10, 2026, and the average acquisition price before such additional acquisition.
- Details of the performance indicators selected as the basis for calculating the amount of performance-linked compensation, reasons for selecting the said performance indicators and the calculation method of

(Translation)

the amount of performance-linked compensation are stated in “4. (4) 1) a. (iii) Performance-linked compensation scheme.” The trend of consolidated ordinary income, including this fiscal year, is stated in “1. (2) Changes in Assets and Income”.

(Translation)

**(5) Outside Officers**

**1) Relationship between other companies where important positions are concurrently held by our outside officers and the Company**

The important positions that are concurrently held by each of the outside officers of the Company are as stated in “(1) Directors and Audit & Supervisory Board Members” above. There are no special interests between each company where each outside officer concurrently serves and the Company.

**2) Major activities during the year**

| Position | Name              | Main activities at the meetings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director | Hirokazu Hikosaka | Attended all 15 meetings (attendance rate: 100%) of the Board of Directors held during the fiscal year ended March 31, 2026. Made timely remarks from an independent and objective standpoint and fulfilled management supervisory function, based on his professional expertise and experience as a lawyer and specialized knowledge regarding legal affairs and internal control from his business experience hitherto. Also contributed to selecting officer candidates, ensuring objectivity and transparency of director compensation, improving corporate governance and promoting sustainability of the Company by proactively providing advice and making proposals at the Nomination and Compensation Advisory Committee, Governance Committee, Sustainability Committee, and Digital Innovation Committee which are voluntary committees of the Board of Directors. In addition, he served as the chairperson of the Governance Committee.                                                                                                                                                                                                    |
| Director | Nobuyuki Soda     | Attended all 15 meetings (attendance rate: 100%) of the Board of Directors held during the fiscal year ended March 31, 2026. Made timely remarks from an independent and objective standpoint and fulfilled management supervisory function, based on his abundant expertise and experience as a manager at a leading life insurance company and specialized knowledge regarding finance and accounting, human resources development and labor management, etc. from his business experience hitherto. Also contributed to activation of discussions as the chairperson of the Board of Directors. Also contributed to selecting officer candidates, ensuring objectivity and transparency of director compensation, improving corporate governance and promoting sustainability of the Company by proactively providing advice and making proposals at the Nomination and Compensation Advisory Committee, Governance Committee, Sustainability Committee, and Digital Innovation Committee which are voluntary committees of the Board of Directors. In addition, he served as the chairperson of the Nomination and Compensation Advisory Committee. |
| Director | Suga Soejima      | Attended 14 of 15 meetings (attendance rate: 93.3%) of the Board of Directors held during the fiscal year ended March 31, 2026. Made timely remarks from an independent and objective standpoint and fulfilled management supervisory function, based on her abundant expertise and experience at major auditing firms and specialized knowledge regarding the internal control and governance, finance and accounting, etc. from her business experience hitherto. Also contributed to selecting officer candidates, ensuring objectivity and transparency of director compensation, improving corporate governance and promoting sustainability of the Company by proactively providing advice and making proposals at the Nomination and Compensation Advisory Committee, Governance Committee, Sustainability Committee, and Digital Innovation Committee which are voluntary committees of the Board of Directors. In addition, she served as the chairperson of the                                                                                                                                                                               |

(Translation)

| Position                         | Name            | Main activities at the meetings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                  |                 | Sustainability Committee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Director                         | Hiramasa Nakata | Attended all 12 meetings (attendance rate: 100%) of the Board of Directors held after he took office. Made timely remarks from an independent and objective standpoint and fulfilled management supervisory function, based on his abundant expertise and experience as a manager at a leading business corporation and specialized knowledge of the IT field from his business experience hitherto. Also contributed to selecting officer candidates, ensuring objectivity and transparency of director compensation, improving corporate governance and promoting sustainability of the Company by proactively providing advice and making proposals at the Nomination and Compensation Advisory Committee, Governance Committee, Sustainability Committee, and Digital Innovation Committee, which are voluntary committees of the Board of Directors. In addition, he served as the chairperson of the Digital Innovation Committee. |
| Audit & Supervisory Board Member | Junichi Sakurai | Attended all 15 meetings (attendance rate: 100%) of the Board of Directors and all 14 meetings (attendance rate: 100%) of the Audit & Supervisory Board held during the fiscal year ended March 31, 2026, and made remarks to ensure the legality of decision making by the Board of Directors based on his abundant business experience including internal auditing at a leading non-life insurance company as well as extensive knowledge and experience as a manager of a business corporation. Also exchanged opinions with the Representative Director and Outside Directors, and conducted audit visits to branch offices, branches, business offices, and subsidiaries as a full-time Audit & Supervisory Board Member.                                                                                                                                                                                                           |
| Audit & Supervisory Board Member | Koichi Nagao    | Attended all 15 meetings (attendance rate: 100%) of the Board of Directors and all 14 meetings (attendance rate: 100%) of the Audit & Supervisory Board held during the fiscal year ended March 31, 2026, and made remarks to ensure the legality of decision making by the Board of Directors based on his abundant expertise and experience as a manager at a leading life insurance company. Also exchanged opinions with the Representative Director and Outside Directors.                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Audit & Supervisory Board Member | Shoko Yamashita | Attended all 15 meetings (attendance rate: 100%) of the Board of Directors and all 14 meetings (attendance rate: 100%) of the Audit & Supervisory Board held during the fiscal year ended March 31, 2026, and made remarks to ensure the legality of decision making by the Board of Directors based on her professional expertise and experience as a lawyer. Also exchanged opinions with the Representative Director and Outside Directors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

(Translation)

## 5. Accounting Auditor

### (1) Designation of the Accounting Auditor

A&A Partners

### (2) Accounting Auditor's Compensation, etc., Pertaining to the Fiscal Year Ended March 31, 2026

|              |                                                                                              |             |
|--------------|----------------------------------------------------------------------------------------------|-------------|
| A&A Partners | Amount of compensation, etc.                                                                 | ¥85 million |
|              | Cash and other profits payable by the Company and its subsidiaries to the Accounting Auditor | ¥85 million |

(Notes)

1. The Audit & Supervisory Board of the Company examined the status of executed duties for the preceding fiscal years, the grounds for calculating the estimated compensation and other factors with required materials and reports, which were obtained and/or heard from the Directors, relevant in-house departments/sections and the Accounting Auditor. As a result, judging that the compensation amounts above are fair and reasonable, the Audit & Supervisory Board has given its consent, as set forth in Article 399, Paragraph 1, of the Companies Act, with regard to compensation, etc., to the Accounting Auditor.
2. Under the audit agreement between the Company and the Accounting Auditor, compensation to audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act are not strictly separated and otherwise cannot be substantially distinguished from each other. Consequently, the above amount reflects total compensation.
3. The Company's overseas subsidiaries are audited by Certified Public Accountants or audit corporations (including those with comparable qualifications abroad) other than the Company's Accounting Auditor.

### (3) Non-Audit Services

Not applicable.

### (4) Policy regarding Determination of Dismissal or Non-Reappointment of Accounting Auditor

In the event that the Accounting Auditor is deemed to have fallen under any of the grounds set forth in the items of Article 340, Paragraph 1, of the Companies Act, and his or her dismissal is judged to be appropriate, the Audit & Supervisory Board shall decide such dismissal subject to the unanimous consent of Audit & Supervisory Board Members. In that case, the dismissal of said Accounting Auditor and reasons therefor will be reported by an Audit & Supervisory Board Member designated by the Audit & Supervisory Board at the first shareholders' meeting to be convened after the dismissal.

In addition, should the Accounting Auditor be deemed unable to perform an audit properly, the Audit & Supervisory Board shall decide the details of a proposal for the dismissal or non-reappointment of the Accounting Auditor to be submitted to the shareholders' meeting, based on the provisions stipulated in Article 344 of the Companies Act.

(Translation)

## **6. The Company's Systems to Ensure Proper Execution of Business, as well as Operational Status of Said Systems**

### **(1) Systems to Ensure Proper Execution of Business**

The Board of Directors of the Company has determined its basic policy for the systems to ensure proper execution of business (the internal control system), which is set forth in the Companies Act and the Ordinance for Enforcement of the Companies Act, as follows (partially revised on June 1, 2026):

#### **[Objectives]**

The Company shall provide for the basic policy for improvement and operation of the internal control system of the Company and the Taikisha Group as follows, pursuant to the Companies Act and the Ordinance for Enforcement of the Companies Act, in order to familiarize and thoroughly carry out execution of observance of the laws and regulations, and to ensure proper and efficient business operation.

