

ACTION

FOR THE FUTURE

TKK REPORT 2025



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Editorial Policy

Since fiscal 2019, the Company has published the *TKK Report*, an integrated report that conveys information about its management strategy, business environment, ESG (environmental, social, and governance) issues, and finances annually, with the aim of furthering an understanding of its corporate value from a medium- and long-term perspective. In preparing this report, the Company referred to sources that include the International Integrated Reporting Framework (<IR> Framework) of the IFRS Foundation. We welcome any feedback or opinions from readers in order to make this report better and easier to understand.

- Details about results for fiscal 2024, the fiscal year ended March 31, 2025, are available in the *TKK Report 2025* Financial Section, which is on the Company's website. https://www.toyokanetsu.co.jp/global/ir/tkk_report.html
- Please visit the Company's website for other information for investors. <https://www.toyokanetsu.co.jp/global/ir/>

Cautionary Note Regarding Forward-Looking Statements

In this report, content not based on historical fact comprises future estimates and projections about Toyo Kanetsu and the Toyo Kanetsu Group's plans, strategies, and earnings that were made based on currently available information. Actual results may differ significantly from these forward-looking statements due to business-related risks and various uncertain factors.

Management Principles

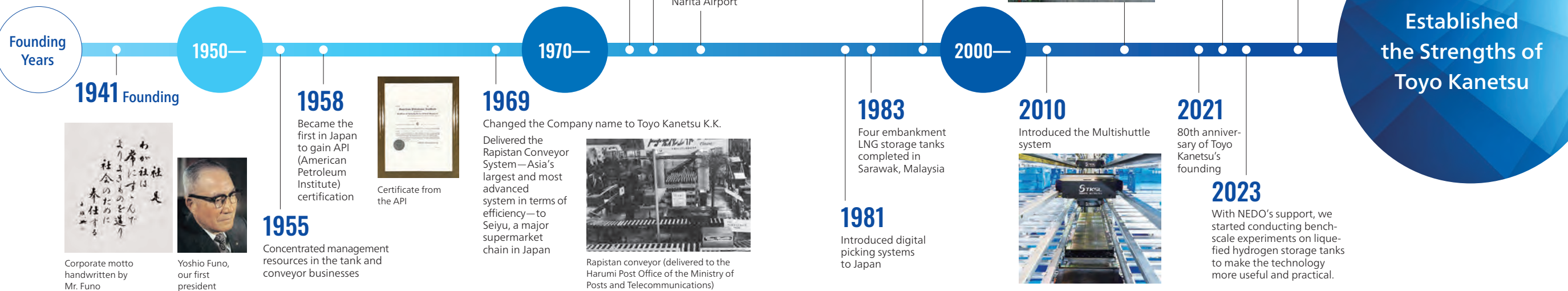
Founding Philosophy

Be Creative, Be Good for Society



History of Toyo Kanetsu

Our founder's desire to always anticipate and contribute to society's needs has become a cornerstone of our business, especially in the logistics and energy fields.



1940-

Born in Manufacturing and Sales of Industrial Kilns

Toyo Kanetsu was founded in 1941 as Toyo Kanetsu Kogyo K.K. to manufacture and sell industrial kilns. After the end of World War II, the Company expanded its business to focus on construction projects to supply boilers for heating and cooling.



A line of trucks carrying our boilers lined up in front of the Nihonbashi Head Office

Providing Energy Infrastructure that Supports Rapid Economic Growth

Applying the technology gained through the production of boilers, the Company began manufacturing fully welded liquid storage tanks. Delivering many storage tanks both in Japan and abroad, Toyo Kanetsu played a vital role supporting the stable supply of petroleum and other energy resources.

Development of Conveyor Business

Aware of belt conveyors' potential as labor-saving equipment, we introduced Toyo Conveyor, designed specifically for civil engineering and construction use. The launch of our automatic pressure conveyor saw the market expand further as this system gained wide acceptance among domestic customers seeking to improve productivity.



Toyo Conveyor



The first tank ordered was built at the Showa Sekiyu Muroran refinery

Contributing to Energy Transition

Offering storage tanks for everything from ambient temperature to cryogenic storage, the Company was well positioned to meet growing demand for liquefied natural gas (LNG) storage tanks.

Providing Pioneering Logistics Systems

Within three years of the Company entering the airport baggage handling system market, more than 30 airports in Japan had begun using its systems. Delivering conveyors and other logistics systems to logistics centers across a wide variety of industries, Toyo Kanetsu played a vital role in supporting rapid economic growth.



First LNG tanks ordered from Brunei



Tri-Planar® three-dimensional conveyor



World's first conveyor-based automatic handling system for a flower market

2000-

Providing Logistics Solutions That Meet the Needs of Society

Amid a growing need for the speedy delivery of a wide variety of products in the expanding e-commerce market, the Company provides solutions that save labor while reducing the burden on employees. Our Multishuttle system has been adopted by many customers in the e-commerce and manufacturing industries due to its high warehousing and storage performance. In 2023, the Toyo Kanetsu Group acquired Scrum Software Co., Ltd., which specializes in software development for warehouse management systems (WMS). Going forward, the Company will further expand its offerings to include full consulting and engineering and provide solutions that exceed expectations.

Growing Global Demand for LNG and LPG

We are developing ever larger storage tanks to meet the growing demand for new and expanded LNG production sites.

Towards Establishing a Third Business

The environmental and disaster management solutions business and the Innovation & Incubation Div., which is working to expand the industrial machinery business, are implementing M&A and collaborating with startups. In 2025, Toyo Koken K.K. acquired MAXPULL MACHINERY & ENGINEERING CO., LTD., and Toyo Kanetsu made SAKATA DENKI Co., Ltd. a Group company.



Maintenance and management conducted by an Eco Analysis Corporation employee

Contributing to Carbon Neutrality

We are currently pursuing an R&D project aimed at expanding Japan's storage capacity for liquefied hydrogen as part of a New Energy and Industrial Technology Development Organization (NEDO) subsidized project, and, in 2025, it was decided that the subsidy will continue until fiscal 2027. To meet needs related to the transition to next-generation energy, this project will contribute to the widespread adoption and storage capacity of large-scale liquefied ammonia and CO₂ tanks.



Vacuum exhaust prototype for liquefied hydrogen storage tank

At a Glance (Fiscal 2024 results)

Founding **84** years ago

International and domestic network **15** international and domestic companies

Net sales **¥60.4** billion

Logistics Solutions Business bases

17 centers

Baggage handling systems delivered

17 countries

Domestic share of airport baggage handling systems

85%

Total storage tanks delivered

Over **5,700**

* Domestically and internationally

Storage tanks constructed

40 countries

Liquefied ammonia storage tanks delivered

7 international projects

Temperature capability of large-scale liquefied hydrogen tanks in development

-253°C

Of the environmental measurement equipment maintenance and management industry

#1 share

* Eco-Analysis Corporation

Domestic share of electric winches

40%

* Toyo Koken K.K.

Toyo Kanetsu's Strengths

1 Delivering the Best Solutions for Our Customers

Our one-stop logistics systems services span consulting, design, and development through manufacturing, construction and maintenance, and offer the best solutions, including logistics centers and airports, for a wide range of industries.

2 Businesses That Support Social Infrastructure

We will continue to deliver high-quality, safe storage tanks around the world, taking advantage of our strong project execution capabilities and maintenance technologies to support the global energy infrastructure.

3 Technical Capabilities Backed by Vast Experience

We will contribute to the storage of next-generation energy sources such as hydrogen, fuel ammonia, and liquefied CO₂, as part of society's shift towards carbon-neutrality.

4 Value Creation through the Provision of Solutions to Social Issues

To help realize a sustainable society, we aim to create new value by addressing environmental issues, working toward disaster management, and developing industrial machinery to compensate for the declining labor force.

President's Message



Takashi Owada

President and
Representative Director

Onward to the Second Phase of “Establishing a Foundation for Future Growth”

Fiscal 2024 Consolidated Performance and Review of the Previous Group Mid-Term Management Plan

In the final year of the previous Group Mid-Term Management Plan (hereafter, “previous plan”), fiscal 2024, the Company recorded increased revenue and profit, surpassing the revised forecast announced in August 2024. Net sales reached a record high of ¥60.474 billion, while operating profit was ¥4.131 billion, the second-highest level since fiscal 2013.

By segment, the Logistics Solutions Business achieved record highs in both net sales and operating profit, driving overall growth. The Plant Business exceeded ¥10 billion in sales, primarily through growth of maintenance services and implementation of reforms for steady and efficient project execution, resulting in an operating margin of 10.1%, Surpassing that of the Logistics

Solutions Business. In the Innovation & Incubation Div., strong performance by the two environmental subsidiaries provided momentum toward the new Mid-Term management plan. While achieving numerical targets is important, it is the processes undertaken over these three years that have proven to be even more significant. Detailed reviews of each business segment will be provided later, however, it is the Logistics Solutions and Plant businesses where we have fully leveraged our existing resources to perform at capacity. However, further efforts are still needed to reach the next stage of higher growth.

In the Innovation & Incubation Div., the past three years were a period of challenges aimed at building the third pillar of our business, primarily through M&A and other initiatives. Environment/disaster management services have emerged as the direction for this core business.

In the Next-Generation Energy Development Business, we continue to conduct research and development on hydrogen fuel storage, specifically

President's Message

large-scale liquefied hydrogen tanks, as a key element in global decarbonization efforts in the future. Although we are in the early stages, it remains promising.

Overseas, we completed a project in Indonesia for a spherical chemical tank order received in 2023, while our Malaysian subsidiary secured multiple large-scale, domestic cryogenic tank refurbishment projects, significantly exceeding the initial order volume and projections.

Under the previous plan, we had earmarked approximately ¥10 billion over three years for investment in growth and R&D, but actual expenditures amounted to ¥7.8 billion. This included M&A aimed at diversifying the industrial sectors we serve, human capital investments in education and training, employee benefit enhancements, and capital investments in domestic manufacturing sites. We are still actively working to generate the desired synergy among the different entities acquired through M&A, and will revisit this as a goal under the new Mid-Term Group Management Plan (hereafter, "new plan").

In formulating the new plan, we conducted a backcast analysis from 2030, reassessing the business environment, risks, and opportunities. Although we expect no major changes in the external environment, we do acknowledge some unresolved issues and, based on our goal of establishing a foundation for future growth, positioned this plan as the second phase of our strategic growth trajectory. To achieve the growth path leading up to 2030, we must continue to develop the initiatives from the previous plan to ensure tangible outcomes. Our target as a Group is to achieve sales of ¥90 billion by 2030.

As we look toward our future, we have embraced our role as a "Solution Innovator"—one that resolves social challenges through innovative technology backed by the power and skill to execute well on projects. Achieving robust revenue and profit growth over the past three years is, without question, a testament to the market's recognition of the value our products and services deliver—born directly from our ability to execute skillfully on projects.

Logistics Solutions Business

Traditionally, our strength has been in outbound logistics systems, but in the previous plan, we expanded our engineering and consulting services to cover the entire process—including inbound logistics, inventory management, and replenishment. Given the rapid pace of technological innovation in this area, we do not attempt to develop everything in-house. Instead, we identify the best technologies and services from around the world and integrate them into optimal solutions for customers. We also offer after-market services, taking full responsibility for maintenance and thereby earning the trust of our customers through rigorous project management and support. A key component in this effort is our Warehouse Management System (WMS), which has become central to increasingly advanced logistics centers. We have been co-developing our proprietary WMS with Scrum Software Co., Ltd., which joined the Group in 2023. A prototype is nearly complete, and through continued refinements, we will be able to meet evolving customer demands.

We have long been a leader in designing and building logistics systems in the e-commerce industry. In recent years, large-scale fulfillment centers for major e-commerce platforms have steadily come online, contributing to a market uptrend. While that momentum may soften somewhat, the need for greater automation and renewal of older facilities remains strong. From a global perspective, there is still plenty of room for growth in Japan's e-commerce market, customers continue to demand shorter order-to-delivery lead times as well as more complex delivery conditions, which is driving the demand for technological advancement in logistics centers.

We are also expanding our reach beyond our traditional market segments such as retail, receiving orders for solutions in the manufacturing, pharmaceutical and food processing industry. Toward the end of the previous plan, we began receiving orders from manufacturing clients as the trend to bring manufacturing operations back to Japan, gained traction. By improving our sales

structure and enhancing our ability to propose customer solutions in these new areas, the new plan aims to capitalize on this trend.

Improving on our success in baggage handling systems (BHS) signified by 85% domestic market share, we recently introduced self-bag drop systems to improve ground operations. As inbound passenger volume at airports rises, airports are being pushed to redevelop and expand their operations to improve capacity and user experience. We expect major investments around 2028 and are already preparing for new developments in this area.

We owe the record-breaking sales and operating profit in the Logistics Solutions Business in fiscal year 2024 to our ability to design and integrate customer-specific solutions, supported by efficient production planning by finalizing specifications more quickly and smooth execution of large-scale projects through rigorous project management.

Plant Business

Although construction of storage tanks has played a central role in our Plant Business, we still see challenges in building of LNG storage tanks due to unclear domestic energy policy. We have, however, secured orders for SAF (sustainable aviation fuel) tanks in Japan and chemical tanks in Indonesia, successfully transferring technical expertise to our local partner.

To address the shortage of skilled labor, we established TKK Plant Engineering K.K. in 2021, consolidating employees with advanced technical capabilities—such as site supervisors and designers—to ensure effective transfer of expertise. Under our previous mid-term management plan, we also invested in KIMOTO CORPORATION a company engaged in tank construction and maintenance, under the equity-method framework. As a result, we have been able to capture steady demand for crude oil tank maintenance, particularly at domestic refineries, and are now conducting statutory inspections on over 100 tanks across Japan at any given time. Moreover, by introducing technologies that enhance operational efficiency—such as automated welding



methods—we have worked to improve both on-site working conditions and the sophistication of our technical capabilities. This focus on productivity has enabled our maintenance business to consistently generate stable profits, with operating margins improving accordingly.

Through the execution of the previous mid-term plan, I was reminded of the strong brand equity our company holds within the tank industry. The deep trust we have earned from our clients affirms this, and I believe that by further showcasing both our brand strength and project execution capabilities, we can unlock new growth opportunities. There is also room for further improvement in profitability through greater automation and process efficiency, which we will continue to pursue.

Business Innovation & Incubation

The Innovation & Incubation Div. was established in 2017 and formally launched in 2021 as a new social infrastructure initiative alongside our Logistics and Plant businesses.

During the previous mid-term management plan, we pursued a variety of approaches—including investments in start-ups and leveraging M&A—to explore adjacent opportunities while searching for a new pillar of growth. Ultimately, we reaffirmed our founding principle of contributing to society through engagement in infrastructure, and have now chosen to focus our efforts on the environment

President's Message

and disaster management sectors as the core of this business.

The backdrop to this shift lies in the growing social demand and strong growth of the two environmental measurement and analysis companies that joined our Group, as well as the addition of SAKATA DENKI Co., Ltd., a provider of disaster management and infrastructure-related measurement equipment, which we believe will generate significant synergies going forward. With the increasing frequency of extreme weather events and the resulting large-scale natural disasters, along with the aging of social infrastructure, our environment and disaster management solutions business will play an essential role in addressing these pressing challenges.

In our industrial machinery business, we also achieved solid results, driven by the growth in sales of Toyo Koken Co., Ltd.'s balancer business. Furthermore, Toyo Koken successfully acquired the M&A of MAXPULL MACHINERY & ENGINEERING CO., LTD., a company engaged in the winch business. This move enables us to manufacture and sell both automated and manual winches, creating opportunities for market expansion and strengthening our overall business portfolio.

We will continue to explore M&A opportunities, focusing on investments that offer strong synergy potential within the Group as opposed to short-term gains.

Next-Generation Energy Development Center

As of April 2025, we restructured the Next-Generation Energy Development Division into the Next-Generation Energy Development Center. This change reflects the fact that the transition toward a hydrogen-based society is progressing somewhat more slowly than originally anticipated under the previous mid-term plan. Nevertheless, we have positioned the development of large-scale liquefied hydrogen tanks as a company-wide initiative.

As a dedicated tank manufacturer, we identified the potential of liquefied hydrogen storage at an early stage. Leveraging the expertise we have cultivated in LNG storage tank technology—capable of handling cryogenic temperatures of -162°C —we have embarked on the development of large-scale liquefied hydrogen tanks, which we believe represent a natural extension of our technical strengths.

However, because liquefied hydrogen requires storage at an even lower temperature (-253°C), entirely new insulation methods and construction techniques had to be researched and developed. We completed our basic research in fiscal 2022 and, beginning in fiscal 2023, entered into a new subsidized research and development agreement with NEDO. Under this program, we are manufacturing a one-tenth scale bench test tank, with demonstration trials scheduled for completion in fiscal 2027. At the same time, we are actively engaged in information gathering, public relations, and sales promotion activities. While we had anticipated significant growth in the hydrogen market beginning around 2030, current national energy policies make achieving that outlook appear increasingly challenging at this stage. That said, the arrival of a hydrogen-based society is an inevitable pathway to achieving carbon neutrality, and therefore we have no intention of suspending or postponing the development efforts currently underway. During this transitional phase toward next-generation energy, we are working in collaboration with our Plant Business to lay the foundation for constructing tanks for fuel ammonia and liquefied CO_2 , areas where our expertise in cryogenic storage technology can be fully leveraged.

Establish a Foundation for Future Growth

The fundamental policy of our Group management strategy is the Establishment a foundation for future growth. To achieve this policy, we have identified three company-wide management priorities: Business Growth, Increase Productivity, and Strengthening Human Capital.

We have abandoned the management structure in which directors oversee each business unit. Under this new mid-term management plan and onward, the heads of each division—the Logistics Solutions Business, the Plant Business, and the Innovation & Incubation Div.—will take direct responsibility for business operations. The role of the directors will be to oversee these three management priorities and make investment decisions for each division. Through this restructuring, we have clarified the distinction between management responsibility and business unit responsibility.

The first pillar of our management strategy, "Business Growth," is to promote the restructuring of our portfolio, effectively utilizing resources and capital with the aim of maximizing growth across the entire Company. Under the new mid-term management plan, we fully expect the Logistics

Solutions Business will continue to expand, driven by increased need for automated logistics systems, and develop as one of our core businesses that will support improved profitability. With the maintenance contracts in the Plant Business expected to remain steady, we expect that earnings will be stable while we continue to pursue new markets.

With respect to development in the Next-Generation Energy Business, pursuing new business necessitates a trade-off that will come with the adoption of next-generation energy sources. Still we plan on maintaining and developing technological expertise required for new tank construction. With the goal of making the Innovation & Incubation Div. the third pillar of our overall operations, we will continue to implement various measures and initiatives to enhance synergy across our Group Companies to promote growth and profitability. To build a portfolio that can achieve these goals, we are allocating more management resources to the Logistics Solutions Business and Innovation & Incubation Div. in order to place them firmly on a growth trajectory, while continuing to reassess the Plant Business as it clarifies a path between provision of maintenance services in light of the transition toward new energy alternatives.

Group Management Strategy

Basic Policy: Establish a foundation for future growth

1 Business Growth



Restructure
Business Portfolio

Create New Value and
Grow Sustainably

2 Increase Productivity



Standardize Products and Operations
to Reduce Labor

Strengthen Competitiveness
through Business Transformation

3 Strengthen Human Capital



Ensure Diversity and Actively Invest
in Training

Develop Human Resources for
the Future

Basic Department Policies

Logistics Solutions

Establish a growth path for the future

- Expand the scope of our core business
- Expand into new industrial sectors and customer segments
- Strengthen our service business

Next-Generation Energy Development

Support the transition to next-generation energy

- Acquire construction technology for large-scale liquefied hydrogen tanks
- Conduct sales activities for new tanks (in collaboration with the Plant Business)

Plant

Securing stable earnings

- Continue to maximize orders for maintenance projects
- Grow revenue through acquisition of new projects
- Develop human resources to ensure transfer of technical skills

Business Innovation & Incubation (Corporate)

Scale-ups of the environmental business

- Expand business in the environmental and disaster management domains (including via M&A)
- Strengthen corporate governance at Group companies

President's Message

Environment, Social and Governance (ESG) at Toyo Kanetsu

The Company has long been committed to management grounded in ESG principles, striving to address social challenges while enhancing corporate value. However, in light of changing business conditions and evolving social issues, we undertook a review of the materiality framework originally formulated in 2018. The revised materiality strengthens our response to environmental and social issues such as reducing greenhouse gas (GHG) emissions and contributing to local communities, reaffirming our responsibility as a corporation to help realize a sustainable society.

In pursuit of a vibrant and fulfilling workplace, we issued our *Health and Productivity Management® Declaration* in 2021 and have been certified for four consecutive years as a *Health and Productivity Management® Outstanding Corporation*. Furthermore, in 2025, we were selected for the first time as a constituent of the *FTSE Blossom Japan Sector Relative Index*, an ESG investment index developed by global index provider FTSE Russell. Since fiscal 2023, we have also begun responding to CDP,* an internationally recognized NGO focused on environmental disclosure.

In governance, we remain acutely aware of our responsibilities as a Prime Market-listed company on the Tokyo Stock Exchange and are committed to enhancing both management transparency and the quality of decision-making. As of June 2025, we restructured our Board of Directors to comprise four internal and five external members, thereby establishing a majority of external directors. We view this as an important step toward reflecting the perspectives of shareholders and society in management, while further strengthening transparency and objectivity. In addition, we have incorporated ESG indicators as non-financial metrics in performance-linked stock compensation. Comprehensive evaluations by the Compensation Advisory Committee—covering factors such as progress toward GHG reduction targets and efforts to improve employee engagement—will be reflected in executive compensation.

In our core business of manufacturing, which represents the foundation of the Company, we recognize that consistent quality control is essential to sustaining trust. Under a structure that reports directly to the President, we will continue to pursue uncompromising improvements in quality.

Current and Future Status of the three Promises

When I assumed the presidency, I made three promises to our employees: “Promote a workplace with open communication,” “improve compensation,” and “develop a sense of purpose and fulfillment.” These commitments remain very important to me.

To promote a “workplace with open communication,” we launched the “Transparency Project,” led by directors and composed of members from various departments. One of its key initiatives is the “Executive Interview,” in which questions and opinions for executive officers are gathered from employees and the interview results are published on the Company intranet. The content covers not only business topics but also personal interests, allowing personalities to come through and creating more opportunities for communication.

As far as “improving compensation” is concerned, we carried out two base salary increases in fiscal 2024. In terms of employee development, we have encouraged participation in various qualification exams, provided incentives, and expanded and diversified training programs across different organizational levels. In fiscal 2025, we plan to continue base salary increases, while also reconstructing our HR system to better support employee ambition, offer attractive compensation, and ensure a workplace where diverse talent can work with confidence. Fiscal 2025 will serve as the transition period, with full implementation of the new system starting in fiscal 2026.

It is difficult to quantitatively measure “the level of purpose and fulfillment.” However, I believe by enhancing corporate value and contributing to society, employees truly find meaning and fulfillment in their work. By staying close to our

customers, continuing to grow and raise corporate value, and properly returning benefits to both shareholders and employees, we build greater recognition from society, which in turn becomes a source of pride and of “purpose and fulfillment” for our employees.

One of the management strategies in the new Mid-Term Plan is to strengthen human capital with specific emphasis on increasing employee engagement. I believe that if we truly care for people, barriers will naturally fall away. Although I am President, I intend to continue speaking with employees on equal footing.

There is no endpoint to these three promises. Successes and setbacks alike are all part of the journey, and our only path is to keep moving forward.

Beyond Transformation and Trust

At present, the Logistics Solutions Business accounts for 60% of our revenue, marking a significant shift in our business structure. However, during a recent IR meeting, it became clear that many investors still perceive us as a tank company only. Raising awareness of our Logistics business, as well as our environment and disaster management business—set to become our third pillar—to the same level as awareness as a tank company, is an important management priority. Communicating our renewed corporate identity broadly and meeting investor expectations are essential tasks we must address.

Amid today's rapidly changing social environment, we are steadily advancing toward the future. Through both the deepening of our core technologies and the introduction of new ones, I sense that a corporate culture dedicated to continuously creating high-quality, high-value-added products that society demands is firmly taking root within our organization.

To further cultivate this culture, it is essential to create an environment that welcomes challenge. By sharing a company-wide mindset of “Take ACTION, even if it's only 60% complete,” we will

strengthen our ability to develop new solutions with our own hands that directly address social issues. At the same time, it is equally important to continue moving forward with prudence, prioritizing safety and environmental responsibility, and leveraging our high level of technical capability as a strength.

In both fiscal 2023 and fiscal 2024, we achieved consecutive increases in revenue and profit, thereby successfully concluding the previous Mid-Term Management Plan. I believe these results are clear evidence that our internal transformation has taken shape and that we have earned the trust of society.

Our stance—of acting with integrity and earnestly following through on what we commit to—will never change. We see it as our mission to remain close to our customers while building a sustainable future together.

We sincerely ask for the continued support of all our stakeholders.

August 2025
President and Representative Director




* An international NGO founded in the U.K. that works in the environmental field with institutional investors around the world to encourage companies and local governments to disclose their efforts to address environmental issues.

Materiality of the Toyo Kanetsu Group

Materiality of the Toyo Kanetsu Group

In 2019, the Toyo Kanetsu Group identified ten key materiality items—priority management issues where we could leverage our strengths to generate strong, stable development of our corporate value through our activities. In reviewing these issues during the formulation of the new Group Medium-Term Management Plan in fiscal 2025, we determined that the internal and external environment had significantly changed and as a result, we newly identified and classified eight items along with their respective KPIs into three overall categories.

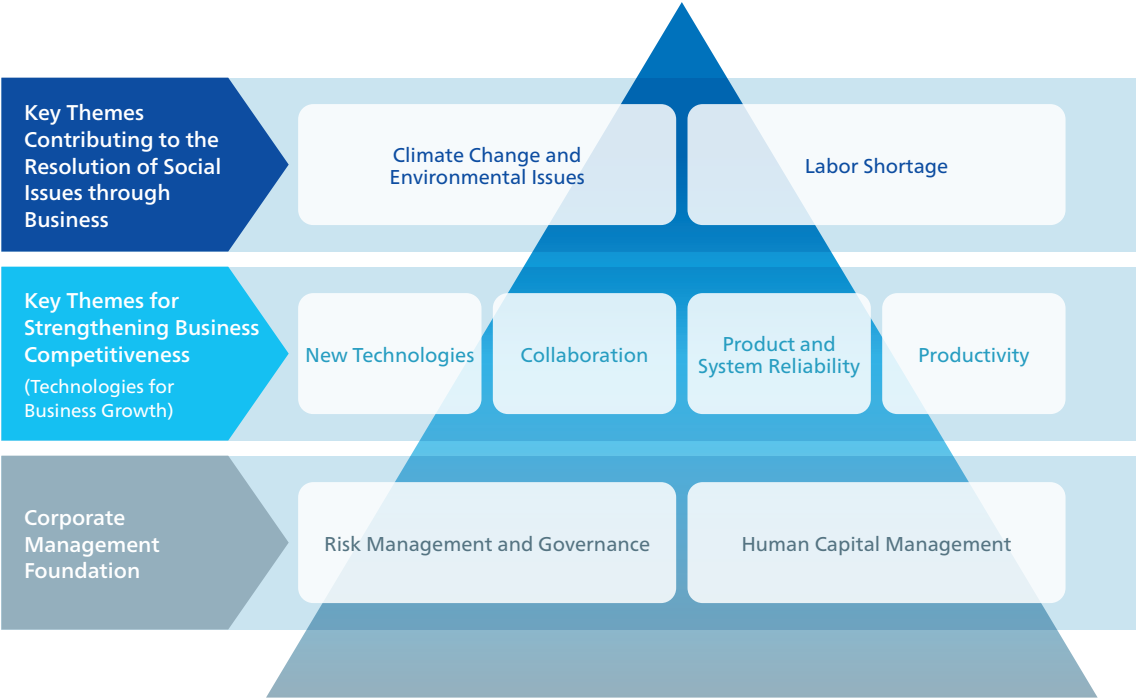
By identifying and clarifying these material issues, we recognize our commitment to fulfilling the role expected of us by stakeholders, while guiding the Group’s efforts toward achieving the relevant SDGs. The materiality framework consists of dividing the goal into one of three categories, each having specific objectives and KPIs to measure progress. Guided by our corporate motto and management vision, the “Corporate Management Foundation” category was identified specifically to capture the importance of a solid management foundation in risk management, governance, and management of our human capital. “Key Themes for Strengthening Business Competitiveness (Technologies for Business Growth)” is the category for initiatives to drive the Group’s growth through introduction of new technological advancements, collaboration with business partners, improvement in the reliability of products and systems, and enhancements in productivity. The third and final category is “Key Themes Contributing to the Resolution of Social Issues through Business,” which signifies our commitment as a Group to solving pressing challenges such as climate change, environmental issues, and labor shortages stemming from Japan’s declining birthrate and aging population.

Founding Philosophy

“Be Creative, Be Good for Society”

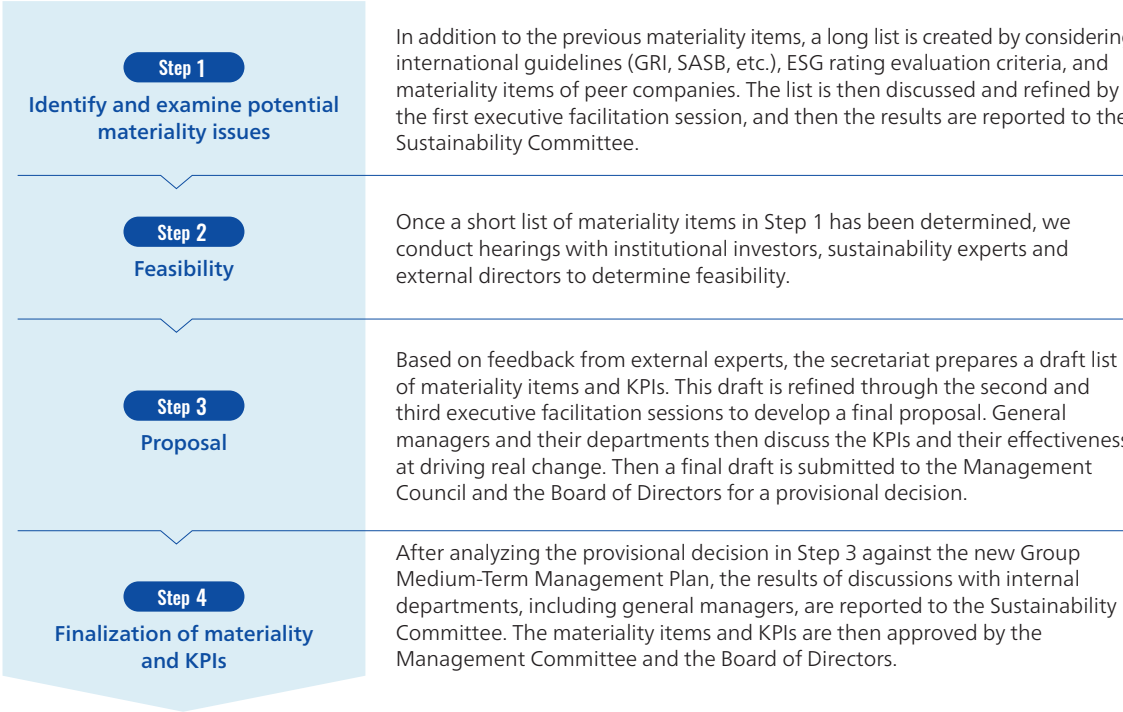
Management Vision

“Become a Solution Innovator that solves social issues through innovative technology and execution capability”



Process of Reviewing and Finalizing Materiality and KPIs

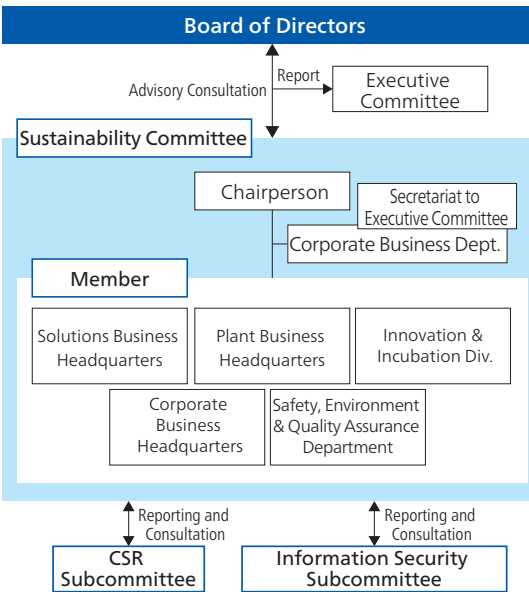
We do a full review of materiality items and determine the best KPIs to track progress by engaging with stakeholders both inside and outside the Company and examining global standards. We implemented this process in April 2025 in the process of putting together the new plan.



The Policy Behind Materiality Items

These eight materiality items represent the key drivers of our business strategy and provide clear guidance in our decision-making across all of our operations. The Director serving as the Chair of the Sustainability Committee essentially oversees progress on these goals. Then, through an ongoing dialogue with stakeholders, we continue to review the specific item and its KPIs to ensure that we are still meeting stakeholder expectations and are addressing social trends. This review process is conducted yearly with the cooperation of general managers, and we report out on progress against KPIs yearly through the TKK Report and other publications.