#### **[Specific contents]**

### **1. The System to Ensure the Appropriateness of Operations in the Taikisha Group**

- (1) The Company shall, under the spirit of "Customers First," provide for Corporate Philosophy, as well as remind all persons involved about and realize it.
- (2) The Company shall appoint appropriate and diverse Directors who can contribute to realization of materiality which the Taikisha Group shall address, assess them properly, and establish the Director compensation system which provides a strong incentive. In order to ensure transparency in appointment of Directors and the Director compensation system, the Nomination and Compensation Advisory Committee shall be established, which are chaired by an Outside Director.
- (3) The Board of Directors shall resolve policies and measures for improving and establishing the optimal governance system to the Company and the Taikisha Group, and monitor its operation status on a regular basis. Through consultation on the resolutions with the Governance Committee which is chaired by an Outside Director and composed mainly of Outside Officers, the governance system shall be further optimized.
- (4) The Board of Directors shall recognize the risks and opportunities concerning about the Sustainability of the Company and the Group, resolve measures to address such risks and opportunities, and monitor its operation status on a regular basis. Through consultation on the resolutions with the Sustainability Committee which is chaired by an Outside Director and composed of Outside Officers and Executive Directors, the governance system shall be further optimized.
- (5) The Board of Directors shall resolve strategy formulation and various measures utilizing digital technologies for the Company and the Group and monitor their operational status on a regular basis. Through consultation on the resolutions with the Digital Innovation Committee which is chaired by an Outside Director and composed of Outside Officers and Executive Directors, the governance system shall be further optimized.
- (6) The Company shall provide for the Affiliate Management Rules to establish management systems of the group companies including an improvement of the reporting system to the Company, make operations of the group companies appropriate, and improve management efficiency of the entire Taikisha Group.
- (7) The Company shall carry out audits for the Company and group companies by the Internal Audit Department on a regular basis in accordance with the Internal Audit Rules. As a result of the internal audits, when a risk of loss for the Company and group companies is found, Directors, Audit & Supervisory Board Members, and other responsible departments shall be so reported and immediately take appropriate measures.
- (8) The Company shall set the Basic Rules for Internal Control, and improve a system for ensuring appropriateness and reliability concerning financial reports.
- (9) As a Company with an Audit & Supervisory Board, the Company shall establish the audit system set forth in 6 to 7 of this basic policy. With said system, Audit & Supervisory Board Members shall audit improvement and operation status of the internal control system of the Company and group companies on a regular basis.

### **2. The System to Ensure Execution of Duties in Conformity with Laws and Regulations, and the Articles of Incorporation**

- (1) The Company shall establish the Taikisha Ltd. Code of Conduct, make all Directors and employees aware of legal compliance, and promote the improvement of the compliance system. At the Compliance Committee chaired by the Representative Director, President, issues on compliance in the entire business shall be considered and dealt with, and a status of compliance shall be verified.



(Translation)

- (2) The Company shall, as the Whistle-blowing System, have in place an internal reporting system reporting to the Corporate Compliance Department and an external reporting system reporting to an independent outside attorney. If a risk such as legal violation is found in the Company and group companies, appropriate measures shall be taken immediately.
- (3) In the event of signs of a significant event, the Corporate Compliance Committee consisting of all officers, the General Manager of the Corporate Compliance Department, and the General Manager of the Internal Audit Department shall be convened promptly in order to deal with such event.
- (4) The Company shall refuse any involvement of Anti-Social Forces in its business, reject any requirement from them, and prohibit all Directors and employees of the Company and group companies to have any relationship with them in order to thoroughly exclude Anti-Social Forces.

### **3. The System regarding Risk Management**

(Under usual condition)

- (1) The Company shall establish the Risk Management Rules and, at the Risk Management Committee, identify risks of the Company and group companies in an integrated fashion and implement effective and efficient risk management.
- (2) Depending on risks identified by the Risk Management Committee, each department shall formulate and implement specific countermeasures. Progress and results shall be reported to the Board of Directors via the Risk Management Committee.

(In a contingency)

- (3) For the purpose of response to exposed potential major risks (hereinafter referred to as crisis) and management thereof, the Company shall establish the Crisis Management Committee. In the event that crisis breaks out, the Company shall, in accordance with the basic policy of crisis management, establish the crisis management team or the crisis task force to respond to the crisis under the supervision of the Crisis Management Committee. The Company shall also establish a business continuity plan to restore the damage caused by the crisis.

### **4. The System regarding the Storage and Management of Information Related to the Execution of Duties**

- (1) Information and documents related to execution of duties shall be handled pursuant to internal rules and regulations, especially the Information Security Rules and Document Management Rules, and shall be appropriately stored, managed and disposed of.
- (2) The Company shall have in place a system to disclose information concerning corporate activities in a timely and appropriate manner in accordance with laws and regulations, as well as the disclosure requirements of Tokyo Stock Exchange, etc.

### **5. The System to Ensure the Efficient Execution of Duties**

- (1) Based on the Board of Directors Rules, Rules for Managerial Approval, and other internal rules, the Board of Directors shall resolve and monitor important matters. In relation to matters submitted to the Board of Directors, adequate materials shall be delivered in advance, and enough time for deliberation shall be ensured. The criteria for submission to the Board of Directors shall be appropriately checked and reviewed.
- (2) With a corporate officer system, responsibilities and authorities of corporate management and duty execution shall be clarified, aiming for revitalization of the Board of Directors and promotion of rapid decision making.
- (3) The Management Meeting, mainly consisting of the Executive Directors, shall carry out sufficient deliberations and prompt decision making on management issues and specific matters of the Company and the Taikisha Group delegated by the Board of Directors.
- (4) With the Company's Corporate Philosophy as a foundation, each departmental headquarters and business divisions, after the Policy Review Meeting, shall establish an appropriate annual policy and annual target, and shall work in order to achieve those targets.

### **6. The System regarding Reporting to the Audit & Supervisory Board Members**

- (1) When finding the following matters, Directors and employees shall immediately report to Audit & Supervisory Board Members.
  - i) Matters which may cause serious harm to the Company and group companies
  - ii) Significant violation of laws and regulations or internal rules concerning execution of duties by the Company and group companies
  - iii) Violation of laws and regulations and the Articles of Incorporation by Directors and employees or

(Translation)

facts that may lead to such violations

- (2) The manager of the responsible department of the Company who received a report from group companies shall make a report at a meeting at which the Audit & Supervisory Board Members are present or as necessary to the Audit & Supervisory Board Members of the Company in accordance with the Affiliate Management Rules.
- (3) The Internal Audit Department shall report an internal audit plan and audit results to the Audit & Supervisory Board Members on a regular basis.
- (4) The Corporate Compliance Department shall report operation status of the Whistle-blowing System, matters reported, and contents of consultations to the Audit & Supervisory Board Members on a regular basis.
- (5) Internal approval documents and proceedings of important meetings, etc. shall be always available for the Audit & Supervisory Board Members.
- (6) The Corporate Compliance Department shall, at the request of the Audit & Supervisory Board, monitor and supervise the situation so that the person who made a report is not treated in a disadvantageous manner because he or she made such report.

#### **7. System to Ensure the Effective Implementation of Audits by Audit & Supervisory Board Members**

- (1) Other than the Board of Directors Meeting, Audit & Supervisory Board Members may attend the Management Meeting, and other important meetings to express opinions.
- (2) Directors and employees shall, upon request from Audit & Supervisory Board Members, explain matters concerning business execution.
- (3) The Representative Director, the Chief Executive of the Administrative Management Headquarters, and the General Manager of the Internal Audit Department shall arrange meetings and consultations in order to thoroughly discuss and examine the improvement of the environments for audits conducted by Audit & Supervisory Board Members, and shall ensure the effectiveness of such audits.
- (4) Audit & Supervisory Board Members may make requests for improvement of the audit system and other related matters in order to ensure the effectiveness of audits conducted by them.
- (5) The Company shall establish the Audit & Supervisory Board Members Office under the Audit & Supervisory Board Members and appoint employees who shall assist with the Audit & Supervisory Board Members' duties.
- (6) Consent from Audit & Supervisory Board Members shall be required for appointment, dismissal and transfer of those employees from positions and personnel evaluation, and the Company shall ensure that they are independent of Directors and instructions to them are effective.
- (7) Audit & Supervisory Board Members may request that any expenses incurred with respect to the execution of duties be paid in advance or reimbursed in accordance with the provisions of the Audit & Supervisory Board Rules.

#### **(2) Summary of Operational Status of the Systems to Ensure Proper Execution of Business**

The operational status of the internal control system for the fiscal year ended March 31, 2026, was as follows:

##### **1) Compliance-related Initiatives**

During the fiscal year, 12 Compliance Committee meetings were held to examine and discuss the compliance-related issues of the Taikisha Group and verify the status of compliance with laws and regulations.

To raise the awareness of compliance among officers and employees, the Company took several measures such as transmitting information via its intranet, posting posters for enlightenment, holding workshops to explain compliance manuals and training officers and employees (e.g., e-learning and staff training at various locations). The Corporate Compliance Department disseminated regularly the internal reporting systems via its intranet and posters.

##### **2) Risk Management-related Initiatives**

Two Risk Management Committee meetings were held to examine and discuss basic policies on the risk management of the Taikisha Group. In addition to identifying risks for the Company and the Taikisha Group in an integrated manner and conducting effective and efficient risk management, regarding risks associated with departmental operations, pursuant to the basic policy on risk management, each department identified risks, drafted and implemented specific measures against the risks, and reported their status to the Risk Management Committee.

##### **3) Initiatives to Ensure the Appropriateness and the Efficiency of the Execution of Duties by Directors**

(Translation)

Fifteen Board of Directors Meetings were held for decision making of the Taikisha Group's management policies and important management issues, as well as for monitoring the execution of duties by Directors with reference to reports on their business execution.

Twenty-five Management Meetings were held to deliberate and make decisions on important execution of business entrusted by the Board of Directors and the matters to be submitted to the Board of Directors.