Structure of the Sustainability Committee

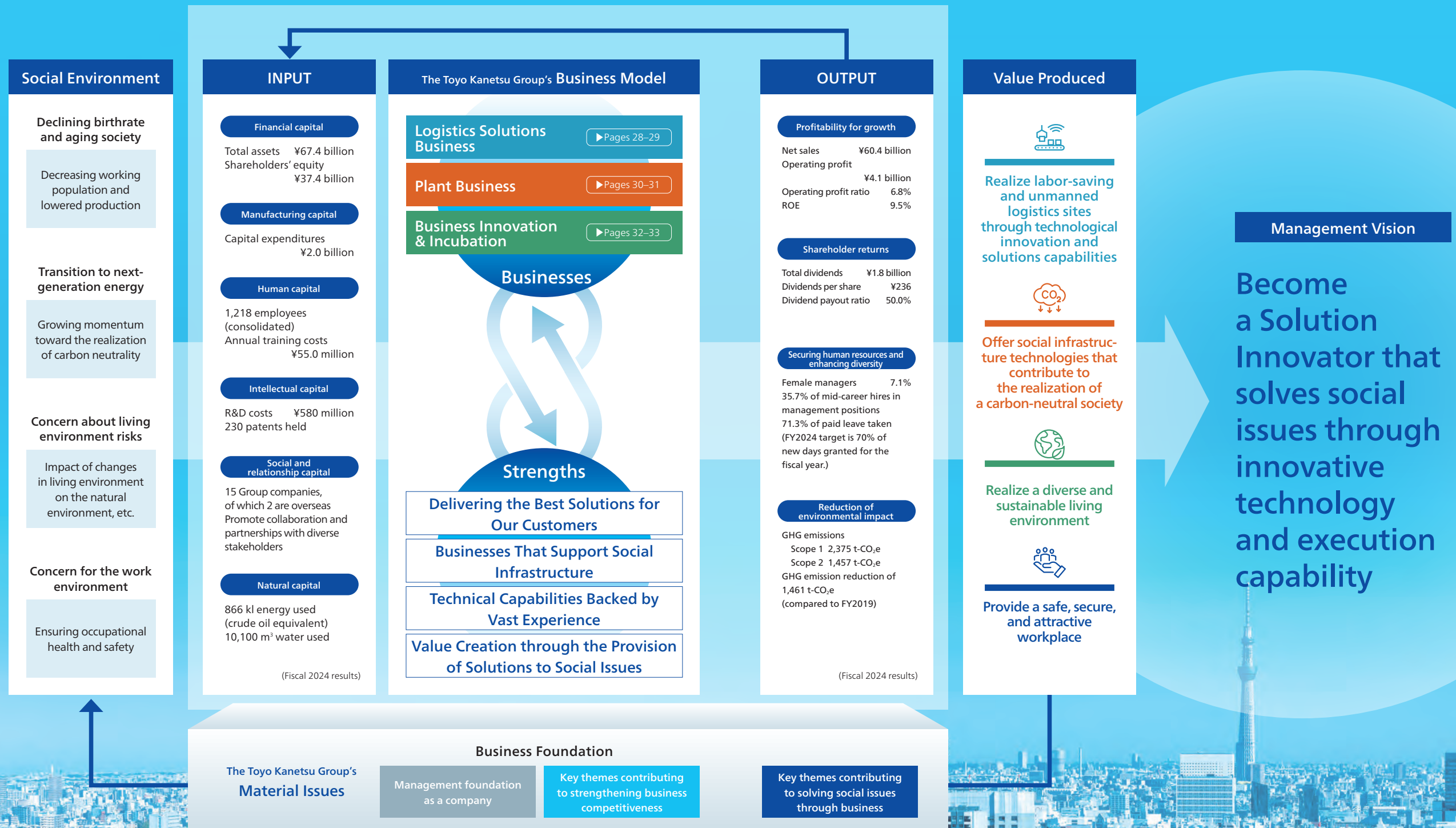


Materiality and KPIs

			Explanation		Initiatives	KPIs	
Key Themes Contributing to the Resolution of Social Issues through Business	1	Climate Change and Environmental Issues	The tank business is our primary focus with respect to tackling climate change. Specifically, we are actively developing tanks for next-generation energy sources such as hydrogen and fuel ammonia to facilitate a transition away from fossil fuels. In addition, we are committed to reducing greenhouse gas (GHG) emissions across Group operations, and developing and supplying products and services with superior environmental performance and disaster management functions.	  	• Develop and supply next-generation energy products • Promote environment and disaster management businesses, and provide high performance environmental products and services • Contribute to carbon neutrality	• Promote R&D in the Next-Generation Energy businesses • Implement initiatives for the commercialization of large-scale liquefied hydrogen tanks with NEDO subsidies • Provide and promote of new construction and renovation projects for tanks used in next-generation energy storage facilities • Increase sales in environment and disaster management businesses • Develop our business to maximize use of resources and reduce environmental impact • Reduce combined Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 50% of fiscal 2019 levels by 2030 (consolidated basis, post-offset figures) • Implement specific goals for reduced Scope 3 emissions • Add EVs to our fleet of vehicles	
	2	Labor Shortage	We are addressing the challenges of population decline primarily through provision of logistics equipment and industrial machinery. With labor shortages intensifying due to an aging and shrinking population, our goal is to contribute to society by developing and supplying equipment and systems with advanced labor-saving and automation capabilities.	 	• Develop and provide labor-saving automation and labor-efficient systems	• Increase sales in the Logistics Solutions and Industrial Machinery businesses • Contribution to labor-saving and automation through our products	
Key Themes for Strengthening Business Competitiveness (Technologies for Business Growth)	3	New Technologies	Increasingly diversified customer needs sometimes demand more than our own internal resources can handle. We have, therefore, accelerated the development and adoption of new technologies to generate business growth by pursuing open innovation, partnerships, and M&A.	 	• Develop products and services focused on customer needs • Develop our own unique offerings, but also gain technology and expertise through M&A	• Active R&D in both new and existing domains • Adopt advanced technologies, including AI and IoT • Execute M&A and open innovation initiatives	
	4	Collaboration	Our Group's value chains rely on numerous domestic and international partners upstream and downstream. By collaborating and complementing one another, we can achieve smooth and sustainable growth. We also prioritize maintaining strong relationships with local communities and other stakeholders.	 	• Collaborate with partner companies across the supply chain • Reinforce supply chain resilience • Promote open innovation • Collaborate with local communities	• Engage and communicate with supply chain partners • Actively participate in positive community initiatives	
	5	Product and System Reliability	We are committed to superior quality in all we do in recognition of the importance that storage tanks, logistics equipment, and other products play in a robust social infrastructure. This is further supported by our maintenance operations to ensure stable, timely operations.	 	• Enhance product and system quality (including at new facilities and Group companies) • Strengthen maintenance systems (Plant Business) • Reinforce service systems to ensure stable operations (Customer Support Division)	• Reduce the number of serious accidents related to product and service quality • Introduce measures to improve operational efficiency through labor-saving automation and new technologies • Provide value-added maintenance through renewals and retrofits	
	6	Productivity	By continuously improving productivity such as through efforts in standardization and by promoting digital transformation, we can ensure the sustainable supply of high-quality, reasonably priced products and services that customers demand.	 	• Standardize operations • Process improvements • Digitalize and automate routine tasks	• Increase operating profit per employee (consolidated) • Promote efforts to standardize products and operations • Identify labor-intensive, repetitive tasks and replace with robots or automation if possible.	
Corporate Management Foundation	7	Risk Management and Governance	Our Group faces a rapidly changing business environment with increasing risks such as natural disasters and cyberattacks that could significantly disrupt operations. We aim to establish systems that assess and mitigate these risks toward minimizing their impact on business continuity. As a Prime Market-listed company, we also strive to maintain and strengthen robust corporate governance practices.	   	• Strengthen corporate governance and compliance • Reinforce BCP (Business Continuity Planning) • Enhance information security systems	• Maintain ratio of outside directors at 50% or more • Rate of compliance self-assessments • Number of risk management training sessions held • Average annual participation rate in safety confirmation drills • Number of disaster drills and BCP drills conducted	• Rate of participation in security training • Number of targeted email attack drills conducted
	8	Human Capital Management	One of our core competencies is the ability to leverage advanced technology to build total solutions for our customers, which requires a highly skilled staff. In that regard, it is critical that we have a robust human capital management program which helps secure, develop and support a diverse staff to ensure their success. It is our goal to provide a safe, healthy and engaging workplace for all employees.	  	• Address human rights issues • Ensure occupational health and safety • Develop a more employee-friendly workplace • Support the development and growth of talent • Promote Diversity, Equity & Inclusion	• Annual paid leave utilization rate • Childcare leave utilization rate • Ratio of female managers • Employment rate of persons with disabilities • Proposal submission rate under the recognition/awards system • Improve employee engagement index	• Implement human rights due diligence and PDCA cycles • Implement human rights initiatives with suppliers and partners • Lost-time injury frequency rate (LTIFR) • Lost-time injury severity rate • Number of fatal accidents • Employee participation rate in stress checks • Recruit and promote diverse talent

The Toyo Kanetsu Group's Value Creation Process

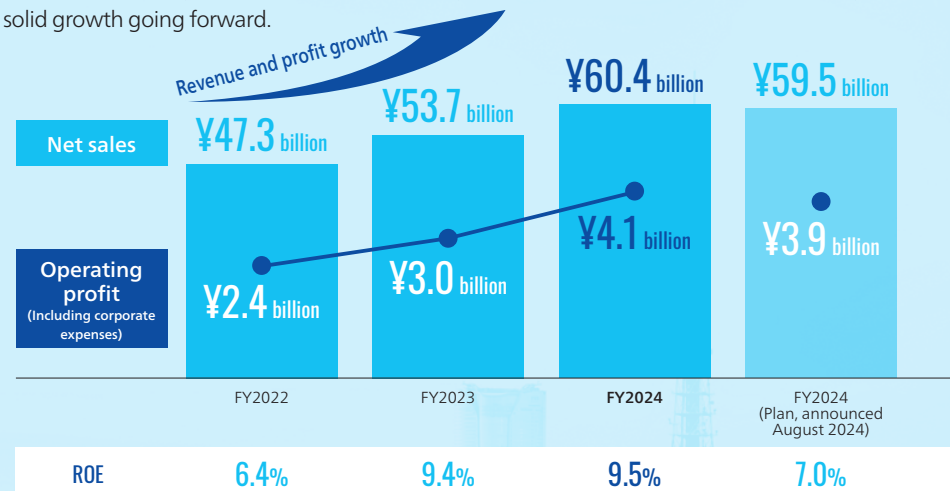
Founding Philosophy "Be Creative, Be Good for Society"



Group Medium-Term Management Plan

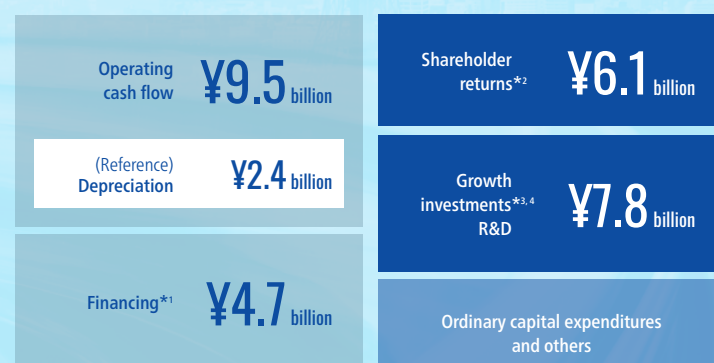
Review of the Previous Group Medium-Term Management Plan (Fiscal 2022–2024)

Although we did not achieve the targets set forth in the May 2022 Medium-Term Management Plan, the Logistics Solutions Business, our core business, showed strong performance and supported the Group overall. The Plant Business also contributed steady earnings with improvements in the maintenance operations structure. The end result was robust revenue and profit growth for two consecutive years. We did, however, achieve ROE targets, setting us on a path for solid growth going forward.



Financial Strategy

In the previous plan, we targeted a 3-year cumulative dividend payout of over ¥3.0 billion and growth investment of approximately ¥10.0 billion over three years. As a result, however, shareholder returns—including dividends and share buybacks—amounted to a total of ¥6.1 billion, while growth investments—including M&A, R&D, capital expenditures, and human capital investment such as base salary increases and training—totaled ¥7.8 billion.



Note: Based on financial statements from April 2022 to March 2025.

*1 Proceeds from sale of cross-shareholdings, fixed assets, and short-/long-term borrowings, etc.

*2 An interim dividend was paid in fiscal 2024.

*3 Sakata Denki Co., Ltd. is scheduled to become a subsidiary in fiscal 2025 and is therefore excluded from growth investments.

*4 Excludes ordinary capital expenditures; includes growth-related investments such as expansion of the Wakayama Plant.

Shareholder Returns and Sale of Cross-Shareholdings

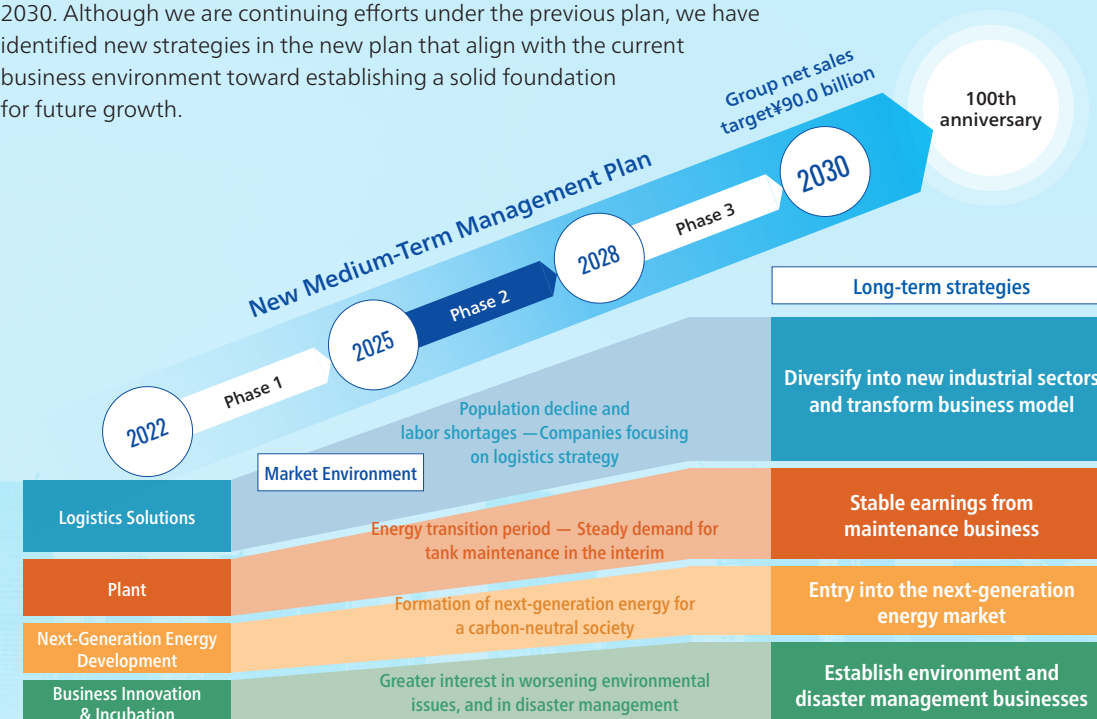
We achieved dividend increases for three consecutive years while maintaining a payout ratio of 50% or more. In addition, we continued to sell cross-shareholdings, reducing holdings to 8.1% of consolidated net assets.

	Previous Medium-Term Management Plan			
	FY2021	FY2022	FY2023	FY2024
Annual dividends per share	¥145	¥147	¥229	¥236*
Consolidated payout ratio	50.8%	50.1%	50.2%	50.0%

* ¥145 (including interim dividend of ¥50 in September 2024)

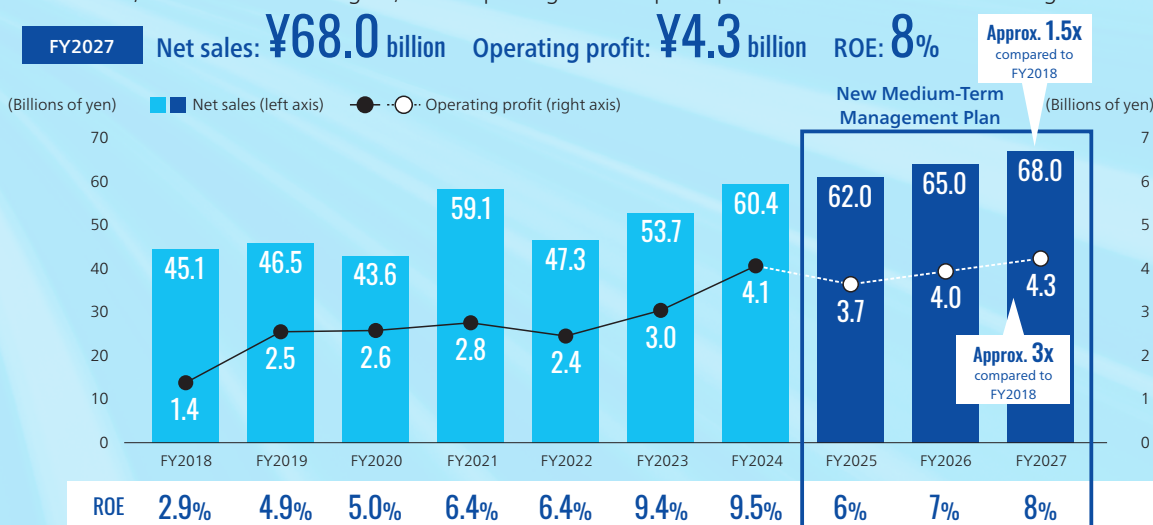
Outline of the New Group Medium-Term Management Plan (Fiscal 2025–2027)

The new Group Medium-Term Management Plan represents the second phase of our long-term strategy toward 2030. Although we are continuing efforts under the previous plan, we have identified new strategies in the new plan that align with the current business environment toward establishing a solid foundation for future growth.



Consolidated Targets

By the final year, fiscal 2027, we plan on achieving Group net sales targets of ¥68.0 billion, operating profit of ¥4.3 billion, and ROE of 8% or higher, toward putting the Group companies on a solid foundation for growth.



► For details on the financial strategy under the New Group Medium-Term Management Plan, please refer to "Message from the Chief Financial Officer" on pp. 24–25.

Group Medium-Term Management Plan

Group Management Strategy

Basic Policy

Establish a foundation for future growth

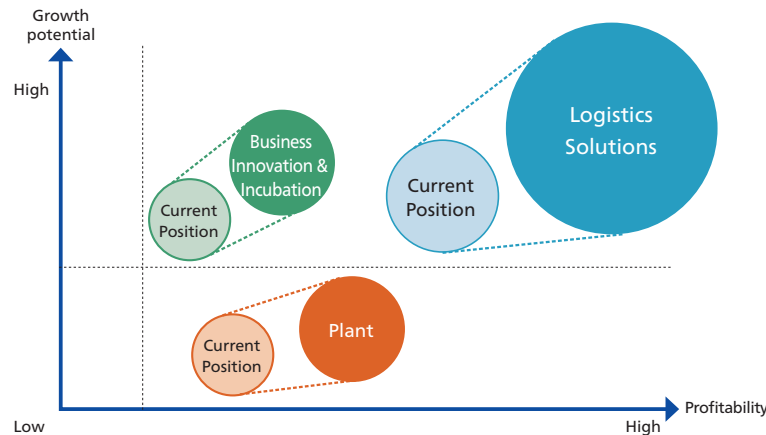
Group Management Strategy

1 Business Growth



Restructure Our Business Portfolio to Create New Value and Drive Sustainable Growth

By restructuring management resources of the Logistics Solutions Business and the Innovation & Incubation Div., and eventually consolidating the Next-Generation Energy Development Business into the Plant Business, we can not only create new value but maintain sustainable growth.



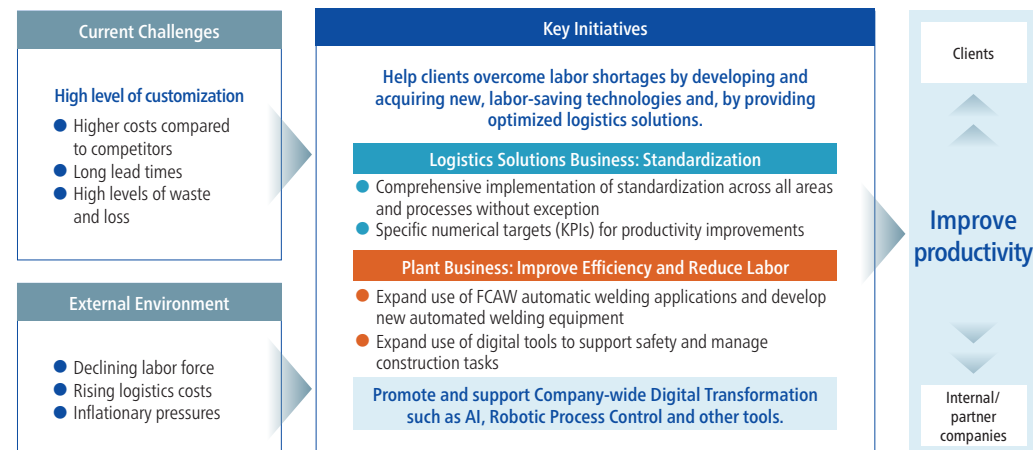
Group Management Strategy

2 Productivity Improvement



Fundamental transformation of our business to enhance competitiveness by promoting greater standardization and implementation of labor-saving processes.

We will recognize significant improvements in cost, quality and lead time by standardizing products and processes, ultimately raising productivity for greater competitiveness.



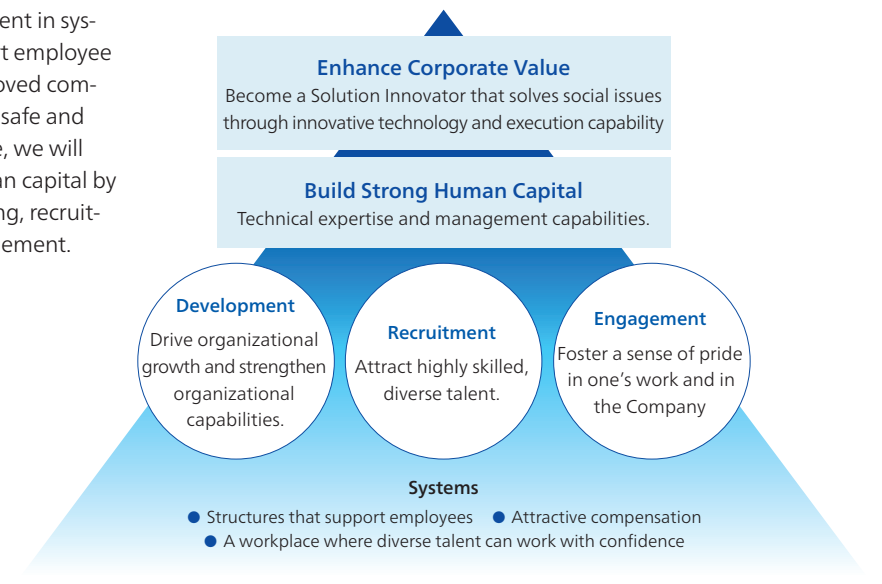
Group Management Strategy

3 Strengthening Human Resource Capabilities



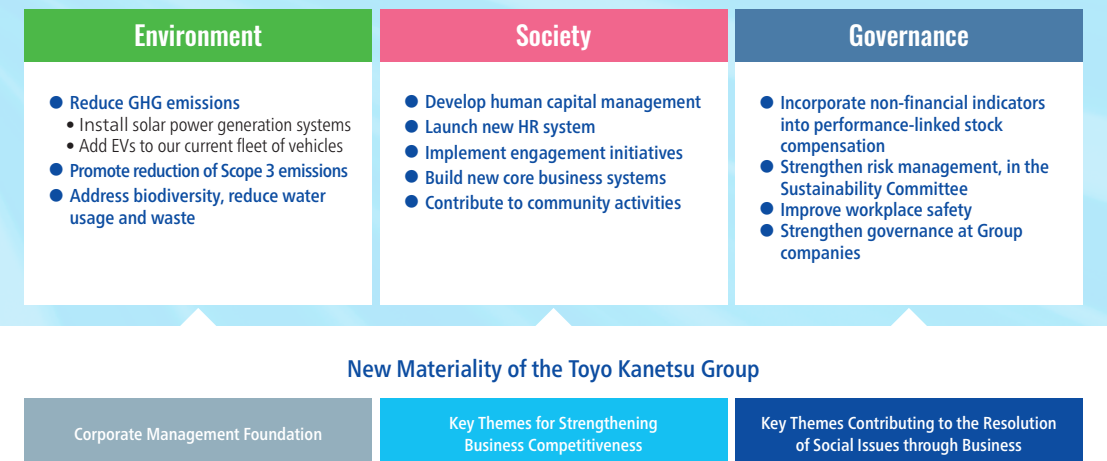
Ensure diversity and proactively invest in human resource development toward the workforce of the future.

Through investment in systems that support employee challenges, improved compensation, and a safe and secure workplace, we will strengthen human capital by enhancing training, recruitment, and engagement.



Promote ESG Management (Strengthening the Management Foundation)

We will continue to promote ESG initiatives, including reducing greenhouse gas (GHG) emissions, improving human capital management, and occupational health and safety.



For details, please refer to "Toyo Kanetsu Group's ESG Management" on pp. 34–65.

Message from the Chief Financial Officer

Linking Business Growth and Capital Policy to Shape the Future

Takeshi Yonehara

Director and Senior Managing Officer
Chief Financial Officer
Responsible for Finance, IR, Risk Management, and ESG



Evaluation of Fiscal 2024 Results

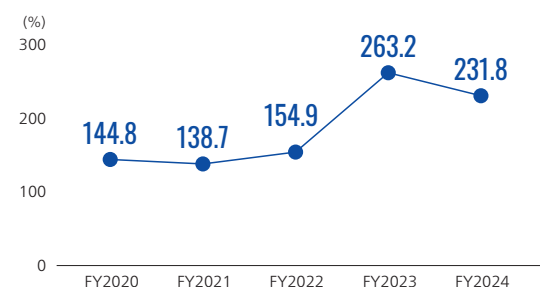
Sales growth in the Logistics Solutions Business and improved profitability in the Plant Business led to higher revenue and earnings compared to the previous fiscal year. While the Group fell short of the initial targets set in the previous Medium-Term Management Plan (the “former plan”), strong performance in these two businesses allowed us to make tangible progress toward the fundamental policy to establish a growth path toward the future.

On the financial and capital strategy front, we focused on raising our price-per-book ratio (PBR), currently below 1.0 by being mindful of capital costs and stock price while still actively enhancing shareholder returns. At the same time, we reinforced our financial soundness through initiatives such as selling cross-shareholdings, and by emphasizing the importance of maintaining balance.

Summary of the Previous Medium-Term Management Plan

The former plan set an aggregate three-year investment target of ¥10 billion. Of that figure, ¥7 billion was allocated for M&A, ¥1.5 billion for R&D, and ¥1.5 billion to expand production capacity. Actual results were ¥2.1 billion for M&A, ¥1.6 billion for R&D, ¥1.4 billion for human capital investment, and ¥2.7 billion for capacity expansion, totaling ¥7.8 billion. The

TSR (Total Shareholder Return)



shortfall was primarily due to lower M&A investments. We thoroughly vet potential M&A targets to determine the overall health of their business, as well as evaluate whether the purchase will contribute to the long-term value of the Group. This process slowed our M&A activity somewhat.

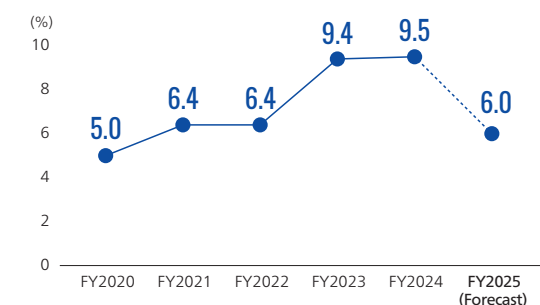
However, in 2025, we welcomed SAKATA DENKI Co., Ltd., a company with strengths in the disaster management field, into our Group. We took ample time to build mutual trust before proceeding with the investment. This demonstrates how we regard strategic capital alliances and business acquisitions not merely as exercises in financial alignment, but as important management strategies that must be pursued with careful, deliberate consideration.

Furthermore, cultivating next-generation management candidates and improving employee satisfaction were identified as key priorities. We accelerated investments in human capital, focusing on three areas: training, engagement, and recruitment. Our employees are our most important asset and we are fully committed to consistently strengthening our human capital base.

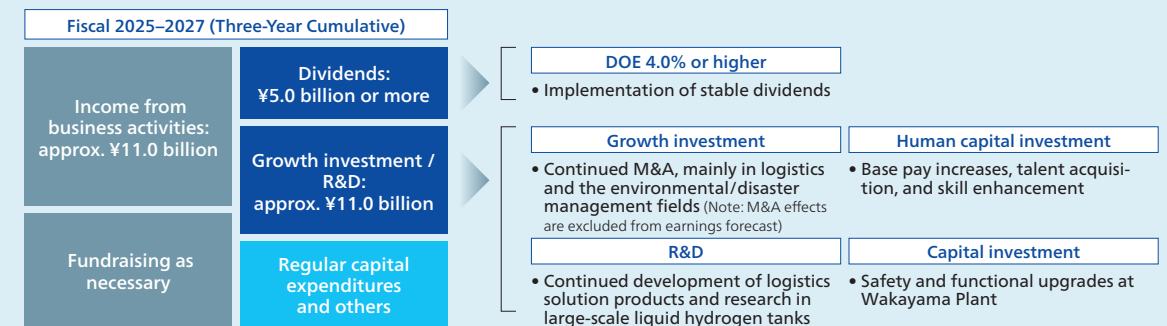
Investment and Financing Policy under the New Medium-Term Management Plan

Under the new plan, we expect to invest approximately ¥11 billion. Funding will be secured through

ROE



New Medium-Term Management Plan – Financial Strategy



operating cash flow and interest-bearing debt, with careful attention to capital cost. Given concerns about inflation from rising prices and wages, we recognize the potential for higher borrowing costs. Accordingly, we will monitor interest rate trends closely and manage the balance of short- and long-term funding with strategic discipline.

For fiscal 2027, the final year of the plan, we have set a revenue target of ¥68 billion. To reach our fiscal 2030 target of ¥90 billion, we have defined the restructuring of our business portfolio as a central management objective for this period. We will identify growth drivers, allocate new investment, and evaluate circumstances holistically to make flexible and strategic decisions going forward.

We also plan to invest in our Wakayama Plant to improve quality and standardization, with the ultimate goal of raising productivity. Additional initiatives include upgrading core business systems, expanding the use of AI tools, and leveraging robotics to enhance efficiency and drive operational improvements.

Shareholder Return Policy and Capital Policy

Our dividend policy had traditionally been based on payout ratio, but under this approach dividend amounts fluctuated with earnings, making it difficult to provide shareholders with clear guidance until results were finalized. Under the new medium-term plan, we have shifted to a policy based on net assets (DOE of 4.0% or higher), a level we believe is both sustainable and satisfactory for our shareholders.

This is based on applying a 50% payout ratio to our target ROE of 8.0%.

Our capital policy also sets out commitments: more than ¥5 billion in dividends over the next three years, and more than ¥11 billion for growth investments and R&D. With our cost of equity around 7% and debt cost near 1%, any funds beyond free cash flow will be financed with interest-bearing debt. To

preserve financial stability, we plan to maintain an equity ratio of roughly 50% and keep our D/E ratio below 0.8x.

Keeping Capital Cost and Stock Price Top-of-Mind

As part of our efforts to stay more actively engaged with institutional and individual investors, both in Japan and overseas, we have had several key discussions. They have often been keenly interested in concrete growth initiatives, business priorities, and our shareholder return framework. In line with these expectations, the new plan assigns executive directors to lead the three core management strategies, while each business unit head is responsible for implementation. This clarifies accountability between corporate management and business operations. Additionally, the dividend-on-equity (DOE) ratio has been adopted as the new benchmark guiding our shareholder return policy.

Fiscal 2025 Outlook

For fiscal 2025, we expect modest revenue growth but a decline in earnings due primarily to fewer large-scale projects in the Logistics Solutions Business, while results from the Plant Business and Innovation & Incubation Div. are expected to remain largely flat.

Uncertainty remains over how inflationary pressures—driven by rising prices and wages—will affect operations. While 97% of our sales in fiscal 2024 were domestic, meaning direct exposure to U.S. tariffs is limited, we do anticipate indirect impacts such as higher procurement costs and negative sentiment among customers, which may have a dampening effect.

Given these variables, our outlook for fiscal 2025 is necessarily cautious. Nonetheless, we are committed to steadily executing the initiatives set out in the new Medium-Term Plan, building momentum toward achieving our three-year targets.

Fiscal 2024 Performance by Segment

In fiscal 2024, we recognized an overall increase in both revenue and profit compared to the previous fiscal year, led mainly by robust growth in the Logistics Solutions Business with an increase in sales and profit. In the Plant Business, rigorous project selection and strong execution resulted better than expected results.

The Next-Generation Energy Development Business continues to incur upfront development costs and is significantly influenced by national energy policy.

Meanwhile, the Innovation & Incubation Div. is expected to see further growth under the new medium-term management plan, particularly as two key environmental affiliates—positioned to become future core operations—achieved record-high profits.