**4) Initiatives to Ensure the Appropriateness of Operations Conducted by the Taikisha Group**

Regarding the important matters stipulated in the Affiliate Management Rules, we received reports from subsidiaries. In addition, we regularly checked compliance with the Affiliate Management Rules by subsidiaries.

**5) Initiatives to Ensure the Effectiveness of Reporting to Audit & Supervisory Board Members and the Audits by Audit & Supervisory Board Members**

Audit & Supervisory Board Members attended the meetings of the Board of Directors, the Management Meeting and other important meetings to understand the execution of duties by directors, and collected information and received reports from the directors, employees and other relevant personnel regarding performance of their duties.

The Internal Audit Department timely reported the results of its internal audits within the Group to the Board of Directors and reported the executed status of the audit plan and internal audits, the results of audits and other related matters to the Audit & Supervisory Board Members.

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(Note)

Amounts and numbers of shares in this Business Report are rounded down to the nearest unit, while ratios and other figures are rounded off to the nearest unit.

(Translation)

Consolidated Balance Sheet

(As of March 31, 2026)

(Millions of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	217,365	Current liabilities	102,139
Cash and deposits	90,664	Notes payable, accounts payable for construction contracts and other	44,070
Notes receivable, accounts receivable from completed construction contracts and other	112,879	Short-term loans payable	1,247
Costs on uncompleted construction contracts	2,445	Income taxes payable	5,027
Raw materials and supplies	1,013	Advances received on uncompleted construction contracts	27,449
Other	11,732	Provision for warranties for completed construction	698
Allowance for doubtful accounts	(1,370)	Provision for loss on construction contracts	747
Non-current assets	69,454	Provision for directors' bonuses	247
Property, plant and equipment	13,549	Other	22,651
Buildings and structures	12,766	Non-current liabilities	14,447
Machinery, vehicles, tools, furniture and fixtures	10,016	Long-term loans payable	35
Land	2,108	Deferred tax liabilities	10,695
Other	898	Provision for directors' retirement benefits	53
Accumulated depreciation	(12,239)	Provision for share awards	100
Intangible assets	2,305	Provision for share awards for directors	831
Goodwill	970	Net defined benefit liability	1,781
Other	1,334	Provision for loss on closing of factory	493
Investments and other assets	53,599	Other	457
Investment securities	32,939	Total liabilities	116,587
Deferred tax assets	931	(Net assets)	
Net defined benefit asset	15,281	Shareholders' equity	128,853
Other	4,555	Capital stock	6,455
Allowance for doubtful accounts	(107)	Capital surplus	3,687
		Retained earnings	119,768
		Treasury shares	(1,057)
		Accumulated other comprehensive income	32,122
		Valuation difference on available-for-sale securities	16,596
		Deferred gains or losses on hedges	8
		Foreign currency translation adjustment	11,355
		Accumulated remeasurements of defined benefit plans	4,163
		Non-controlling interests	9,256
		Total net assets	170,232
Total assets	286,820	Total liabilities and net assets	286,820

(Note) Amounts of less than one million yen are rounded down.

(Translation)

Consolidated Statement of Income

(From April 1, 2025, to March 31, 2026)

(Millions of yen)

Account title	Amount	
Net sales of completed construction contracts		286,127
Cost of sales of completed construction contracts		230,867
Gross profit on completed construction contracts		55,259
Selling, general and administrative expenses		31,938
Operating income		23,320
Non-operating income		
Interest and dividends income	1,491	
Other	599	2,090
Non-operating expenses		
Interest expenses	322	
Foreign exchange losses	124	
Other	174	621
Ordinary income		24,790
Extraordinary income		
Gain on disposal of non-current assets	166	
Gain on sales of investment securities	1,442	1,608
Extraordinary losses		
Loss on disposal of non-current assets	17	
Impairment loss	402	
Loss on valuation of investment securities	30	
Provision for loss on closing of factory	473	924
Profit before income taxes		25,474
Income taxes-current	8,904	
Income taxes-deferred	(781)	8,122
Profit		17,351
Profit attributable to non-controlling interests		1,756
Profit attributable to owners of parent		15,594

(Note) Amounts of less than one million yen are rounded down.

(Translation)

Consolidated Statement of Comprehensive Income

(From April 1, 2025, to March 31, 2026)

(Millions of yen)

Account title	Amount
Profit	17,351
Other comprehensive income	
Valuation difference on available-for-sale securities	4,907
Deferred gains or losses on hedges	13
Foreign currency translation adjustment	963
Remeasurements of defined benefit plans	1,664
Share of other comprehensive income of entities accounted for using equity method	22
Total other comprehensive income	7,572
Comprehensive income	24,924
(Details)	
Comprehensive income attributable to owners of parent	23,192
Comprehensive income attributable to non-controlling interests	1,731

(Notes)

1. Amounts of less than one million yen are rounded down.
2. The amounts in this statement are not subject to audit procedures by the Accounting Auditor.

(Translation)

Consolidated Statement of Changes in Net Assets

(From April 1, 2025, to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	6,455	3,772	118,270	(4,969)	123,528
Changes of items during the period					
Dividends of surplus			(5,271)		(5,271)
Profit attributable to owners of parent			15,594		15,594
Purchase of treasury shares				(5,443)	(5,443)
Disposal of treasury shares		138		312	450
Retirement of treasury shares		(217)	(8,825)	9,043	—
Purchase of shares of consolidated subsidiaries		(6)			(6)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(85)	1,497	3,912	5,324
Balance at the end of current period	6,455	3,687	119,768	(1,057)	128,853

(Translation)

(Millions of yen)

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	11,688	(5)	10,383	2,458	24,524	8,433	156,486
Changes of items during the period							
Dividends of surplus							(5,271)
Profit attributable to owners of parent							15,594
Purchase of treasury shares							(5,443)
Disposal of treasury shares							450
Retirement of treasury shares							—
Purchase of shares of consolidated subsidiaries							(6)
Net changes of items other than shareholders' equity	4,907	13	971	1,704	7,597	823	8,421
Total changes of items during the period	4,907	13	971	1,704	7,597	823	13,746
Balance at the end of current period	16,596	8	11,355	4,163	32,122	9,256	170,232

(Note) Amounts of less than one million yen are rounded down.

(Translation)

Notes to Consolidated Financial Statements

[Notes regarding the Basis for Preparing Consolidated Financial Statements]

1. Scope of consolidation

Number of consolidated subsidiaries	32
Names of significant subsidiaries	San Esu Industry Co., Ltd. Taikisha USA, Inc. Taikisha (Thailand) Co., Ltd. WuZhou Taikisha Engineering Co., Ltd.

2. Application of the equity method

(1) Number and names of associates subject to the equity method

Number of associates	2
Names of associates	FreDelish Co., Ltd. Tianjin Dongchun-Taiki Metal Finishing & Conveyor System Manufacturing Co., Ltd.

(2) Name of associate not subject to the equity method

Name of associate	Makiansia Engineering (M) Sdn. Bhd.
Reason for not applying the equity method	The associate not subject to the equity method is excluded from the scope of application of the equity method because even if it is excluded from the scope of application of the equity method, it has minor impact on net income (proportionate to equity holdings), retained earnings (proportionate to equity holdings), etc., in the consolidated financial statement.

3. Accounting policies

(1) Standards and methods for valuation of significant assets

Securities	
Held-to-maturity debt securities	Amortized cost method (straight-line method)
Shares of associates	Stated at cost using the moving average method
Available-for-sale securities	
Securities other than shares, etc. that do not have a market price	Stated at fair value based on the market prices at the end of the fiscal year. (Valuation difference is reported as a separate item in net assets at net-of-tax amount. The cost of securities sold is stated at cost, determined by the moving average method.)
Shares, etc. that do not have a market price	Stated at cost using the moving average method
Derivatives	Stated at fair value
Inventories	
Costs on uncompleted construction contracts	Stated at cost using the specific identification method
Raw materials and supplies	Stated at cost determined by the moving average method (The amounts stated in the balance sheets are calculated by writing down the book value based on the decline in profitability.)

(Translation)

(2) Depreciation method for principal depreciable assets

Property, plant and equipment
(excluding leased assets)

The declining-balance method is mainly applied. However, the straight-line method is applied to buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and is applied to facilities attached to buildings and structures acquired on or after April 1, 2016. Certain overseas consolidated subsidiaries apply the straight-line method. The useful lives and residual values of depreciable assets are estimated mainly in accordance with the Corporation Tax Act.

Intangible assets
(excluding leased assets)

The straight-line method is applied. However, computer software for internal use is amortized by the straight-line method over the estimated internal useful life (5 years).

Leased assets

Leased assets under finance leases that do not transfer ownership of the leased assets to the lessee are depreciated by the straight-line method over the lease period with a residual value of zero.

(3) Standards of accounting for principal allowance and provisions

Allowance for doubtful accounts

In order to prepare for losses due to bad debts such as accounts receivable from completed construction contracts and other, the allowance for doubtful accounts is provided at the estimated amount of uncollectable debt. For receivables classified as “normal,” it is provided based on a historical default ratio. For receivables classified as “doubtful” etc., it is provided based on individual assessment on the probability of collection.

Provision for warranties for completed construction

In order to prepare for the costs of repairs for damages related to completed construction work for which the Company and its consolidated subsidiaries (collectively, the “Companies”) are responsible, the provision is provided based on past warranty experience.

Provision for loss on construction contracts

In order to prepare for future losses related to the construction contracts in process, the provision is provided based on estimated amount which will probably be incurred and which can be reasonably estimated.

Provision for directors’ bonuses

In order to prepare for directors’ bonuses, the provision is provided based on the estimated payment of the fiscal year.

Provision for directors’ retirement benefits

In order to prepare for directors’ retirement benefits, domestic consolidated subsidiaries recognize the provision for accrued retirement benefits to directors at 100 percent of the amount required by their internal policies for retirement benefits.

Provision for shared awards

In order to prepare for shared-based remuneration to corporate officers upon their retirements, the estimated amount of provision for share-based obligation as of the fiscal year end is provided based on the Corporate Officer Stock Benefit Rules.

Provision for share awards for directors

In order to prepare for share-based remuneration to executive directors upon their retirements, the estimated amount of provision for share-based obligation as of the fiscal year end is provided based on the Director Stock Benefit Rules.

Provision for loss on closing of factory

In order to prepare for losses expected to be incurred in connection with the closing of a factory, the provision is provided based on the estimated amount of such losses.

(Translation)

(4) Accounting standards for revenues and expenses

The details of the main performance obligations in the major businesses related to revenue from contracts with the Taikisha Group's customers and the timing at which the Company typically satisfies these performance obligations (when it typically recognizes revenue) are as follows:

1) Construction contracts, etc.

In the Green Technology System business and the Paint Finishing System business, performance obligations for construction contracts, etc. mainly involving design, supervision, and installation are deemed to be satisfied over time, and revenue is recognized based on progress toward complete satisfaction of a performance obligation.

The progress of satisfaction of performance obligations in revenue recognition over time is measured by the ratio of incurred costs to estimated total costs (input methods). In addition, revenue is recognized by cost recovery method in case incurred costs are expected to be recoverable though the progress of satisfaction of performance obligations cannot be reasonably measured.

2) Sales of equipment and materials

In the green technology system business and the paint finishing system business, performance obligations for sales of equipment and materials are deemed to be satisfied at a point in time, and revenue is recognized when products are delivered.

(5) Other important matters for presenting the Consolidated Financial Statements

Important methods of hedge accounting

1) Method of hedge accounting

Accounted for using the deferral method of accounting. With regard to forward exchange contracts that meet the requirements for deferral hedge accounting, deferral hedge accounting is applied.

2) Hedging instruments and hedged items

Hedging instruments Forward exchange contracts, non-deliverable forwards (NDF)

Hedged items Foreign currency receivables, foreign currency payables, future transactions in foreign currency and interest-rate trading for loans payable

3) Hedging policy

The Companies use forward exchange contracts not for the purpose of speculation but for hedging future risks of fluctuation of foreign currency exchange rates.

4) Assessment of hedge effectiveness

As forward exchange contracts in the same currency are used for forward exchange transactions, the correlation to subsequent exchange rate fluctuations is completely ensured. Accordingly, evaluation of hedge effectiveness is omitted.

Accounting procedure for retirement benefits

1) Method of attributing the projected benefit obligations to periods of service

In calculating the retirement benefit obligations, the benefit formula basis is used to allocate the projected retirement benefits to the years of service up to the end of the fiscal year.

(Translation)

2) Amortization method for actuarial differences and prior service costs

Actuarial differences are amortized using the straight-line method over a certain period of time (10 years) within the average remaining service period of employees from the following fiscal year of accrual.

Prior service costs are amortized using the straight-line method over a certain period of time (10 years) within the average remaining service period of employees from the fiscal year of accrual.

Amortization method and period for goodwill Goodwill is amortized by the straight-line method over the effective period not exceeding 20 years. However, an immaterial goodwill is recognized as expenses in the fiscal year of accrual.

(Translation)

[Notes regarding Accounting Estimates]

1. Estimate of percentage of completion in construction contracts, etc. in which revenue is recognized over time

(1) Amount recorded on Consolidated Financial Statements for this consolidated fiscal year

Net sales of completed construction contracts ¥256,412 million

(2) Information on details of important accounting estimates concerning items identified

At the Taikisha Group, of the construction contracts as of the consolidated fiscal year-end, if the percentage of completion can be reasonably estimated for specific construction contracts, etc. in which revenue is recognized over time, revenue is recorded according to the said percentage of completion.

The percentage of completion is measured by the ratio of cost incurred as of the fiscal year-end to estimated total costs based on the working budget for the construction contract (input methods).

Regarding the total estimated cost for the construction contract until its completion, as changes may occur in line with the progress, etc. of the construction contract, the Taikisha Group shall continuously review the said estimates and assumptions.

The total estimated cost is calculated based on various types of information, including the details of the said construction contract, etc., the specifications, and the actual cost incurred in similar contracts in the past, for each contract. In particular, regarding projects undertaken by the Taikisha Group, specifications of the contract and details of the work are determined based on the customer's requests, and the details of each contract differ greatly from other contracts. If hindrances to the project's progress that were not foreseen at the initial stage of the contract occur, additional assessments and estimates may be required regarding the altered conditions and the extent of each component in the emergency response.

In addition, the total estimated cost may increase due to factors such as soaring prices of equipment and materials as a result of global circumstances.

As the predictions of such assumptions come with a high level of uncertainty depending on changes in each individual project's conditions, if there is an impact on the total estimated cost and as a result the actual figure differs greatly from the estimate, there may be a material impact on the amount of future income on the consolidated financial statements.

2. Valuation of goodwill

(1) Amount recorded on the consolidated financial statements for this consolidated fiscal year

Goodwill ¥970 million

(2) Information on details of important accounting estimates concerning items identified

Regarding goodwill as of the consolidated fiscal year-end, after verifying the presence of signs of impairment, the Taikisha Group assesses if the recognition and measurement of an impairment will be necessary.

In conducting the recognition and measurement of impairment loss, assumptions will be made regarding the discount rate and future cash flows mainly based on the business plan and then applied.

These assumptions are determined at the discretion of management based on the best estimates. However, as they may be affected by the results of fluctuations, etc. of uncertain economic conditions in the future, if they have to be reviewed, there may be a material impact on the consolidated financial statements.

(Translation)

[Notes to Consolidated Balance Sheet]

1. Of notes receivable, accounts receivable from completed construction contracts and other, receivables from contracts with customers and contract assets are as follows:

	(Millions of yen)
Notes receivable	4,124
Accounts receivable from completed construction contracts	49,641
Contract assets	59,113

2. Pledged assets

- (1) The following assets are pledged as collateral for loans payable at subsidiaries and associates.

(Millions of yen)		
Asset pledged as collateral	Book value	Secured obligations corresponding to the asset at left
Cash and deposits	339	10
Machinery, vehicles, tools, furniture and fixtures	25	17

- (2) The following assets are pledged as collateral for security deposits at subsidiaries and associates.

Cash and deposits ¥67 million

- (3) The following assets are pledged as collateral for overdraft facilities of subsidiaries and associates.

Cash and deposits ¥24 million

- (4) The following assets are pledged as collateral for bank guarantee, etc. of subsidiaries and associates.

Buildings and structures ¥49 million

Land ¥33 million

3. Guarantee obligations

The Company guarantees loans payable, etc., made by its associates under agreements concluded with financial institutions.

Tianjin Dongchun-Taiki Metal Finishing & Conveyor System Manufacturing Co., Ltd. ¥303 million

[Notes to Consolidated Statement of Income]

1. Revenue from contracts with customers

With regard to net sales of completed construction contracts, the Company does not disaggregate revenues from contracts with customers and other sources of net sales of completed construction contracts. The amount of revenue from contracts with customers is presented in “(Notes regarding Revenue Recognition) 1. Information on revenue from contracts with customers” in Notes to Consolidated Financial Statements.

2. Provision for loss on construction contracts included in the cost of sales of completed construction contracts is ¥652 million.

[Notes to Consolidated Statement of Changes in Net Assets]

1. Type and total number of issued shares as of the consolidated fiscal year end

Common shares 63,464,018 shares

(Translation)

2. Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Shareholders' cut-off date	Effective date
Annual Shareholders' Meeting on June 26, 2025	Common shares	2,736	84.00	March 31, 2025	June 27, 2025
Board of Directors Meeting on November 10, 2025	Common shares	2,535	40.00	September 30, 2025	November 28, 2025

- (Notes) 1. The total dividends resolved at the Annual Shareholders' Meeting held on June 26, 2025 include dividends of ¥12 million paid on the Company's shares held by Custody Bank of Japan, Ltd. (Trust E Account) as the trust assets of Board Benefit Trust (BBT).
2. The total dividends resolved at the Board of Directors Meeting held on November 10, 2025 include dividends of ¥11 million paid on the Company's shares held by Custody Bank of Japan, Ltd. (Trust E Account) as the trust assets of Board Benefit Trust (BBT).
3. The Company conducted a share split of its common shares in the proportion of 1 share into 2 shares effective April 1, 2025. Dividends with a record date of March 31, 2025 are based on the number of shares before the share split.

- (2) Dividends whose record date is during the fiscal year, but whose effective date is after the end of the fiscal year

The following matters concerning the dividends of common shares are proposed at the Annual Shareholders' Meeting held on June 24, 2026.

- | | |
|-------------------------------|----------------|
| 1) Total dividends | ¥4,439 million |
| 2) Dividend per share | ¥70.00 |
| 3) Shareholders' cut-off date | March 31, 2026 |
| 4) Effective date | June 25, 2026 |

Retained earnings are planned to be used as the source of dividends.