	Logistics Solutions	Plant	Next-Generation Energy Development	Business Innovation & Incubation																																																
Net Sales / Operating Profit	(Millions of yen) (Millions of yen) <table><thead><tr><th>Fiscal Year</th><th>Net sales (left axis)</th><th>Operating profit (right axis)</th></tr></thead><tbody><tr><td>FY2022</td><td>28,032</td><td>2,605</td></tr><tr><td>FY2023</td><td>32,491</td><td>3,271</td></tr><tr><td>FY2024</td><td>37,800</td><td>3,722</td></tr></tbody></table>	Fiscal Year	Net sales (left axis)	Operating profit (right axis)	FY2022	28,032	2,605	FY2023	32,491	3,271	FY2024	37,800	3,722	(Millions of yen) (Millions of yen) <table><thead><tr><th>Fiscal Year</th><th>Net sales (left axis)</th><th>Operating profit (right axis)</th></tr></thead><tbody><tr><td>FY2022</td><td>8,522</td><td>560</td></tr><tr><td>FY2023</td><td>9,422</td><td>708</td></tr><tr><td>FY2024</td><td>10,349</td><td>1,041</td></tr></tbody></table>	Fiscal Year	Net sales (left axis)	Operating profit (right axis)	FY2022	8,522	560	FY2023	9,422	708	FY2024	10,349	1,041	(Millions of yen) (Millions of yen) <table><thead><tr><th>Fiscal Year</th><th>Net sales (left axis)</th><th>Operating profit (right axis)</th></tr></thead><tbody><tr><td>FY2022</td><td>1,043</td><td>(734)</td></tr><tr><td>FY2023</td><td>1,497</td><td>(481)</td></tr><tr><td>FY2024</td><td>2,158</td><td>(433)</td></tr></tbody></table>	Fiscal Year	Net sales (left axis)	Operating profit (right axis)	FY2022	1,043	(734)	FY2023	1,497	(481)	FY2024	2,158	(433)	(Millions of yen) (Millions of yen) <table><thead><tr><th>Fiscal Year</th><th>Net sales (left axis)</th><th>Operating profit (right axis)</th></tr></thead><tbody><tr><td>FY2022</td><td>9,196</td><td>892</td></tr><tr><td>FY2023</td><td>10,013</td><td>786</td></tr><tr><td>FY2024</td><td>9,882</td><td>873</td></tr></tbody></table>	Fiscal Year	Net sales (left axis)	Operating profit (right axis)	FY2022	9,196	892	FY2023	10,013	786	FY2024	9,882	873
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Review of FY2024	Initiatives to expand operations into new markets yielded good results with an increase in revenue and profit, along with solid performance on existing projects. We completed a prototype of the Warehouse Management System (WMS), developed in collaboration with Scrum Software Co., Ltd., a member of our corporate group. Preparations for full-scale implementation are underway. Furthermore, by integrating open innovation into our products and technologies, we accelerated the development of new logistics systems to meet the growing demand for labor-saving technology and automation in logistics operations.	With stable demand for domestic tank maintenance and a more efficient construction framework, the Plant Business has improved its profitability. Specifically we reassessed cost structures and implemented improvements in project execution for better efficiency, a primary reason for year-on-year increases in both revenue and profit. We were also involved in the construction of a Sustainable Aviation Fuel (SAF) storage tank for Sapphire Sky Energy G.K., located within the Cosmo Oil Sakai Refinery. This project represents a significant contribution to the development of infrastructure for next-generation aviation fuel as well as the capability to mass produce it.	The Next-Generation Energy Development Center is still in the early stages of investment during which we are concentrating on research and development. As a result, it fell short of originally planned targets. However, in July 2023, one of our initiatives, a project titled “R&D on Scaling Up of Liquid Hydrogen Storage Tanks” was officially selected by NEDO (New Energy and Industrial Technology Development Organization) as part of their initiative: “Development of Technologies for Building a Competitive Hydrogen Supply Chain/ Development of Technologies for Large-scale Hydrogen Supply Chain Establishment” This project has been progressing as scheduled and is contributing steadily to the acquisition of core technologies.	The environment and disaster management solutions business, particularly in continuous environmental monitoring, maintained stable earnings, supported by successful cost pass-through strategies. Demand for asbestos inspection and analysis services remained robust, leading to record-high performance. In the industrial machinery business, sales of high-value-added balancer systems—equipment designed to support labor-saving operations—showed significant growth, contributing to strong performance. To further strengthen our position in winch systems, we completed the acquisition of MAXPULL MACHINERY AND ENGINEERING CO., LTD. On the other hand, the construction-related business continued to face challenges in the market, resulting in a year-on-year decline in overall revenue for the Innovation & Incubation Div.																																																
Assessment of the Previous Medium-Term Management Plan	Progress in expanding operations and markets, strong project management execution and solid performance on existing projects contributed to an increase in revenue and profit.	- We improved efficiency by selecting higher-margin projects and eliminating low-profit transactions, contributing to performance that exceeded targets. - In addition, the integration of TKK Plant Engineering K.K. and KIMOTO CORPORATION into the Group strengthened field-level workforce capacity.	- While new overseas tank orders and contracts for paid feasibility studies contributed to results, the segment as a whole fell short of initial projections. - The NEDO-funded hydrogen tank development project, however, progressed in line with the plan, and we have made steady progress in technological advancements in construction methods.	- The environment and disaster management solutions business achieved record-high results, driven by growing demand. - The industrial machinery business saw growth through enhanced sales capabilities and the successful launch of new products that align with emerging societal needs. - However, M&A initiatives were delayed, and the decline in revenue from construction-related operations led to an overall shortfall in meeting medium-term targets.																																																

Business Overview

Logistics Solutions Business



Shinsuke Yaginuma
Head of Solutions Division

Solving the critical issues of our time with continuous advancements in logistics systems

Value Proposition

- Delivering next-generation, labor-saving solutions through the application of advanced robotics.
- Enhancing operational efficiency of logistics centers through the deployment and utilization of Warehouse Management Systems (WMS).
- Providing reliable maintenance services that ensure uninterrupted logistics operations, safeguarding logistics as an essential component of social infrastructure.

Environment 	⬆️ Rising demand for labor-saving, automated solutions due to the declining workforce due to aging and a shrinking population. ⬆️ Increasing opportunities for renewal as logistics center facilities reach obsolescence. ⬇️ Declining appetite for investment caused by rising labor costs, utilities, and other inflationary pressures.
Competitive Advantage 	▶ Extensive track record and system integration capabilities cultivated in the fields of distribution and airport logistics. ▶ Strong project execution capabilities enabling the delivery of solutions for both complex systems and new, emerging requirements.
Challenges 	▶ Improving productivity through the standardization of operations. ▶ Developing human resources with the technical expertise and ability to put together proposals to deliver best-in-class solutions.

Strategy under the Medium-Term Management Plan

Slogan

ACTION FOR NEXT LOGISTICS
Become the power behind the logistics systems of the future

Basic Policy

Establish a Growth Path for the Future

- Expand the scope of our core business
- Expand into new industrial sectors and customer segments
- Strengthen our service business

FY2027 Targets

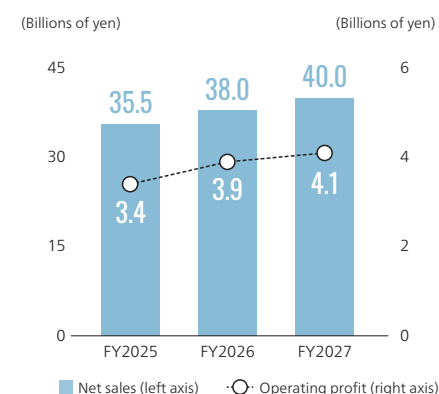
Net sales

¥40.0 billion

Operating profit

¥4.1 billion

Net Sales / Operating Profit Targets



Priority Measures of the Medium-Term Management Plan

Group Management Strategy 1
Business Growth



Expand into
New Sectors

- Strengthen efforts to win business in new industries/segments
- Establish a structure that enables end-to-end solutions across logistics processes
- Provide value-driven maintenance and service including renewal and retrofitting

Group Management Strategy 2
Productivity Improvement



Thorough
Standardization

- Achieve thorough standardization across all processes, not just limited to machinery and electrical work
- Quantify strategic objectives (KPIs), and build systems and environments that enable continuous PDCA cycles

Group Management Strategy 2
Productivity Improvement



Acquisition of
New Technologies

- Acquire new technologies covering upstream/downstream warehouse processes
- Expand solutions through development in both hardware and software, and by leveraging open innovation

Group Management Strategy 3
Strengthening Human
Resources Capabilities



Enhancement of
Organizational
Capabilities

- Acquire technologies and capabilities through M&A
- Build systems that promote individual growth
- Drive business transformation and systemization with a clear focus on ROI

Fiscal 2025 Outlook

With the expansion of business into new industries and sectors, we have introduced advanced logistics systems, including the 3D Pallet Shuttle, which delivers high storage efficiency, and Autonomous Mobile Robots (AMRs), which enable flexible, space-saving sortation operations. These technologies support warehouse automation, reduce workload, and enhance operational efficiency.

Proactive solution proposals tailored to customer needs led to firm orders for both systems in fiscal 2024, and projects are progressing smoothly toward the full-scale launch of logistics centers in the current fiscal year.

In airport solutions, rising passenger volumes are driving demand for greater functionality. We have initiated the development of new solutions to enhance passenger convenience in response to these needs.

In addition, the opening of the Kobe Center in May 2024 and the relocation of the Saitama Center in May

2025, we have further expanded our service network to strengthen customer support capabilities and drive continuous improvements in quality and efficiency.



AMR

Plant Business



Hiroshi Ohgi
Head of Plant Business Division

We play a key role in ensuring a reliable supply of energy resources, and support the safety and stability of energy operations with advanced technology and extensive construction experience.

Value Proposition

■ Provide highly reliable social infrastructure

Environment 	- Ability to participate in projects resulting from the development of renewable energy such as SAF (Sustainable Aviation Fuel) - Ongoing demand for tank maintenance that ensures safety and is compliant with statutory inspections - Impact of rising geopolitical risks on plant-related material procurement and construction schedules
Competitive Advantage 	- Expertise in large-scale tank maintenance requiring advanced technical capabilities - Reputation for delivering high quality products with a commitment to strict safety standards, earning the trust from customers worldwide
Challenges 	- Responding flexibly to evolving maintenance needs while securing a stable earnings structure - Addressing the aging of site supervisors exacerbated by a shortage of younger new hires and the ability to effectively transfer important technical skills

Strategy under the Medium-Term Management Plan

Slogan

ACTION FOR INFRASTRUCTURE

Become a force to support social infrastructure

Basic Policy

Securing Stable Earnings

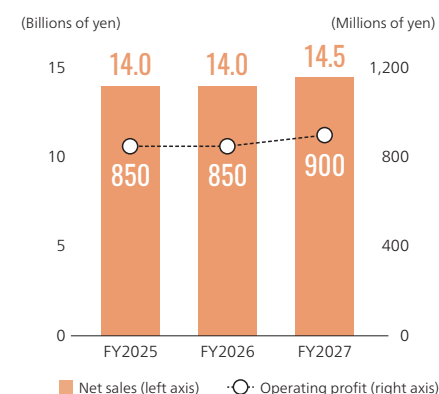
- Continue to maximize orders for maintenance projects
- Grow revenue through acquisition of new projects
- Develop human resources to ensure transfer of technical skills

FY2027 Targets

Net sales
¥14.5 billion

Operating profit
¥900 million

Net Sales / Operating Profit Targets



Priority Measures of the Medium-Term Management Plan

Group Management Strategy 1 Business Growth



Secure stable earnings through continued maintenance orders and acquisition of new projects

- Readjust prices to appropriate levels through customer negotiations
- Conduct market research on maintenance demand going forward to 2030 and implement strategy to increase orders

Group Management Strategy 2 Productivity Improvement



Strengthen technical expertise, construction capabilities, and workforce capacity through talent acquisition and development

- Toyo Kanetsu (technical expertise) × TKK Plant Engineering, K.K., (employment and development of supervisors) × KIMOTO CORPORATION (employment and development of skilled workers, reinforcement of training for new automatic welding operators)
- Human resource development, technology transfer, and new technology development
- Safety and quality management, elimination of workforce incidents and product quality issues

Group Management Strategy 2 Productivity Improvement



Expand into new market segments based on our track record and our expertise as a tank manufacturer

- Technical support for customers
- Expand operations into adjacent verticals

Group Management Strategy 3 Strengthening Human Resources Capabilities



Introduce new technology to improve efficiency and reduce labor

- Expand application of FCAW automatic welding and develop new automatic welding equipment
- Expand digital support tools for safety and construction management
- Reform working style toward improved efficiency

Fiscal 2025 Outlook

Demand for maintenance, especially for regulatory inspections, is expected to remain stable, and to effectively meet this demand, we will maintain and strengthen our site management structures through recruitment and training.

As part of our efforts to improve our business reorganization in fiscal 2025, overseas subsidiaries PT Toyo Kanetsu Indonesia and Toyo Kanetsu (Malaysia) Sdn. Bhd. were brought under the Plant Business Division. Both companies have secured new orders for steel fabrication and tank maintenance through independent sales activities and the project teams at these subsidiaries are providing strong support toward continued success.

In addition to expanding the application of FCAW automatic welding, we are pursuing research on new automatic welding equipment. With these initiatives, we aim to standardize construction quality and

reduce on-site man-hours for improved productivity.

Looking ahead, we will continue to build on our stable domestic maintenance business while promoting initiatives to cultivate new markets and verticals, including projects related to the wider adoption of next-generation fuels such as Sustainable Aviation Fuel (SAF).



Storage tank for next-generation aviation fuel (SAF)

Business Overview

Business Innovation
& Incubation

Akira Kakiyara
Head of Innovation
& Incubation Div.

We take on urgent social challenges, supporting a sustainable society, and ensuring a safe and secure future.

Value Proposition

- Provide solutions for a sustainable social infrastructure and for safe living and working environments
- Provide safe and efficient heavy duty transport equipments

Environment 	⑦ Increasing demand for environment and disaster management solutions, reinforced by stricter regulations ⑦ Emerging needs in new environmental and disaster management challenges, including biodiversity, water resource management, and an aging infrastructure ⑦ Growing demand for productivity and efficiency improvements due to workforce decline
Competitive Advantage 	▶ Strong trust across a wide customer base in both the public and private sectors, backed up by an industry-leading track record ▶ High market share supported by a portfolio of high-value-added products and services that combine superior quality with flexibility to meet customer requirements ▶ Custom development capabilities that directly address customer and site-specific needs
Challenges 	▶ Achieving sustainable growth through M&A and subsequent collaboration within the Group ▶ Updating business models to adapt to future changes in the environmental and disaster management business environment

Strategy under the Medium-Term Management Plan

Slogan
ACTION FOR SUSTAINABILITY
Become a force to support a sustainable society

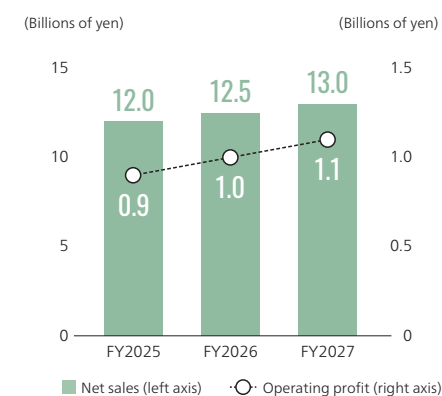
Basic Policy
Scale-ups of the environmental business

- Expand business in the environment and disaster management domains (including via M&A)

FY2027 Targets

Net sales	Operating profit
¥13.0 billion	¥1.1 billion

Net Sales / Operating Profit Targets



Priority Measures of the Medium-Term Management Plan

Group Management Strategy 1 Business Growth		Focus on growth in the environment and disaster management solutions business	● Concentrate management resources on the environment and disaster management solutions business, and support growth of the industrial machinery business ● Reach beyond non-core sectors ● Transform our core business models across the Group (shifting away from labor-intensive operations) ● Redefine M&A target areas (from distant domains to adjacent domains) ● Support the organic growth of Group companies ● Enhance recognition through internal and external communication
Group Management Strategy 3 Strengthening Human Resources Capabilities		Create Group synergies and business opportunities through integrated Group operations	● Build cross-functional capabilities (marketing, information, human resources) and develop next-generation management talent ● Build a solid program for Post-Merger Integration of acquired companies in order to develop synergy in the industrial machinery business ● Secure access to new technologies and new markets through open innovation initiatives
Group Management Strategy 3 Strengthening Human Resources Capabilities		Build efficient Group governance	● Revise governance policies to achieve a balanced approach between centralized control and autonomy.

Fiscal 2025 Outlook

The first year of the Medium-Term Management Plan, fiscal 2025, is expected to deliver business growth, driven by the strong performance of both the environment and disaster management solutions business and the industrial machinery business. We also expect newly acquired SAKATA DENKI Co., Ltd., and MAXPULL MACHINERY AND ENGINEERING Co., LTD will begin to generate synergies among the Group companies.

In the environment and disaster management solutions business, earnings are expected to be stable given the ongoing demand for maintenance of continuous air and river monitoring equipments and for asbestos inspection and analysis services. With the strength and expertise of SAKATA DENKI Co., Ltd. in civil engineering measurement technologies, we will reinforce infrastructure monitoring capabilities and promote collaboration across Group companies to further expand our presence in the disaster management field.

In the industrial machinery business, demand for products that improve working conditions in

construction and manufacturing remains strong, and our labor-saving equipment is expected to play a key role in solving on-site challenges. The addition of MAXPULL MACHINERY AND ENGINEERING Co., LTD to the Group will also enable us to expand sales by leveraging its customer network.



Cross-company initiatives in environment and disaster management solutions — Miralyne Project

Environment



Our Contribution to Carbon Neutrality: The Medium- to Long-Term Perspective

Geopolitical uncertainty and rising project investment costs have had a dampening effect on the global decarbonization movement, pushing some companies to reconsider priorities. However, Japan, with no domestic energy resources, remains resolute in securing a stable supply of existing energy while simultaneously pursuing efforts to achieve carbon neutrality by

2050. Backed by our strong tank construction and maintenance technologies developed over the years, we will continue contributing to sustainability during this medium to long-term transition to new energy alternatives, while supporting the current energy infrastructure through our forward-looking research and development efforts.

Progress in Hydrogen Tank Development

We are continuously engaged in the research and development of large-scale liquefied hydrogen tanks that will be key to a stable, high-volume hydrogen supply system. At present, we are working on the project "Development of Technologies for Building a Competitive Hydrogen Supply Chain/ Development of Technologies for Large-scale Hydrogen Supply Chain Establishment" which was adopted in July 2023 as part of the NEDO* subsidized program "R&D on Scaling Up of Liquid Hydrogen Storage Tanks"

In order to achieve the goal of the project, which is the practical application of a 50,000 m³ class large-scale liquefied hydrogen tank, we are validating how various elemental technologies from past studies perform. Specifically, we are constructing a bench-scale test tank at approximately one-tenth the scale of the actual design (inner tank diameter: 4 m, storage capacity: approx. 29 m³), and conducting demonstrations of cooling methods and insulation performance using actual liquefied hydrogen at -253°C. Construction of the test tank also allows us to verify construction methods and inspection procedures, and identify technical issues for future full-scale application.