(Note) The total dividends include dividends of ¥29 million to be paid on the Company's shares held by Custody Bank of Japan, Ltd. (Trust E Account) as the trust assets of Board Benefit Trust (BBT).

[Notes regarding Financial Instruments]

1. Status of Financial Instruments

(1) Policies on financial instruments

The Companies invest their temporary surplus funds in financial assets that are highly secure and procures their short-term working capital in the form of borrowings from financial institutions and so on. The Companies utilize derivatives only to hedge their exposure to the risks as described below and do not enter into such transactions for speculative purposes.

(2) Description of financial instruments, related risks and risk management system

Notes receivable, accounts receivable from completed construction contracts and other, which are trade receivables, are exposed to the credit risk of the respective customers. As for the credit risk of customers, the Companies' management system allows us to monitor the credit standing of major customers at any time on a timely basis based on the maturity and balance control by customer. Meanwhile, trade receivables denominated in foreign currencies, which originate from global business operations, are exposed to the risk of exchange rate fluctuations and are partly hedged by utilizing forward exchange contracts. Securities and investment securities are those of companies with which the Companies have business relations and money trusts, etc. for the investment of temporary surplus funds. Although they are exposed to the risk of fluctuations in market price and credit risk, the Companies continuously monitor through regular checks of the fair value and financial positions of the issuers.

Notes payable, accounts payable for construction contracts and other, which are trade payables, generally mature within one year. While some of them are denominated in foreign currencies for the purpose of importing machinery and equipment and raw materials, etc. and are exposed to the risk of exchange rate fluctuations, the amount of those items are invariably less than the balance of accounts receivable from

(Translation)

completed construction contracts, which are similarly denominated in foreign currencies.

Income taxes payable are imposed on the taxable income of the Companies for the fiscal year, and they all mature within one year.

Both short-term and long-term loans payable are fund-raising means associated with business transactions.

Short-term loans payable with variable interest rates are exposed to the risk of interest-rate fluctuations.

However, long-term loans payables, which are procured at fixed interest rates, in principle, are hedged against interest-rate fluctuation risk.

Derivative transactions consist of forward exchange contracts and NDFs aimed at hedging the risk of fluctuations in exchange rates for exports and imports in the course of ordinary business operations, as well as interest rate swaps aimed at hedging the risk of fluctuations in the interest rates for loans payable.

Forward exchange contracts and NDFs are executed and managed in accordance with the relevant guideline regarding foreign exchange control issued by the Chief Executive of the Administrative Management Headquarters. This guideline clearly stipulates regulations for the management policies on derivative transactions, the regulating division and department in charge of risk management, purposes of use, scope of utilization, reporting system. As for interest rate swaps, only those that meet the requirements for the application of special treatment are executed. Derivative transactions are executed only with financial institutions with high credit ratings to reduce the credit risk.

Although trade payables and loans payable are exposed to liquidity risk, the Companies strive to control the liquidity risk such as by having each Group company prepare a monthly cash management plan.

(3) Supplementary explanation on fair value of financial instruments, etc.

The contractual amounts, etc., with regard to derivative transactions in “2. Fair Value of Financial Instruments” below only indicate nominal contractual or notional principal amounts in derivative transactions, and they do not indicate risk amounts in connection with the corresponding derivative transactions.

2. Fair Value of Financial Instruments

The following table indicates the book value, the fair value and the differences thereof as of March 31, 2026.

	(Millions of yen)		
	Book value	Fair value	Difference
(1) Notes receivable, accounts receivable from completed construction contracts and other	112,879		
Allowance for doubtful accounts*2	(1,348)		
	111,531	111,426	(104)
(2) Investment securities*3	31,783	31,783	—
Total assets	143,315	143,210	(104)
(3) Notes payable, accounts payable for construction contracts and other	44,070	44,025	(44)
(4) Short-term loans payable	1,247	1,247	—
(5) Long-term loans payable	35	35	(0)
Total liabilities	45,353	45,308	(45)
(6) Derivative transactions	4	4	—

*1. Cash and deposits and income taxes payable are not stated because they are settled within a short period of time and their book value approximates fair value.

*2. “Allowance for doubtful accounts” separately included in “notes receivable, accounts receivable from completed construction contracts and other” is deducted.

*3. Stocks and other securities without market prices are not included in (2) Investment securities. Book values of such financial instruments in the Consolidated Balance Sheet are as follows.

	(Millions of yen)
Category	Book value
Available-for-sale securities	
Non-listed stocks	1,155

(Translation)

(Note 1)

Redemption schedule for monetary receivables and securities with maturities

(Millions of yen)

Category	Within one year	Over one year and within five years	Over five years and within 10 years	Over 10 years
Cash and deposits	90,664	—	—	—
Notes receivable, accounts receivable from completed construction contracts and other	108,456	4,386	36	—
Total	199,121	4,386	36	—

3. Fair value information by level within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using (unadjusted) quoted prices in active markets for the same assets or liabilities.

Level 2 fair value: Fair value measured using directly or indirectly observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable material inputs.

If multiple inputs that have a significant impact on the fair value measurement are used, fair value is classified to the level with the lowest priority in the fair value measurement among the levels to which each of those inputs belongs.

(1) Financial instruments measured at fair value

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stocks	31,783	—	—	31,783
Total assets	31,783	—	—	31,783
Derivative transactions	—	4	—	4

(2) Financial instruments other than those measured at fair value

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Notes receivable, accounts receivable from completed construction contracts and other	—	111,426	—	111,426
Total assets	—	111,426	—	111,426
Notes payable, accounts payable for construction contracts and other	—	44,025	—	44,025
Short-term loans payable	—	1,247	—	1,247
Long-term loans payable	—	35	—	35
Total liabilities	—	45,308	—	45,308

(Translation)

(Note) Description of valuation techniques and inputs used in the fair value measurements

Assets

(1) Notes receivable, accounts receivable from completed construction contracts and other:

The fair value of these assets is determined based on the present value calculated by applying discount rates, which take into account the remaining period prior to maturity and the credit risk, for receivables individually segmented by certain duration, and their fair value is classified as Level 2.

(2) Investment securities:

As for the calculation of the fair value of these assets, listed stocks are valued using quoted prices. As listed stocks are traded in active markets, their fair value is classified as Level 1.

1) The differences between the book value and acquisition cost are as follows:

Available-for-sale securities with fair value (as of March 31, 2026)

(Millions of yen)

Category	Book value	Acquisition cost	Difference
Securities whose book value exceeds their acquisition cost			
Stocks	31,783	7,701	24,082
Total	31,783	7,701	24,082

2) Sales of available-for-sale securities in the fiscal year amounted to ¥1,988 million and the total gain on sales amounted to ¥1,442 million.

3) The “Acquisition cost” in the table above is the book value after deducting impairment losses. The Companies recognize an impairment loss when the fair value of stocks falls 50% or more compared with the acquisition cost and there is no evidence to indicate that the fair value will recover to the book value within one year. When the fair value falls by 30% or more but less than 50% compared with the acquisition cost, the Companies recognize a necessary amount of impairment loss after considering the market prices in the past year and the possibility of recovery.

Liabilities

(3) Notes payable, accounts payable for construction contracts and other, and (4) Short-term loans payable

The fair value of these liabilities is determined based on the present value calculated by applying discount rates, which take into account the remaining period prior to maturity or repayment and the credit risk, for payables individually segmented by certain duration. The fair value is classified as Level 2.

(5) Long-term loans payable

With regard to floating rate loans, the book value approximates the fair value because the market interest rate is reflected in the interest rate within a short period of time and the credit risk did not fluctuate significantly after borrowing. Therefore, the book value is used as the fair value and classified as Level 2. With regard to fixed rate loans, the fair value is determined based on the present value of the total principal and interest discounted by an interest rate to be applied to similar new loans, and classified as Level 2.

(6) Derivative transactions

Fair value of derivative transactions is determined based on the prices and other data submitted by counterparty financial institutions, and classified as Level 2.

1) Derivative transactions not subject to hedge accounting

For derivative transactions to which hedge accounting is not applied, contractual amounts or the notional principal amounts specified in the derivative contracts, fair value and gain (loss) on valuation as of the consolidated fiscal year end by type of target transaction, as well as the calculation method of said fair value, are as follows:

(Translation)

Currency-related

(Millions of yen)

Category	Type	Contract amount	Over one year	Fair value	Gain/loss on valuation
Non-market transactions	Forward exchange contracts:				
	Buy:				
	JPY	106	—	(7)	(6)
	USD	2	—	(0)	(0)
	CNY	7	—	(0)	(0)
Total		115	—	(7)	(6)

2) Derivative transactions to which hedge accounting is applied

For derivative transactions to which hedge accounting is applied, contractual amounts or the notional principal amounts specified in the derivative contracts as of the consolidated fiscal year end by type of hedge accounting method are as follows:

Currency-related

(Millions of yen)

Hedging method	Transaction type	Main hedged item	Contract amount	Over one year	Fair value
Method in principle	Forward exchange contracts:				
	Buy:				
	THB	Accounts payable for construction contracts (forecast)	126	—	11
	CNY	Accounts payable for construction contracts (forecast)	153	—	6
	Sell:				
	KRW	Accounts receivable from completed construction contracts (forecast)	0	—	0
	CNY	Accounts receivable from completed construction contracts (forecast)	130	48	(6)
Total			410	48	11

(Translation)

[Notes regarding Revenue Recognition]

1. Information on revenue from contracts with customers

(Millions of yen)

	Reportable segment		Total
	Green Technology System business	Paint Finishing System business	
Region			
Domestic	121,594	20,502	142,096
Overseas	61,448	82,582	144,031
Revenue from contracts with customers	183,043	103,084	286,127
Revenue from other sources	—	—	—
Sales to customers	183,043	103,084	286,127

2. Useful information in understanding revenue from contracts with customers

The Taikisha Group is engaged in construction contracts, etc. mainly involving design, supervision, and installation and sales of equipment and materials.