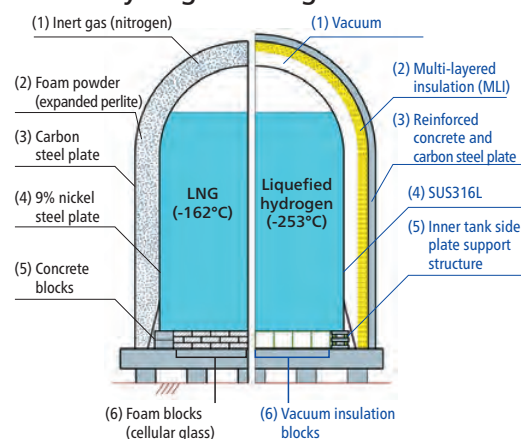
Throughout fiscal 2024, we have built upon previous research and development, designed the 50,000 m³ liquefied hydrogen tank and the bench-scale tank, examined candidate construction sites for the bench-scale tank, and implemented procedures under the High Pressure Gas Safety Act related to its

construction.

In January 2025, the project underwent NEDO's stage-gate review (interim evaluation). The organization recognized our progress and results we achieved to date, and approved funding through fiscal 2027 in order for us to continue research. In line with the original project plan, we are moving forward with construction of the bench-scale test tank in fiscal 2026 with testing of demo tanks in fiscal 2027.

* NEDO: New Energy and Industrial Technology Development Organization

Features of Toyo Kanetsu's Liquefied Hydrogen Storage Tank

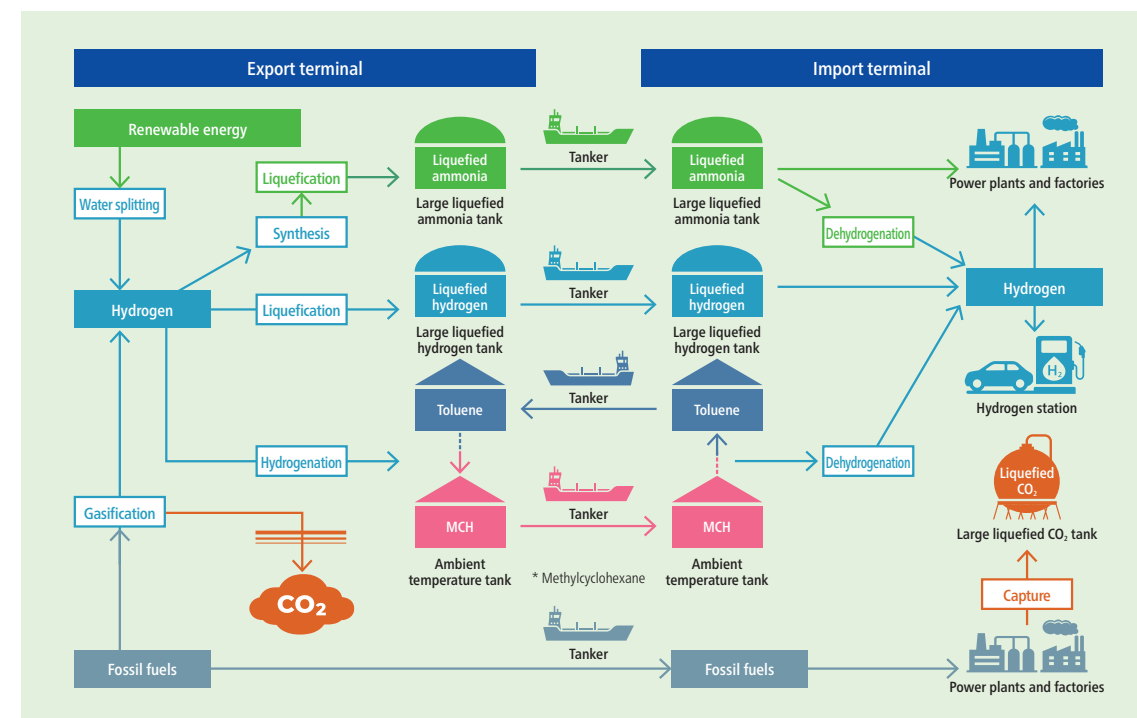


Side-by-side comparison of an LNG flat-bottomed cylindrical tank and a liquefied hydrogen tank

Responding to Tank Needs during the Transition to Next-Generation Energy

We are preparing to meet demand for construction projects targeted for around 2030, ahead of the transition to a hydrogen supply chain. These projects include storage tanks for fuel ammonia, methylcyclohexane (MCH), and Sustainable Aviation Fuel (SAF), all of which require expanded storage capacity, as

well as liquefied CO₂ storage tanks necessary for the capture and sequestration of CO₂. In addition, we have already delivered a large number of tanks for LNG, which is expected to remain in long-term use as a stable baseload energy source.



Created by Toyo Kanetsu by referencing the implementation model for realizing a hydrogen energy-based society

We leverage our advanced technologies and proven track record to provide technical support services to customers through such programs as FS (Feasibility Study) and FEED (Front-End Engineering Design), to meet the various needs of customers. In fiscal 2024, we delivered tanks for Japan's first large-scale domestic SAF production project and collaborated on the

study of onshore tanks included in an advanced CCS project selected by JOGMEC*.

As a specialized tank manufacturer, we will continue to contribute to meeting the growing demand for tank storage and utilization during the transition to next-generation energy.

* Japan Organization for Metals and Energy Security

Overview of the Large-Scale Liquefied CO₂ Storage Tank Proposed by Our Company

	Spherical tanks	Double-shell vertical tank
Main material	9% nickel steel	
Capacity	Over 10,000 tons	Over 5,000 tons
Features	Maximized storage capacity	Efficient use of space and excellent ease of operation and maintenance
Shape		

Environment

Disclosure Based on TCFD Recommendations

We believe that climate change and other environmental issues have a dramatic impact on sustainability, which is why we have designated sustainability as a major issue (materiality). We are actively engaged in activities aimed at addressing these social challenges, including reducing greenhouse gas (GHG) emissions from business activities and promoting the transition to low-impact energy sources.

In 2022, we declared our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Since then, we have been evaluating the impact of climate-related risks and opportunities that affect our business, formulating and implementing response strategies, and actively disclosing information in line with the TCFD framework.

Item	Response status
Governance	- The Sustainability Committee oversees company-wide risks, including ESG risks, and reports to the Board of Directors at least once each quarter. The Board monitors these reports and makes management decisions as necessary. - In May 2025, a stock-based compensation program linked to achievement of ESG targets was introduced for internal directors.
Strategy	- Analysis of scenarios with temperatures increases below 2°C and above 4°C to establish new pathways toward 2050. - Risks and opportunities are evaluated with respect to their impact on business and financial standing, as well as the expected time frame. We then develop measures to appropriately deal with the risks. - In the Logistics Solutions and Plant businesses, we determined opportunities significantly outweigh the risks
Risk management	The Sustainability Committee identifies and evaluates company-wide risks including ESG, monitors results, and reports to the Board of Directors. Measures are adopted based on order of priority.
Metrics and targets	- Reduction targets have been set for Scope 1*1 and Scope 2*2 emissions across the Company and its domestic and overseas consolidated subsidiaries. - Achieve carbon neutrality by 2050 - Reduce emissions by 50% by 2030 compared with fiscal 2019 levels Note: For Scope 3*3 emissions, we are working with suppliers and customers to promote reductions throughout the supply chain.

*1 Scope 1: Direct GHG emissions from fuel use and other activities within the Company
*2 Scope 2: Indirect GHG emissions from the use of purchased electricity and heat
*3 Scope 3: Indirect GHG emissions across the supply chain other than Scope 1 and Scope 2

GHG Emissions

The Toyo Kanetsu Group is working to reduce GHG emissions associated with energy use. Scope 1–3 emissions for fiscal 2024 were as stated to the right:

- Scope 1: 2,375 t-CO₂e
- Scope 2: 2,695 t-CO₂e (Offset amount 1,238 t-CO₂e)
- Scope 3: 398,293 t-CO₂e

By offsetting 1,238 t-CO₂e of Scope 2 emissions, combined with Scope 1 emissions, we achieved a 27.3% reduction compared with the fiscal 2019 baseline year. Regarding Scope 3 emissions, we are considering specific measures by category, such as reducing electricity consumption during the product usage phase. In fiscal 2025, we began introducing an emissions calculation system that will contribute to improving the accuracy of GHG calculations and emissions analysis. Currently, the system is in its early stages of operation, but over time and through stable operation, accuracy will improve while we continue to develop ways to reduce emissions.

Electricity accounts for more than half of our emissions so procuring a source of renewable power is essential to making further reductions. We installed a self-consumption photovoltaic system in the Chiba Plant. In fiscal 2024, we also introduced two EV light vehicles and one EV truck at the Wakayama Plant.

Going forward, we will continue to promote decarbonization in our business activities through improved transport efficiency, expanded introduction of EVs, and ongoing investment in energy-efficient equipment.



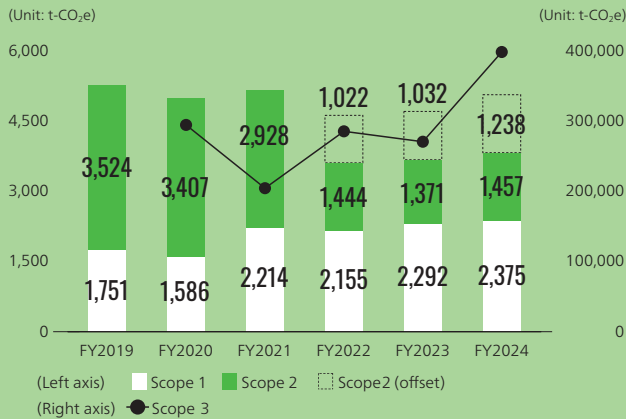
Lightweight EV introduced at the Wakayama Plant

▶ For further details, including the results of the scenario analyses, please refer to the Toyo Kanetsu Group's disclosures based on the TCFD (Task Force on Climate-related Financial Disclosures) recommendations.
https://www.toyokanetsu.co.jp/pdf/2022/toyo_kanetsu_2926.pdf

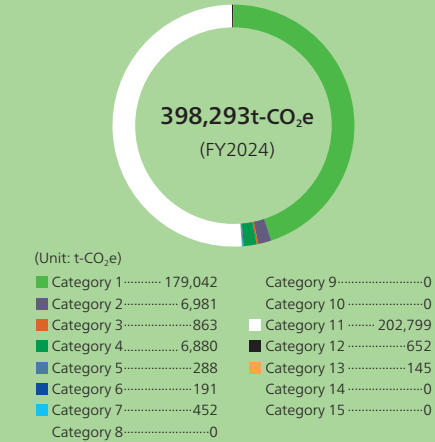


GHG Emissions Data

Trends in GHG Emissions



Breakdown of Scope 3 Emissions by Category



Environment

Our Vision for the Environment and Disaster Management Solutions

Since our founding, we have been committed to supporting everyday life and society. As a new business supporting social infrastructure, we are driving the growth and expansion of the Environment and Disaster Management Solutions Business, the primary aim of which is to protect all environments whether human or wildlife, in order to promote healthy living conditions now and in the future.

The three companies that make up this business—Kankyo Research Institute Inc., SAKATA DENKI Co., Ltd., and Eco Analysis Corporation—are all leaders in their respective industries. In response to emerging environmental issues such as increasingly frequent abnormal weather events, natural disasters, and aging infrastructure, the Group is working as one to deliver effective solutions and take on challenges across a wide range of these issues.



Group Company Solutions

Environment

Disaster Management



Research on Sealant Deterioration in Station Buildings and Other Structures

In collaboration with a railway company, Kankyo Research Institute Inc. conducted a study on how to diagnose the deterioration of sealants used in station buildings and other structures by applying image recognition AI technology. An AI model was developed to identify sealants, cracks, and peeling from captured images. A comparison between evaluations by image recognition AI and human inspectors demonstrated that AI can estimate the degree of deterioration. Kankyo Research Co., Ltd. will continue efforts to further improve the accuracy of its AI models.



Development of New Business Aimed at Enhancing and Realizing Biodiversity

As part of a national strategy to achieve a sustainable society and economy through the conservation and restoration of our natural environment, initiatives are under way to halt biodiversity loss and put nature on a path to recovery called "Nature Positive." In this context, Eco Analysis Corporation launched *Naipojière*, a French-like portmanteau that means "nature positive" and "eru" or support. The primary objective is to provide support services that leverage its accumulated expertise in natural environment consulting to assist corporations in implementing Nature Positive initiatives. Current projects include monitoring environmental changes through the conversion of abandoned farmland into biotopes in Minamiyamashiro Village, Kyoto Prefecture.



"Naipojière" service overview



Contribution to River Disaster Management

As part of Japan's National Resilience policy, SAKATA DENKI Co., Ltd. is strongly promoting the deployment of water level gauges as a part of nationwide crisis management. A closed-network communication system was implemented to ensure security. The system operates in energy-saving mode during normal conditions and switches to real-time, high-frequency monitoring during floods. The network allows for quicker evacuation decisions and better initial disaster response. To date, approximately 10,000 locations across Japan have been equipped, with more than 1,200 units shipped, contributing significantly to enhanced safety of communities and better disaster management along rivers.



Water level gauge installed in a river

Social

Full Automation of Logistics Centers

A worsening labor shortage and increasing labor costs are driving demand for labor-saving automation in logistics operations. Not only do we design the latest in automated solutions to meet specific customer needs, we offer a range of products and technologies to help reduce the burden on labor. Our goal is to help customers reach their desired automated solution.

Picking Robot with AI Vision

Demand for automation continues to grow alongside a shrinking labor force. We are developing a solution to automate the picking process, typically the most labor intensive job in a logistics center. The system, which is currently being tested under real conditions, uses AI vision to enhance the functionality of conventional picking robots to achieve greater accuracy and throughput.

Vertical Storage System

The Vertical Storage System is a tray-based system that can store heavy and bulky items more efficiently than regular systems. It makes effective use of overhead space while ensuring sufficient storage capacity. Unlike flat shelving, it allows workers to perform picking operations without walking long distances, helping to reduce physical workload.

As part of the previous medium-term business plan, we introduced 3D pallet shuttle to expand into new market segments in the Logistics Solutions Business and are proposing it as a part of our customer solutions. It is particularly well-suited for industries such as manufacturing where small-lot sorting for kitting is common. This high-density storage system improves inbound and outbound operations, allowing for greater efficiency and fewer people.

3D Pallet Shuttle

AMR (Autonomous Mobile Robot)

The AMR is a space-saving sortation option with a high degree of flexibility. Robots can be added or reduced to meet the required volume. Customers like the convenience and flexibility of the system, leading to one major installation in a major EC company in fiscal 2024. This type of system is ideal for an EC operations where efficient sorting to many destinations is a major concern.

Social

Initiatives to Support the Sustainable Growth of the Group

One of our major goals is to innovate solutions that contribute to solving the social issues we face today. Throughout the Company and in every aspect of our operations, we keep our responsibility as good stewards of the environment and accountability to society top of mind. Through dialogue, collaboration, and partnership with all stakeholders, we are committed to sustainability.

Partnership-Building Declaration

In December 2024, we announced our "Partnership-Building Declaration" to foster new partnerships by promoting collaboration, coexistence, and mutual prosperity with supply chain partners and business operators who create value. By respecting each other's positions, we will work with our partners to achieve mutual business growth.



▶ For details, please refer to the Supply Chain Initiatives page.
https://www.toyokanetsu.co.jp/sustainability/governance/supply_chain.html

Initiatives We Participate In

Green Transformation (GX) League



League Japan Climate Initiative (JCI)



FTSE Blossom Japan Sector Relative Index



FTSE Blossom Japan Sector Relative Index

In July 2025, we were selected for the first time as a constituent of the "FTSE Blossom Japan Sector Relative Index," which targets recognizes Japanese companies for outstanding ESG efforts.

CDP



In our 2024 response to CDP, an international NGO, we received a score of B- for Climate Change and C- for Water Security.

Health & Productivity Management Outstanding Organizations 2025 (Large Enterprise Category)



Tomonin



Community Contribution Activities



Factory Tour for Shareholders

In September 2024, we held our first factory tour for individual shareholders at the Wakayama Plant, the manufacturing base of the Logistics Solutions Business. Participants viewed our products, including conveyors, and engaged in discussion with the President and Directors, providing a valuable opportunity for direct dialogue with shareholders.



Art Para Fukagawa "Chatty Art Festival"

The Art Para Fukagawa Chatty Art Festival is a community art event held under the theme of "living together," where people with and without disabilities are encouraged to come together. The festival features exhibitions and sales of works created by artists with disabilities. Since its inaugural event in 2020, Toyo Kanetsu has been a sponsor, and employee volunteers have also participated in the Art Crew. In 2024, from among submissions received nationwide, the work Spring by Isamu Kamino was selected for the "Toyo Kanetsu Award."



Toyo Kanetsu Children's Library

To commemorate the 80th anniversary of our founding in 2021, we began donating to municipalities that promote reading among children in areas where our Group companies are based, including Koto City, Tokyo. In libraries across Koto City, donations have already funded the purchase of more than 1,000 children's books and related materials. Looking ahead toward the milestone of our 100th anniversary, we plan to continue these donations to help foster an enriched reading environment in local communities.



Community Contribution through Sports with Official Partners

In December 2024, together with the B1 League professional basketball team Alvark Tokyo, we launched the Toyo Kanetsu Basketball Caravan. Targeting elementary schools in Koto City, Tokyo, where our headquarters is located, basketball classes were held three times during the season. In addition, at Koto Library we organized two collaborative exhibitions featuring the Toyo Kanetsu Children's Library collection alongside life-sized player panels and books recommended by the players. These initiatives provided local children with opportunities to engage with both reading and sports.