(1) Construction contracts, etc.

The Taikisha Group determines that control over assets is transferred to the customer over a certain period of time because performance of a construction contract or other contract results in creation of an asset or an increase in the value of an asset, and the customer gains control over the asset as the asset is created or the value of the asset increases. Therefore, revenue is recognized based on the degree of progress made in satisfying performance obligations as of the end of the fiscal year.

Degree of progress is measured by the ratio of the cost incurred to the total estimated cost (input methods), since it is possible to make a reasonable estimate of the total estimated cost based on the execution budget. When the degree of progress toward satisfying performance obligation cannot be reasonably estimated, but it is probable that the costs incurred will be recovered, revenue is recognized on a cost recovery basis.

(2) Sales of equipment and materials

The Taikisha Group determines that control over equipment and materials is transferred to the customer and the performance obligation is satisfied at the time of delivery of a product, taking into account indicators related to the transfer of control, such as physical possession of the equipment and materials, and transfer status of significant risks and the economic value associated with ownership to the customer, and recognizes revenue at the time of delivery.

For these performance obligations, the Taikisha Group provides warranties such as free repair for defects that occur within a certain period of time after delivery, which provide assurance to the customer that the product will function as intended in accordance with the specifications agreed upon with the customer. Expected future expenditures for warranties are estimated by considering historical performance rates and recognized as a provision for warranties for completed construction.

In addition, terms of payment for these performance obligations are general and do not include a significant financial component.

(Translation)

3. Information on the relationship between satisfaction of performance obligations for contracts with customers and cash flow from these contracts, and information on the amount and timing of revenue expected to be recognized in the subsequent consolidated fiscal years from contracts with customers existing at the end of this consolidated fiscal year

(1) Contract assets and liabilities outstanding, etc.

	(Millions of yen)
Accounts receivable from completed construction contracts (balance at the beginning of current period)	71,946
Accounts receivable from completed construction contracts (balance at the end of current period)	49,641
Contract assets (balance at the beginning of current period)	75,644
Contract assets (balance at the end of current period)	59,113
Contract liabilities (balance at the beginning of current period)	19,668
Contract liabilities (balance at the end of current period)	27,449

In the Consolidated Balance Sheet, accounts receivable from completed construction contracts and contract assets are included in notes receivable, accounts receivable from completed construction contracts and other, while contract liabilities are presented as advances received on uncompleted construction contracts.

The amount of revenue recognized in this consolidated fiscal year that was included in the contract liability balance at the beginning of the period was ¥18,271 million. In addition, the amount of revenue recognized in this consolidated fiscal year from performance obligations that were satisfied (or partially satisfied) in prior periods was not material.

(2) Transaction prices allocated to remaining performance obligations

The total transaction price allocated to unfulfilled performance obligations and the time frame the Company expects to recognize the amount as revenue are as follows:

(Millions of yen)

	Reportable segment		Total
	Green Technology System business	Paint Finishing System business	
Region			
Domestic	133,503	19,859	153,362
Overseas	52,762	98,280	151,042
Total	186,265	118,140	304,405

The transaction value allocated to unfulfilled performance obligations in the “Green Technology System business” and “Paint Finishing System business” segments is expected to be recognized as net sales of completed construction contracts primarily within two years, based on the progress of construction.

[Notes regarding Per-Share Information]

- | | |
|-----------------------------|-----------|
| 1. Net assets per share | ¥2,555.19 |
| 2. Basic earnings per share | ¥245.14 |

[Note regarding Significant Subsequent Events]

Not applicable.

[Other Notes]

(Introduction of a Board Benefit Trust (BBT) for Executive Directors, etc.)

Based on the resolution of the 74th Annual Shareholders' Meeting held on June 27, 2019, the Company has introduced a Board Benefit Trust (BBT) (hereinafter referred to as the “System”), which is a performance-linked stock-based compensation plan for Executive Directors of the Company from the previous consolidated fiscal year.

At the Board of Directors Meeting held on March 30, 2023, it was resolved to establish the Corporate Officer Stock Benefit Rules with an effective date of April 1, 2023, and to add Corporate Officers (excluding non-residents of Japan, hereinafter referred to as “Executive Directors, etc.” together with Executive Directors) to those eligible for stock benefits under the System.

The purpose of the System is to further clarify the link between the compensation of Executive Directors, etc. and the Company's operating performance and stock value and enhancing their motivation to contribute to the

(Translation)

improvement of operating performance in the medium and long term and to boost corporate value by sharing not only the benefit of stock price increases but also the risk of stock price decreases with shareholders. In accordance with the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees, etc., through Trusts (ASBJ PITF No. 30, March 26, 2015), the gross method has been applied for the accounting treatment under the System.

(1) Outline of the System

The System is a performance-linked stock-based compensation plan whereby the Company's shares are acquired through a trust using money contributed by the Company (hereinafter, the trust established pursuant to the System is referred to as the "Trust") as funds, and the Company's shares and the amount of money equivalent to the value of the Company's shares calculated based on market value are distributed through the Trust to Executive Directors, etc. as compensation in accordance with the Director Stock Benefit Rules and Corporate Officer Stock Benefit Rules (hereinafter referred to as the "Director, etc. Stock Benefit Rules") established by the Company.

The Company's shares, etc. shall be granted to Executive Directors, etc. upon their retirement, in principle.

(2) The Company's shares that remain in the Trust

The Company's shares remaining in the Trust are recognized as treasury shares under net assets at the book value of the Trust (excluding ancillary expenses). The book value and number of treasury shares as of the consolidated fiscal year-end are ¥946 million and 419,000 share, respectively.

(Translation)

Non-consolidated Financial Statements**Non-consolidated Balance Sheet**

(As of March 31, 2026)

(Millions of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	111,411	Current liabilities	39,904
Cash and deposits	30,618	Notes payable-trade	113
Notes receivable-trade	23	Electronically recorded obligations-operating	7,151
Electronically recorded monetary claims	3,344	Accounts payable for construction contracts	10,450
Accounts receivable from completed construction contracts	71,992	Short-term loans payable	1,611
Costs on uncompleted construction contracts	40	Lease liabilities	2
Raw materials and supplies	393	Accounts payable-other	10,907
Short-term loans receivable	116	Income taxes payable	4,234
Other	5,074	Advances received on uncompleted construction contracts	2,405
Allowance for doubtful accounts	(191)	Deposits received	475
Non-current assets	63,813	Provision for warranties for completed construction	182
Property, plant and equipment	6,581	Provision for loss on construction contracts	0
Buildings	4,522	Provision for directors' bonuses	244
Structures	198	Other	2,123
Machinery and equipment	574	Non-current liabilities	7,425
Vehicles	1	Long-term loans payable	28
Tools, furniture and fixtures	230	Lease liabilities	5
Land	1,005	Deferred tax liabilities	6,140
Leased assets	8	Provision for retirement benefits	101
Construction in progress	40	Provision for share awards	100
Intangible assets	1,158	Provision for share awards for directors	831
Software	1,021	Other	218
Other	137	Total liabilities	47,329
Investments and other assets	56,073	(Net Assets)	
Investment securities	32,205	Shareholders' equity	111,291
Shares of subsidiaries and associates	12,751	Capital stock	6,455
Long-term loans receivable	245	Capital surplus	7,297
Long-term prepaid expenses	664	Legal capital surplus	7,297
Prepaid pension cost	8,925	Retained earnings	98,596
Lease and guarantee deposits	1,321	Legal retained earnings	1,613
Other	16	Other retained earnings	96,982
Allowance for doubtful accounts	(56)	Reserve for reduction entry	0
		Reserve for investment on information technology	1,600
		General reserve	35,720
		Retained earnings brought forward	59,662
		Treasury shares	(1,057)
		Valuation and translation adjustments	16,604
		Valuation difference on available-for-sale securities	16,595
		Deferred gains or losses on hedges	8
		Total net assets	127,895
Total assets	175,225	Total liabilities and net assets	175,225

(Note) Amounts of less than one million yen are rounded down.

(Translation)

Non-consolidated Statement of Income

(From April 1, 2025, to March 31, 2026)

(Millions of yen)

Account title	Amount	
Net sales of completed construction contracts		145,404
Cost of sales of completed construction contracts		111,218
Gross profit on completed construction contracts		34,185
Selling, general and administrative expenses		22,028
Operating income		12,156
Non-operating income		
Interest income and dividends income	7,270	
Dividend income of insurance	155	
Real estate rent	270	
Foreign exchange gains	57	
Technical advisory fee	1,670	
Reversal of allowance for doubtful accounts	93	
Other	75	9,592
Non-operating expenses		
Interest expenses	173	
Rent expenses on real estate	31	
Other	58	264
Ordinary income		21,485
Extraordinary income		
Gain on sales of investment securities	1,442	1,442
Extraordinary losses		
Loss on disposal of non-current assets	7	
Impairment loss	1	
Loss on valuation of investment securities	25	34
Profit before income taxes		22,892
Income taxes-current	6,358	
Income taxes-deferred	(840)	5,518
Profit		17,374

(Note) Amounts of less than one million yen are rounded down.

(Translation)

Non-consolidated Statement of Changes in Net Assets

(From April 1, 2025, to March 31, 2026)

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings					
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
						Reserve for reduction entry	Reserve for investment on information technology	General reserve	Retained earnings brought forward	
Balance at the beginning of current period	6,455	7,297	79	7,376	1,613	0	1,400	35,720	56,585	95,319
Changes of items during the period										
Reserve for investment on information technology							200		(200)	—
Dividends of surplus									(5,271)	(5,271)
Profit									17,374	17,374
Purchase of treasury shares										
Disposal of treasury shares			138	138						
Retirement of treasury shares			(217)	(217)					(8,825)	(8,825)
Net changes of items other than shareholders' equity										
Total changes of items during the period	—	—	(79)	(79)	—	—	200	—	3,076	3,276
Balance at the end of current period	6,455	7,297	—	7,297	1,613	0	1,600	35,720	59,662	98,596

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	(4,969)	104,181	11,688	(27)	11,660	115,842
Changes of items during the period						
Reserve for investment on information technology		—				—
Dividends of surplus		(5,271)				(5,271)
Profit		17,374				17,374
Purchase of treasury shares	(5,443)	(5,443)				(5,443)
Disposal of treasury shares	312	450				450
Retirement of treasury shares	9,043	—				—
Net changes of items other than shareholders' equity			4,907	35	4,943	4,943
Total changes of items during the period	3,912	7,109	4,907	35	4,943	12,053
Balance at the end of current period	(1,057)	111,291	16,595	8	16,604	127,895

(Note) Amounts of less than one million yen are rounded down.

(Translation)

Notes to Non-consolidated Financial Statements

[Notes regarding Significant Accounting Policies]

Accounting Standards

(1) Standards and methods for valuation of assets

Securities

Held-to-maturity debt securities	Amortized cost method (straight-line method)
Shares of subsidiaries and associates	Stated at cost using the moving-average method
Available-for-sale securities	
Securities other than shares, etc. that do not have a market price	Stated at fair value based on the market prices at the end of the fiscal year. (Valuation difference is reported as a separate item in net assets at net-of-tax amount. The cost of securities sold is stated at cost, determined by the moving average method.)
Shares, etc. that do not have a market price	Stated at cost using the moving-average method

Derivatives

Stated at fair value

Inventories

Costs on uncompleted construction contracts	Stated at cost using the specific identification method
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Raw materials and supplies

Stated at cost determined by the moving average method (The amounts stated in the non-consolidated balance sheets are calculated by writing down the book value based on the decline in profitability.)

(2) Depreciation method for non-current assets

Property, plant and equipment (excluding leased assets)	The declining-balance method is applied. However, the straight-line method is applied to buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and is applied to facilities attached to buildings and structures acquired on or after April 1, 2016. The useful lives and the residual values of depreciable assets are estimated mainly in accordance with the Corporation Tax Act.
Intangible assets (excluding leased assets)	The straight-line method is applied. However, computer software for internal use is amortized by the straight-line method over the estimated internal useful life (5 years).
Leased assets	Lease assets related to finance lease transactions that do not transfer ownership of the leased property to the lessee are depreciated on the straight-line method, assuming the lease period as the useful life and no residual value.

(3) Standards of accounting for allowance and provisions

Allowance for doubtful accounts	In order to prepare for losses due to bad debts such as accounts receivable from completed construction contracts and other, the allowance for doubtful accounts is provided at the estimated amount of uncollectable debt. For receivables classified as "normal," it is provided based on a historical default ratio. For receivables classified as "doubtful," etc., it is provided based on individual assessment on the probability of collection.
Provision for warranties for completed construction	In order to prepare for the costs of repairs for damages related to completed construction work for which the Company is responsible, the provision is provided based on past warranty experience.
Provision for loss on construction contracts	In order to prepare for future losses related to the construction contracts in process, the provision is provided based on estimated amount which will probably be incurred and which can be reasonably estimated.

(Translation)

Provision for directors' bonuses

In order to prepare for directors' bonuses, the provision is provided based on the estimated payment of the fiscal year.

Provision for retirement benefits

In order to prepare for employees' retirement benefits, the provision is provided based on estimated benefit obligations and the fair value of plan assets at the end of fiscal year.

1) Method of attributing the projected benefit obligations to periods of service

In calculating the retirement benefit obligations, the benefit formula basis is used to allocate the projected retirement benefits to the years of service up to the end of the fiscal year.

2) Amortization method for actuarial differences and prior service costs

Actuarial differences are amortized using the straight-line method over a certain period of time (10 years) within the average remaining service period of employees from the following fiscal year of accrual.

Prior service costs are amortized using the straight-line method over a certain period of time (10 years) within the average remaining service period of employees from the fiscal year of accrual.

Provision for share awards

In order to prepare for share-based remuneration to corporate officers upon their retirements, the estimated amount of provision for share-based obligation as of the fiscal year end is provided based on the Corporate Officer Stock Benefit Rules.

Provision for share awards for directors

In order to prepare for share-based remuneration to executive directors upon their retirements, the estimated amount of provision for share-based obligation as of the fiscal year end is provided based on the regulation of share-based remuneration for directors.

(4) Accounting standards for revenues and expenses

The details of the main performance obligations in the major businesses related to revenue from contracts with customers and the timing at which the Company typically satisfies these performance obligations (when it typically recognizes revenue) are as follows:

1) Construction contracts, etc.

In the green technology system business and the paint finishing system business, performance obligations for construction contracts, etc. mainly involving design, supervision, and installation are deemed to be satisfied over time, and revenue is recognized based on progress toward complete satisfaction of a performance obligation.

The progress of satisfaction of performance obligations in revenue recognition over time is measured by the ratio of incurred costs to estimated total costs (input methods). In addition, revenue is recognized by cost recovery method in case incurred costs are expected to be recoverable though the progress of satisfaction of performance obligations cannot be reasonably measured.

2) Sales of equipment and materials

In the green technology system business and the paint finishing system business, performance obligations for sales of equipment and materials are deemed to be satisfied at a point in time, and revenue is recognized when products are delivered.

(5) Other important matters for presenting the Non-consolidated Financial Statements

Methods of hedge accounting

1) Method of hedge accounting

(Translation)

Accounted for using the deferral method of accounting. With regard to forward exchange contracts that meet the requirements for deferral hedge accounting, deferral hedge accounting is applied.

2) Hedging instruments and hedged items

Hedging instruments	Forward exchange contracts, and non-deliverable forwards (NDF)
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Hedged items	Foreign currency receivables, foreign currency payables and future transactions in foreign currency
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3) Hedging policy

The Company uses forward exchange contracts not for the purpose of speculation but for hedging future risks of fluctuation of foreign currency exchange rates.

4) Assessment of hedge effectiveness

As forward exchange contracts in the same currency are used for forward exchange transactions, the correlation to subsequent exchange rate fluctuations is completely ensured. Accordingly, evaluation of hedge effectiveness is omitted.

Accounting procedure for retirement benefits

Accounting procedures for unrecognized actuarial differences and unrecognized prior service costs relative to retirement benefits differ from those applied in the consolidated financial statements.

(Translation)

[Notes regarding Accounting Estimates]

1. Estimate of percentage of completion in construction contracts, etc. in which revenue is recognized over time

(1) Amount recorded on Non-consolidated Financial Statements for this fiscal year

Net sales of completed construction contracts	¥143,584 million
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(2) Information on details of important accounting estimates concerning items identified

This note is omitted, as the same information has been stated in “Notes regarding Accounting Estimates” in Notes to Consolidated Financial Statements.

2. Valuation of shares of subsidiaries and associates

(1) Amount recorded on Non-consolidated Financial Statements for this fiscal year

Shares of subsidiaries and associates	¥12,751 million
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(2) Information on details of important accounting estimates concerning items identified

In the valuation of shares of subsidiaries and associates that do not have market prices, the Company recognizes impairment losses when the real value of such shares declines significantly due to deterioration in the financial condition of the subsidiaries and associates, and when the recoverability of such shares is not sufficiently supported by consideration of the business plans of the subsidiaries and associates.

For shares acquired reflecting excess earning power, the actual value reflects such excess earning power, and if excess earning power is determined to have decreased as a result of consideration of the business plans, the actual value reflects such decrease.

Certain assumptions are made regarding the business plans of subsidiaries and associates with respect to the market environment and other factors of each company. These assumptions are determined at the discretion of management based on the best estimates. However, as they may be affected by the results of fluctuations, etc. of uncertain economic conditions in the future, if they have to be reviewed, there may be a material impact on the Non-consolidated Financial Statements.

(Translation)

[Notes to Non-consolidated Balance Sheet]

1. Accumulated depreciation

Property, plant and equipment ¥4,434 million

2. Guarantee obligations

The Company guarantees loans payable, etc., made by its subsidiaries and associates under agreements concluded with financial institutions.