Together with the B3 League team Tokyo United Basketball Club, we also supported the wheelchair basketball trial sessions at the 9th Everyone's Sports Festa held at the Fukagawa Sports Center. This initiative not only created opportunities for all people, regardless of ability, to enjoy sports together, but also fostered direct interaction with local residents, contributing to inclusivity in the community.



Social

Toyo Kanetsu Group Human Resource Strategy



Yasunori Kobayashi
Director, Senior Managing
Executive Officer
In charge of
HR Management

Message from the Executive Officer
in Charge of HR Management

Guided by our vision of becoming the Solution Innovator that addresses social issues through innovative technologies and execution capabilities, Toyo Kanetsu continues to deliver solutions that generate innovation while contributing to society.

The essence of human capital management lies in organically linking the Company's vision and strategy with its human capital. People who have both the ability to create innovative technologies and the execution skills to commercialize them into real-world applications are the driving force behind our sustainable growth. We emphasize developing people who are unafraid to take on new technologies and methods, who think independently, create, and take initiative in execution.

To this end, we are fundamentally reforming our HR system by redefining the qualities we seek in our people and developing evaluation systems that take challenges and actions into consideration, not just results. Although we have improved our training and education framework over the years, we continue to reinforce its alignment to management strategies to raise the quality of development.

We also utilize the results of engagement surveys to revitalize our organization, while ensuring that initiatives such as promoting greater participation of women, diversity, equity & inclusion (DE&I), and Health and Productivity Management® are clearly linked to strategy in an organic manner. In addition, we are building KPIs and mechanisms that can be applied to management and talent development within the Company, improving systems with greater flexibility and scalability.

Our ultimate goal is to imbue our organizational culture and our employees with our overall strategy, giving employees confidence to think and act independently in line with strategy. In the new Medium-Term Management Plan period beginning in fiscal 2025, we will first implement significant reforms to our HR systems and establish a structured framework that links human capital initiatives to corporate strategy. By identifying and quantifying gaps in the current state, we will take on the challenge of maximizing management outcomes through human capital management.

Current Situation / Challenges	Objectives / Policy		Goal
Results and Challenges of the Current HR System The current HR system was designed with a focus on strengthening expertise, developing junior management, and promoting career self-selection. Alongside this, progress has been made in building an integrated training framework, resulting in certain achievements such as enhancing specialized knowledge and skills, and fostering the next generation of management talent. However, in today's rapidly changing environment, the ability to implement transformation is a challenge. It is now more pressing than ever that we reform the HR system so employees are more inclined to proactively act and take on new challenges.	An Organization That Continuously Evolves (Objective) To drive sustainable growth, we will clearly define the qualities required of our people and fully align the HR system to our management vision. By maximizing the strength of both people and the organization, we will build a robust, ever-evolving talent portfolio.		Toward a Corporate Culture of Relentless Change To strongly encourage employees to embrace transformation and to take independent action, we will pursue continuous, integrated improvements and enhancements to both systems and operations. Our initial goal is to build an organization that supports challenges and responds to change with both flexibility and resilience. Moreover, our key word, "ACTION" signifies our commitment to organizational culture that relentlessly pursues change, remains agile in turbulent times and achieves the sustainable growth of our corporate value.
	Reform Centered on "ACTION" (Design Policy) The keyword for reform is "ACTION." We will clearly define the capabilities and roles of talent who drive the Company's growth and establish a framework in which development, evaluation, promotion, and compensation are fully integrated. To achieve this, we will also take decisive steps to abolish outdated, conventional systems that have become barriers.	Establishing Management to Support Challenge (Operational Policy) We will strengthen management capabilities to support "ACTION." To realize the objectives of the system, we will enhance the quality of evaluation and development while creating a workplace environment that encourages challenge and growth. In parallel, we will link these efforts with engagement surveys, enabling impact measurement and continuous improvement of the system.	

Development

We are focusing on initiatives that foster personal growth while driving organizational growth and strengthening organizational capabilities. New graduate employees begin their careers with a unique program in which they spend their first six months after joining the Company as interns, during which time they work in several departments before selecting their assignment. In addition to enhancing our education framework, we have introduced systems to motivate and support the independent professional development of employees by allowing them to utilize online learning environments, offering financial incentives and, in some cases, covering the fees for courses of their choice. Going forward, we will establish mechanisms that link learning efforts and outcomes directly to promotions and appointments, with the goal of accelerating the growth and development of our employees.



New employee training

Engagement

In order to gain better visibility of our human capital, we have introduced engagement surveys to analyze motivation and alignment, and then use those findings to address management issues. In addition to implementing base salary increases and enhancing leave systems, we have also strengthened compensation for employees who play an active role on the front lines, where the value of our business is created.

As part of our commitment to Health and Productivity Management®, we are working to improve workplace environments that allow employees to work safely and with peace of mind, while expanding various support programs. Furthermore, through the "Kazeotoshi Project" (Open Communication Project), we promote dialogue between management and employees as well as among colleagues, fostering a culture that welcomes the free, open and constructive exchange of opinions. We believe that this will foster a sense of pride in one's work and in the Company.

We are also in the process of revising our HR systems. Recognizing that these systems are a vital factor in strengthening the relationship between individuals and the organization, we are designing frameworks that further encourage employee "ACTION."



Dialogue during the "Kazeotoshi Project"

Recruitment

We are committed to energizing our organization by hiring diverse talent. In addition to universities and high schools, we now recruit from technical colleges, vocational schools, and the second-career market, while also utilizing referral hiring to attract people with varied experience.

To reduce mismatches and support career development, we offer enhanced internship programs, workplace visits, and meetings with senior employees. We also provide a student loan repayment support system and are expanding opportunities for employees with disabilities, ensuring a workplace where all employees can thrive at work.



Internship

Social

Respect for Human Rights

The Toyo Kanetsu Group recognizes respect for the human rights of all individuals involved in its business activities as a fundamental social responsibility. Guided by this principle, we have established the Toyo Kanetsu Group Human Rights Policy and are promoting initiatives such as human rights due diligence and remedy measures.

Human Rights Policy

With approval from the Board of Directors, the Group formulated the Toyo Kanetsu Group Human Rights Policy in July 2024. We are working to ensure that all officers and employees understand and adopt this policy as part of our broader efforts to uphold human rights.

▶ Please refer to the Toyo Kanetsu Group Human Rights Policy page:
https://www.toyokanetsu.co.jp/pdf/tkk_humanrights.pdf

We recognize the following as human rights risks highly relevant to our business activities:

Occupational health and safety	Provide a safe, healthy work environment and aim for zero workplace accidents.
Discrimination and harassment	Eliminate all forms of discrimination and harassment. We do not discriminate on the basis of race, religion, gender, age, sexual orientation, disability, or nationality.
Long working hours and wages	Comply with labor laws on working hours and minimum wages in all countries and regions of operation, while reducing excessive working hours. Note: We monitor overtime work and implement measures to standardize working hours to completely prevent legal violations, including breaches of the Article 36 Agreement.
Privacy	Protect personal information in line with evolving environments.
Local environment	Conduct business activities with due consideration for noise, wastewater, and other local environmental impacts.
Freedom of association and collective bargaining right	Fully respect freedom of association and collective bargaining.
Forced labor and child labor	Prohibit forced labor and child labor, and comply with the Children's Rights and Business Principles. Note: We do not employ workers under the age of 18.
Foreign labor	Do not infringe on the rights of foreign workers.
Supply chain human rights	Where suppliers are linked to adverse human rights impacts, we work with them to prevent or mitigate such impacts. We also promote responsible sourcing by considering potential human rights risks related to raw materials procurement.

Promotion and Management Framework

Our human rights initiatives are overseen by the President of Toyo Kanetsu Co., Ltd. as the responsible officer, with the Sustainability Committee serving as the managing body (chaired by the Chief Sustainability Officer). Each department monitors human rights issues in its operations and reports to the Committee, which implements measures in line with the UN Guiding Principles on Business and Human Rights. The Committee reports regularly to the Board of Directors, which provides oversight and makes decisions where required.

▶ Please refer to the Human Rights Initiatives page for the promotion and management framework chart:
<https://www.toyokanetsu.co.jp/sustainability/social/humanrights.html>

Human Rights Due Diligence

Internal and Partner Surveys

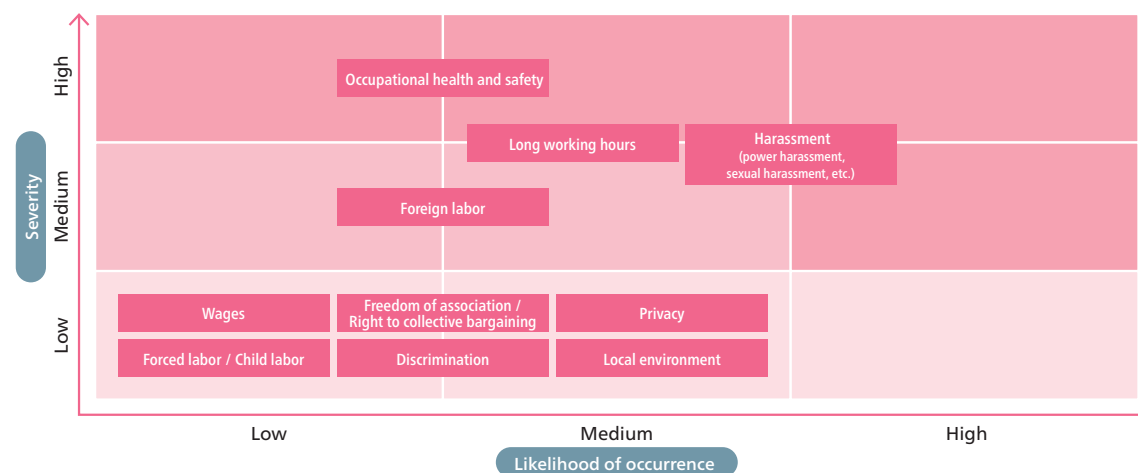
As part of formulating the Human Rights Policy in fiscal 2024, we conducted internal surveys (data reviews and interviews) and administered questionnaires (including interviews) to Group companies and major business partners to identify and assess human rights risks. The questionnaire was based on the ILO's core labor standards as well as rights from the Universal Declaration of Human Rights considered particularly relevant to the Group.

Main Survey Items

- Forced labor
- Child labor
- Long working hours
- Freedom of association
- Harassment
- Occupational health and safety
- Local environment
- Personal information, etc.

Identification and Evaluation of Human Rights Risks

Based on the survey results, the Group identified and evaluated human rights risks as follows.



Particularly significant human rights risks highly relevant to our Group's business activities

	Occupational health and safety	Harassment	Long working hours
Reasons for Identification and Evaluation, and Response Policies	Occupational health and safety have long been addressed by the Safety, Environment & Quality Assurance Division, which has set KPIs and implemented programs to improve safety and quality. These activities will continue to be strengthened.	To prevent and mitigate high-risk harassment, we conduct ongoing training and awareness programs, including those on harassment, and Diversity, Equity & Inclusion (DE&I).	With respect to long working hours, we are continuing measures such as monitoring overtime and implementing initiatives to level working hours, with the goal of eliminating legal violations, including breaches of the Article 36 Agreement.

No human rights risks of particularly high concern were found based on a survey of major business partners. In fiscal 2025, however, we plan to expand the scope of human rights risk impact assessments to include suppliers (business partners).

Remedies

For Group employees, we have established an internal reporting and consultation hotline ("Help Line") that protects whistleblowers by prohibiting retaliatory actions, ensuring confidentiality, and accepting anonymous reports. In addition, we have set up a reporting (grievance) channel for suppliers (business partners) and customers, which also protects whistleblowers through confidentiality and safeguards against retaliation.

We will continue to monitor the use of the Help Line and other reporting channels, while preventing human rights violations and improving our response in the event they occur.

Governance

Occupational Health and Safety

At Toyo Kanetsu, our highest priority is the safety and health of our employees and employees of partner companies involved in our operations. We are committed to daily activities that emphasize occupational health and safety while ensuring strict compliance with relevant laws and regulations. In recent years, changes in climate conditions have made working environments increasingly challenging. We have also seen more "near-miss" incidents caused by older workers and workers with inadequate practical experience. To address these risks, we are implementing effective measures and promoting preventive safety initiatives to avoid serious occupational incidents.



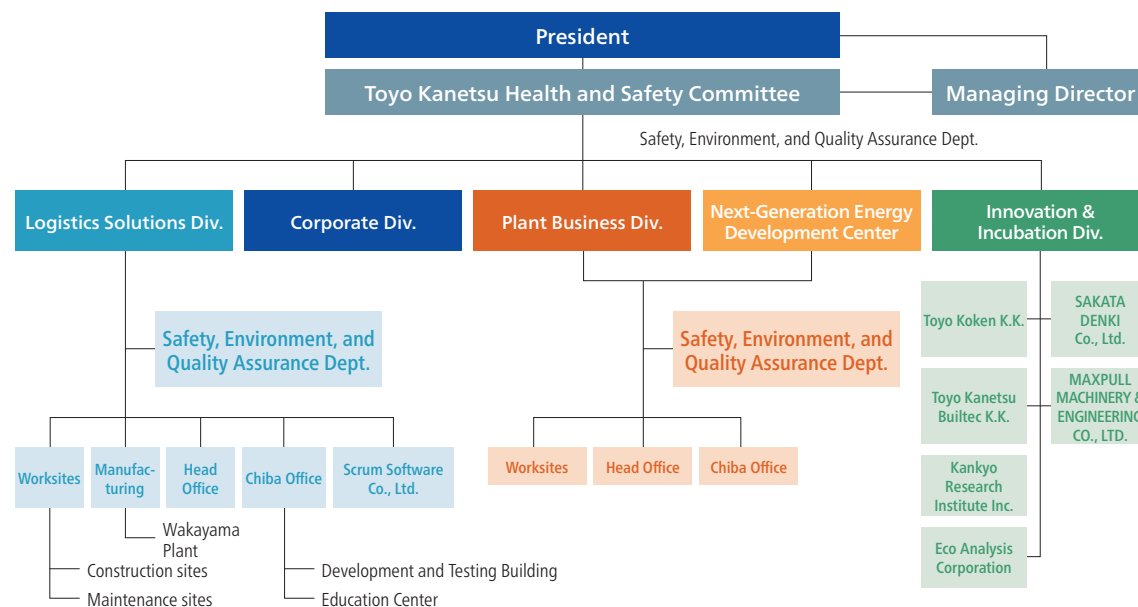
Hitoshi Iida
Executive Officer in charge of the
Safety, Environment, and Quality
Assurance Department

Occupational Health and Safety Management System

The president of the Company directly oversees the Safety, Environment & Quality Assurance Department, and is the executive officer responsible for occupational health and safety. To ensure the thorough implementation of safety initiatives, a dedicated executive officer is assigned to lead activities that raise safety awareness among employees and promote our core safety principles.

Across the Group, information on work-related incidents, traffic incidents, and other safety matters is shared through the Safety and Health Committee, which meets monthly. This structure allows lessons learned to be disseminated across all Group companies, ensuring alerts are raised, recurrence is prevented, and safety knowledge is widely shared.

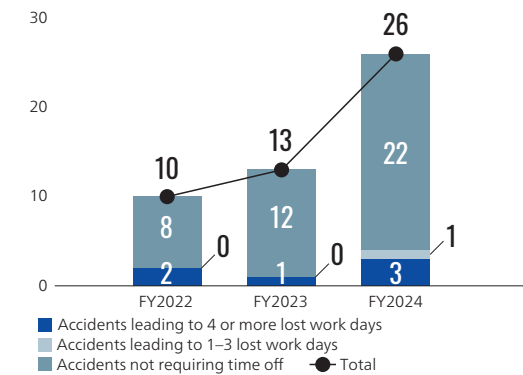
Toyo Kanetsu Group Health and Safety Management System



Occupational Health and Safety Incident Reports

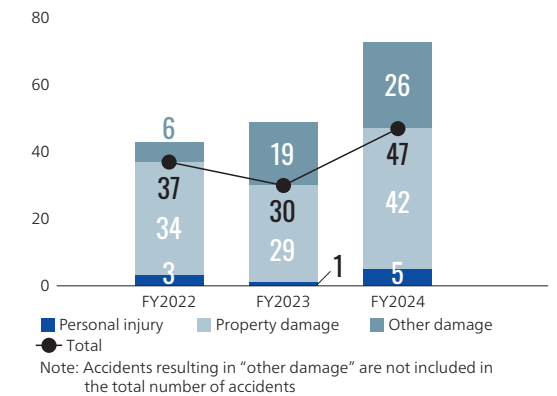
Number of Toyo Kanetsu Group Industrial Accidents (Excluding Traffic Accidents)

(Unit: Number of incidents)



Toyo Kanetsu Group Traffic Accidents

(Unit: Number of incidents)



Safety Awareness and Training

Within the Group, we analyze past occupational incident data to implement effective preventive safety measures. By identifying the root causes of incidents, we have introduced robust countermeasures to prevent recurrence and have reinforced countermeasures with on-site and office-based safety patrols. We want employees to proactively think and act with safety always in mind. We are also creating an environment where immediate, practical measures can be implemented effectively. Even further however, we analyze "near-miss" incidents with the goal of preventing incidents before they occur.