(Millions of yen)

Taikisha USA, Inc.	2,253
Taikisha de Mexico, S.A. de C.V.	159
Taikisha do Brasil Ltda.	631
Encore Automation LLC	494
Taikisha (Singapore) Pte. Ltd.	582
Taikisha (Thailand) Co., Ltd.	509
P.T. Taikisha Indonesia Engineering	761
Taikisha Vietnam Engineering Inc.	1,620
WuZhou Taikisha Engineering Co., Ltd.	86
Taikisha (Taiwan) Ltd.	0
Taikisha Korea Ltd.	471
Taikisha Engineering India Private Ltd.	6,049
Nicomac Taikisha Clean Rooms Private Limited	809
Tianjin Dongchun-Taiki Metal Finishing & Conveyor System Manufacturing Co., Ltd.	303
Taikisha Deutschland GmbH	16,629
Total	31,362

3. Monetary receivables from and payables to subsidiaries and associates

Short-term monetary receivables ¥5,074 million
Long-term monetary receivables ¥237 million
Short-term monetary payables ¥1,923 million

[Notes to Non-consolidated Statement of Income]

1. Transactions with subsidiaries and associates

(Millions of yen)

Net sales of completed construction contracts	3,666
Cost of sales of completed construction contracts	6,539
Transactions other than operating transactions (for revenue)	8,299
Transactions other than operating transactions (for expenses)	261

2. Provision for loss on construction contracts included in the cost of sales of completed construction contracts was ¥0 million.

[Note to Non-consolidated Statement of Changes in Net Assets]

Type and number of treasury shares as of the fiscal year end

Common shares 464,423 shares

(Note) The number of treasury shares as of the fiscal year end includes 419,000 shares held by Custody Bank of Japan, Ltd. (Trust E Account) as the trust assets of Board Benefit Trust (BBT).

(Translation)

[Note regarding Tax Effect Accounting]

Breakdown by cause of deferred tax assets and liabilities

(Millions of yen)

Deferred tax assets:

Allowance for doubtful accounts	78
Provision for warranties for completed construction	57
Provision for loss on construction contracts	0
Provision for retirement benefits	31
Employee pension trust, investment securities	417
Accrued enterprise taxes	254
Accrued bonuses	3,238
Loss on valuation of investment securities	121
Loss on valuation of shares of subsidiaries and associates	2,801
Loss on valuation of golf club membership	56
Depreciation in excess of depreciation limit	107
Others	470
Subtotal	7,637
Valuation allowance	(3,383)
Total deferred tax assets	4,253

Deferred tax liabilities:

Prepaid pension cost	(2,813)
Valuation difference on available-for-sale securities	(7,486)
Others	(93)
Total deferred tax liabilities	(10,393)
Net deferred tax liabilities	(6,140)

(Translation)

[Notes regarding Transactions with Related Parties]

Subsidiaries

(Millions of yen)

Category	Name of company, etc.	Percentage of voting rights, etc., held (or held of the Company)	Relationship with related party	Transaction details	Transaction amount	Account title	Fiscal year-end balance
Subsidiary	Taikisha USA, Inc.	Direct holding 100.00%	Concurrently held Officers' posts; Financial support; Ordering to the Company for part of construction work	Guarantee of debt ^(note)	2,253	—	—
Subsidiary	Taikisha Engineering India Private Ltd.	Direct holding 57.89%	Concurrently held Officers' posts; Financial support; Ordering to the Company for part of construction work	Guarantee of debt ^(note)	6,049	—	—
Subsidiary	Taikisha Deutschland GmbH	Direct holding 100.00%	Concurrently held Officers' posts; Financial support; Ordering to the Company for part of construction work	Guarantee of debt ^(note)	16,629	—	—

Transaction conditions and decision policy thereof:

(Note) Consists of the guarantee for loans payable at said subsidiary and the performance guarantee to the customers of said subsidiary.

[Notes regarding Revenue Recognition]

Useful information in understanding revenue from contracts with customers is omitted, as the same information has been stated in “Notes regarding Revenue Recognition” in Notes to Consolidated Financial Statements.

[Notes regarding Per-Share Information]

1. Net assets per share	¥2,030.10
2. Basic earnings per share	¥273.11

[Note regarding Significant Subsequent Events]

Not applicable.

[Other Notes]

(Introduction of Board Benefit Trust (BBT) for Executive Directors, etc.)

With regard to “Note regarding Transactions of Delivering the Company’s Own Stock to Executive Directors, etc. through Trusts,” it is omitted since the same content is stated in “Other Notes” under Notes to Consolidated Financial Statements.

(Translation)

[Audit & Supervisory Board Audit Report]

Audit Report (English Translation)

Regarding the performance of duties by the Directors for the 81st fiscal year from April 1, 2025, to March 31, 2026, the Audit & Supervisory Board hereby submits its Audit Report, which has been prepared upon careful consideration based on the audit report prepared by each Audit & Supervisory Board Member.

1. Summary of Auditing Methods by the Audit & Supervisory Board Members and Audit & Supervisory Board

- (1) The Audit & Supervisory Board established auditing policies, allocation of duties, and other relevant matters for the fiscal year ended March 31, 2026, and received reports from each Audit & Supervisory Board Member regarding his or her audits and results thereof, as well as received reports from the Directors, other relevant personnel and the Accounting Auditor regarding performance of their duties, and requested explanations as necessary.
- (2) Each Audit & Supervisory Board Member complied with the audit standard stipulated by the Audit & Supervisory Board, followed the auditing policies, allocation of duties and other relevant matters for the fiscal year, communicated with the Directors, the Internal Audit Department, other employees and any other relevant personnel by utilizing means such as telephone lines and the internet, and made efforts to prepare the environment for information collection and audits, and conducted the audit in the following manners.
 - 1) Each Audit & Supervisory Board Member attended the meetings of the Board of Directors and other important meetings, received reports from the Directors, employees and other relevant personnel regarding performance of their duties, requested explanations as necessary, examined important authorized documents and associated information, and studied the operations and financial positions of the head office, as well as of principal branch offices, branches and business offices.
With respect to subsidiaries, each Audit & Supervisory Board Member communicated and exchanged information with Directors, Statutory Auditors and other relevant personnel of several major subsidiaries, and received reports as necessary from major subsidiaries, including those overseas, on their operations.
 - 2) With respect to the contents of resolutions of the Board of Directors regarding the improvement of the system stipulated in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, which is considered necessary pursuant to the System to Ensure that Directors and Employees of the Company Conform to Laws and Regulations and Articles of Incorporation and the System to Ensure the Appropriateness of Operations conducted by the Corporate Group Consisting of the Company and its Subsidiaries in the Business Report, as well as to the systems (internal control system) that have been improved based on such resolutions, each Audit & Supervisory Board Member received regular reports from Directors, employees and other relevant personnel with regard to the improvement and operational status of said systems, requested explanations as necessary and expressed opinions, in accordance with the “Audit Standards for Audit & Supervisory Board Members Regarding the Internal Control System” and the “Checklist for the Internal Control System Audit,” which were stipulated through consultations among all the Audit & Supervisory Board Members.
 - 3) Each Audit & Supervisory Board Member monitored and verified whether the Accounting Auditor maintained their independence and implemented appropriate audits, as well as received reports from the Accounting Auditor regarding the performance of their duties and requested explanations as necessary. In addition, each Audit & Supervisory Board Member received notice from the Accounting Auditor that the “system for ensuring that duties are performed properly” (matters set forth in each item of Article 131 of the Ordinance for Corporate Accounting) had been prepared in accordance with the “Product Quality Management Standards Regarding Audits” (issued by the Business Accounting Council) and other relevant standards, and requested explanations as necessary. Regarding key audit matters, each Audit & Supervisory Board Member held discussions with the Accounting Auditor, received reports regarding the state of implementation of the audit, and requested explanations as necessary.

Based on the above methods, we examined the Business Report and the accompanying supplementary schedules, Non-consolidated Financial Statements (Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Net Assets, and Notes to Non-consolidated Financial Statements) and the accompanying supplementary schedules, as well as the Consolidated Financial Statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements), all of which pertain to the fiscal year.

(Translation)

2. Results of Audit

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

- 1) In our opinion, the Business Report and the accompanying supplementary schedules are in accordance with the related laws, regulations and the Articles of Incorporation, and fairly present the Company's condition.
- 2) We have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation, related to performance of duties by the Directors.
- 3) In our opinion, the contents of the resolutions of the Board of Directors related to the internal control system are fair and reasonable. In addition, we have found no matters on which to remark regarding the description in the Business Report and the performance of duties by the Directors related to such internal control system.

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

In our opinion, the methods and results employed and rendered by A&A Partners are fair and reasonable.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results employed and rendered by A&A Partners are fair and reasonable.

May 28, 2026

Taikisha Ltd. Audit & Supervisory Board

Audit & Supervisory Board Member (Full-time)	Makoto Wakida (seal)
Audit & Supervisory Board Member (Full-time) (Outside)	Junichi Sakurai (seal)
Audit & Supervisory Board Member (Full-time)	Yasuhiro Sato (seal)
Audit & Supervisory Board Member (Outside)	Koichi Nagao (seal)
Audit & Supervisory Board Member (Outside)	Shoko Yamashita (seal)