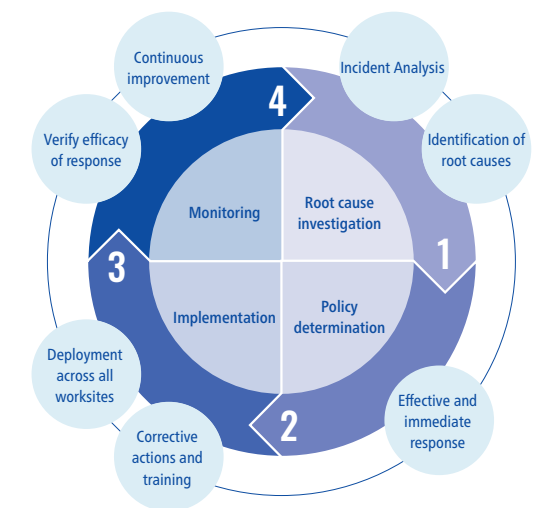
Pre-work safety training



Safety checks on control panels at logistics centers to prevent electrical incidents

Mechanisms for Preventing Recurrence of Occupational Incidents

In both 2022 and 2023, an occupational incident occurred during scaffold assembly and dismantling work. In response, we issued safety alerts and the Safety Management Group of the Safety, Environment & Quality Assurance Department has been dispatching personnel to worksites prior to scaffold-related operations to communicate directly with workers, and retrain them on safe operations to avoid falls and other hazards. Moreover, we have introduced a structured approach that continuously cycles through four safety management processes, thereby embedding long-term incident prevention practices. As a result, since fiscal 2024 we have achieved zero scaffold-related incidents, demonstrating that these initiatives are producing tangible results.



Governance

Board of Directors



Osamu Watanabe
Outside Director

Makiko Sato
Outside Director

Takeshi Yonehara
Director,
Senior Managing Officer

Takashi Owada
President &
Representative Director

Yasunori Kobayashi
Director,
Senior Managing Officer

Keisuke Kodama
Director and
Audit & Supervisory
Committee Member

Kazuo Ushida
Outside Director and
Audit & Supervisory
Committee Member

Yukari Sakai
Outside Director and
Audit & Supervisory
Committee Member

Shuji Iwamura
Outside Director and
Audit & Supervisory
Committee Member

Governance

Roundtable Discussion with Audit & Supervisory Committee Members



Kazuo Ushida

After serving as President and Representative Director as well as Chairman of the Board of Nikon Corporation, Kazuo was appointed as an outside director (Audit & Supervisory Committee member) of the Company. He has also served as Chairman of the Japan Telescope Manufacturers Association, Chairman of the Japan Optical Glass Manufacturers' Association, an outside director of JSR Corporation, and concurrently serves as Chairman of the Japan Optical Industry Association.

Keisuke Kodama

Keisuke joined the Company and held various positions across the Machinery & Plant Division, Corporate Headquarters, and Logistics Solutions Division. He previously served as General Manager of Domestic Sales, General Manager of Corporate Planning, Head of Corporate Headquarters and was appointed as a director in 2015, and again as a Director (Full-time Audit & Supervisory Committee Member) in June 2025.

Shuji Iwamura

Mr. Iwamura is a former Chief Prosecutor of the Tokyo District Public Prosecutors Office, and later served as Superintending Prosecutor of the Sendai and Nagoya High Public Prosecutors Offices. He registered as an attorney following retirement from public office. He was appointed outside director (Audit & Supervisory Committee Member) of the Company in June 2023. He currently practices law at T&K Partners and concurrently serves as an outside auditor of Canon Electronics Inc. and The Hokkaido Bank, Ltd., and as outside director (Audit & Supervisory Committee Member) of Hayashikane Sangyo Co., Ltd.

Yukari Sakai

After working at Nomura Securities Co., Ltd., Yukari served as an outside director (Standing Audit and Supervisory Committee member) of UNITED ARROWS LTD., as well as held similar roles at a number of other companies over her career before being appointed as an outside director of the Company in June 2022. She concurrently serves as an outside director at Pacific Metals Co., Ltd.

Advancing Management and Oversight for Sustainable Growth

Supporting
Toyo Kanetsu's
Future through Diverse
Perspectives

Board Discussion on the Medium-Term Management Plan and Outlook on Human Capital Management

Iwamura: It has been two years since I assumed the role of Outside Director, and throughout this period, a central topic of discussion has been the nature of the Medium-Term Management Plan (hereafter, "Plan"). I believe the three-year Plan should be seen only as a waypoint. In other words, it should be formulated with a long-term perspective that envisions the Company's future over the next 10 to 20 years and sets out how to achieve it.

A focal point in the discussions has been the future of our core Plant Business. As the energy industry undergoes a major transformation, we must consider how to leverage our strengths to create new value. Although the Logistics Solutions Business continues to grow in step with societal trends, it will be increasingly necessary to revise our strategies in line with a more competitive environment. With the Environmental Business poised to become the third pillar of our overall business, it is essential that we foster capabilities toward developing disaster management social infrastructure.

Sakai: When we formulated the Plan, there was a strong emphasis on enhancing corporate value. As Mr. Iwamura noted, the key theme was to review our existing business portfolio. While the Logistics Solutions Business has maintained solid performance, the Plant Business, which deals with energy infrastructure, faces greater uncertainty and requires restructuring. The Environmental Business, anticipated to become a third pillar, is still in an early growth phase, and as directors, we support its development. Personally, it is important that we emphasize a set of defined milestones in the Plan. If milestones are clearly defined, we can avoid redundant discussions, better track progress and understand if we are achieving goals or not.

Ushida: Our company is notable for adopting a long-term approach to management. Rather than myopically chasing short-term results, we focus on long-term development based on our 10-year vision. This philosophy is reflected in the Plan, which not only outlines quantitative targets but also articulates a vision for the future. We have also strategically selected and concentrated our limited management resources in such a way as to maintain shareholder returns and investment in R&D. However, in light of ever-changing external conditions, the Plan should be regarded as a guiding framework—flexible and evolving; not rigid.

Kodama: In discussing the Plan, we addressed not only M&A and investment policies but also the need to enhance our internal earning power and improve operational standardization and efficiency. A key and urgent issue is the development of our human capital. With a fast-aging workforce, developing mid-career



Governance

employees is a pressing task. The new Plan explicitly states the building of human capital is part of our Group strategy. However, we still face practical challenges, such as improving employee retention and supporting the development of mid-career hires.

Sustainability as a listed company on the TSE Prime Market was also a topic. Given our limited management resources, we must carefully consider how to sustain our listing status going forward.

Sakai: Regarding human capital, I believe our company has been proactive—implementing wage increases relatively early, for example. When it comes to training and skills transfer, which take time, we have more work to do. It is crucial we continue to motivate and revitalize our organization through personnel transfers. This requires redefining the role of the HR department beyond merely fulfilling an administrative function and becoming more of a strategic driver of talent management. Initiatives such as the structuring of talent management systems and flexible workforce deployment are essential.

Ushida: In general, it is a bit challenging moving personnel between business units, resulting in low mobility of human resources. But from a portfolio management perspective, what is ultimately more important than just transferring employees is that they truly understand the Company's direction and can embrace changes in their roles with a shared

sense of purpose. Naturally recruitment and training is vital, but it is equally important that we provide an environment where employees feel their contributions are recognized and valued. I believe this is the essence of human capital management. In particular, motivating existing employees is key to revitalizing the organization as a whole.

Iwamura: Productivity and human capital strategy are deeply interlinked, and a multifaceted talent strategy is essential for our future growth. We must secure and develop human resources both in terms of quality and quantity. It is also crucial to establish a system in which top management and those close to them are directly accountable for human capital strategy. Moreover, I believe diversity is a competitive strength that we should actively pursue. We need to strategically attract and develop talent with the necessary skills and perspectives, regardless of gender or nationality.

Kodama: Currently, our HR decisions are made collaboratively between division heads and directors. We continue to review our education and hiring systems. In line with actual conditions, we are taking steps to promote diversity, including improving retention of younger employees, utilizing mid-career hires, and appointing international talent. Recently, we have also observed changes in the career expectations of new employees, and being able to respond flexibly to these changes is becoming increasingly important.



progresses with M&A initiatives, our awareness, detection and response to risk will increase in importance. To that end, we are considering implementing a hotline system accessible to directors and executive officers as well. As a Committee Member, I intend to place strong emphasis on open communication among committee members and with the executive team, and to carry out audits grounded in mutual trust.

Ushida: Since I am new to the Audit & Supervisory Committee, my direct audit background is limited. That said, our current framework is very well-balanced: Ms. Sakai brings deep expertise in audit practice, Mr. Iwamura contributes legal expertise, and

Mr. Kodama has extensive knowledge of internal operations. With such highly specialized members and a strong foundation of mutual trust, I feel we are operating as a highly effective team.

As for my own role, I believe it is important not only to ensure legal and regulatory compliance, but also to provide perspectives on the soundness of management decisions. Having accumulated extensive experience in optimizing resource allocation and leading organizational restructuring at manufacturing companies operating in multiple business domains, I hope to bring tangible benefit our company.

Iwamura: I spent 36 years as a public prosecutor before becoming an attorney, and I have also served as an outside director at several companies. It is my goal to strengthen our corporate governance based on my background in legal affairs and compliance. One of our most important responsibilities as members of the Audit & Supervisory Committee is to ensure that directors, in line with the principle of sound business judgment, gather and analyze sufficient information before making decisions. This role is not limited to oversight—it also involves supporting management when they choose to take on risk in order to move the Company forward. Looking ahead, I intend to continue offering advice from both legal and ethical perspectives, contributing to greater effectiveness and transparency in the Board of Directors.

The Role and Perspective of Audit & Supervisory Committee Members

Kodama: Since joining the Company as a new graduate, I have accumulated broad experience in various functions and divisions, including international and

domestic tank sales, Logistics Solutions Business, corporate management, subsidiary operations, and even corporate venture capital. Leveraging this experience, I contribute as an Audit & Supervisory Committee Member from a neutral, yet hands-on perspective. Specifically, I see my role as serving as a bridge between the executive side and the outside directors—carefully explaining the current situation and key challenges, and facilitating constructive input from the outside directors.

Sakai: Based on my experience serving as an Audit & Supervisory Committee Member at multiple companies, I view our current governance structure as a highly effective hybrid model. It integrates the traditional audit board functions inherited from former full-time Audit & Supervisory Committee Member, Mr. Abe with internal audit capabilities. Looking ahead, as the Company expands its Group operations and



Expectations of President Owada in Driving Toyo Kanetsu's Growth

Kodama: Looking ahead, I believe that the effective use of M&A will be crucial for our future growth. There are natural limits to what we can achieve on our own, so we should actively pursue expansion through collaboration and alliances with other companies, leveraging our technological strengths. With a decreasing population dampening domestic demand, expanding overseas to continue growth is unavoidable. It is paramount that we lay the groundwork for this future development.

At present, our business operations are structured so that Division Heads take responsibility for execution, while directors focus on mid- to long-term management issues, clearly separating business accountability from management accountability. I see this as a highly positive direction. At the same time, I expect President Owada to personally take an even more active role in implementing forward-looking initiatives.

Ushida: For manufacturers, stable and sustainable growth is more readily achieved by focusing on adjacent areas around core businesses, and leveraging



Governance

technologies and markets horizontally, rather than attempting entirely unrelated ventures, which have a high rate of failure. The most reliable path is to expand into neighboring domains that capitalize on our existing business foundations.

To do so, the president must take the lead in engaging with external stakeholders, participating in high-level discussions with other executives, and identifying new business opportunities. Sound judgment in M&A and alliances requires both a broad perspective and strong networks. President Owada excels at building relationships and communicating effectively, and I look forward to seeing him make full use of this strength to establish a solid foundation for growth.

Sakai: I see President Owada's greatest strengths as his agility and his drive to move things forward. These qualities will be critical to our growth strategy. In order to achieve the goals and targets in the Plan,

delivering profit and revenue in the final year are important. We must also manage performance plateaus along the way, while making bold, forward-looking decisions in the face of an increasingly complex and rapidly changing business environment. I already see this mindset in his leadership, which is why I have great confidence in him.

Iwamura: What I expect most from President Owada is decisiveness. In today's rapidly changing and uncertain geopolitical and economic environment, firm decision-making and responsible action are more important than ever. I hope he continues to make necessary decisions with confidence.

Equally important is uniting the entire Company around a shared vision. I expect him to draw out the strengths of each employee, inspire motivation through his leadership, and guide the organization forward with everyone working in the same direction.

Message from Outside Directors

Expectations for Toyo Kanetsu under the New Medium-Term Management Plan

Makiko Sato
Outside Director



Based on the new Plan, I highly expect that initiatives in the fields of environment and disaster management will begin to generate positive outcomes. To date, Toyo Kanetsu has steadily pursued necessary M&A with a view toward future growth. Going forward, generating synergy through collaboration of our Group companies will be key to establishing these initiatives as core businesses. I hope to support the Company as it takes a leap forward, developing businesses that can contribute sustainably while addressing the uncertainties of society.

Osamu Watanabe
Outside Director



It is an honor to participate as an outside director as we begin this second phase of the long-term strategy toward 2030, building on the previous Medium-Term Management Plan. Under the slogan "ACTION FOR THE FUTURE," I look forward to seeing Toyo Kanetsu achieve outcomes that only this company can deliver, whether it be through the proactive development of technology, or the recruitment and development of talent. I also hope that through fair and transparent management, the Company will continue to create an environment where everyone connected with Toyo Kanetsu can thrive.

Corporate Governance

Basic Approach

Toyo Kanetsu manages its operations while considering the perspectives of its stakeholders, including shareholders, customers, suppliers, employees, creditors, and local communities, and striving to ensure efficiency, soundness, and transparency in management. The Company has a corporate governance system that facilitates accurate decisionmaking, rapid business execution, and proper supervision and monitoring of operations.

Corporate Governance System

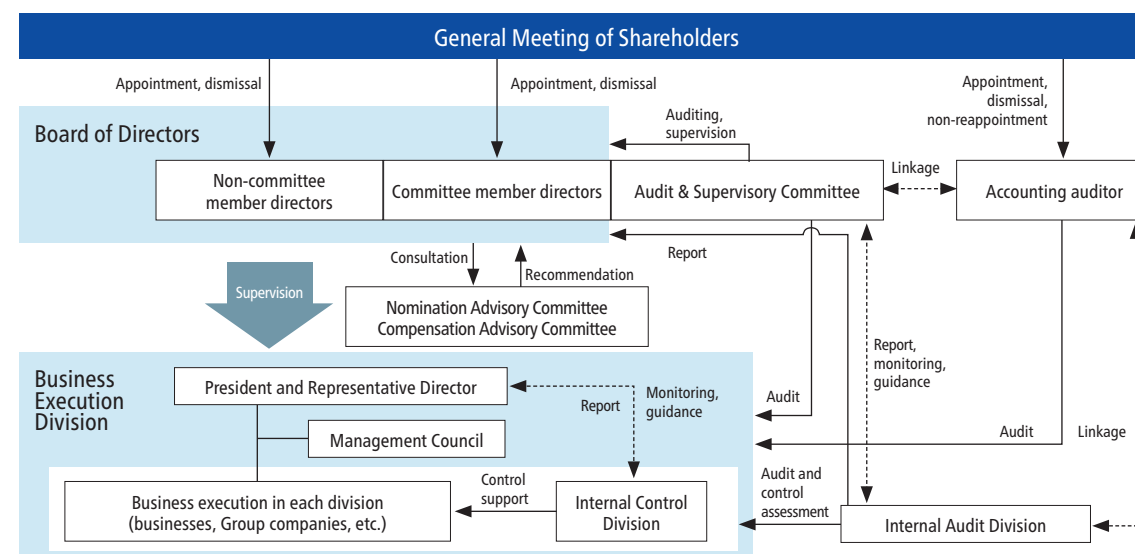
On June 26, 2015, Toyo Kanetsu switched from a "company with an audit and supervisory board" to a "company with an audit and supervisory committee" structure. By giving voting rights in the Board of Directors to directors who are members of the Audit & Supervisory Committee (including a number of outside directors), we strengthened the functions of the Board of Directors as well as auditing and supervisory functions, with the aim of building a more effective corporate governance system.

Progress in Strengthening Corporate Governance

2000	■ Introduced an executive officer system	2016	■ Commenced evaluations of the effectiveness of the Board of Directors ■ Formulated a basic capital policy
2005	■ Established the Compliance Committee ■ Changed the maximum number of directors stipulated in the Articles of Incorporation from 20 to seven	2018	■ Revised the Articles of Incorporation to allow an executive officer to be appointed as president
2008	■ Abolished the retirement allowance scheme for directors	2019	■ Introduced a performance-linked stock compensation system
2015	■ Transitioned to a "company with an audit and supervisory committee" structure (shortening the term of office of directors from two years to one year) ■ Changed the Articles of Incorporation to stipulate the maximum number of directors who are not Audit & Supervisory Committee members as seven and the maximum number of Audit & Supervisory Committee members as four ■ Appointed independent outside directors (three members of the Audit & Supervisory Committee members) ■ Established the Nomination and Compensation Committee (chaired by an outside director) ■ Formulated a shareholder return policy ■ Established the Corporate Governance Guidelines	2021	■ Resolved a policy for determining the compensation of executive directors ■ Established a succession plan
		2022	■ Changed the Articles of Incorporation to allow the selection of a person authorized to convene and preside at meetings of the Board of Directors to be selected by a resolution of the Board ■ Reorganized the Nomination and Compensation Committee into the Nomination Advisory Committee and Compensation Advisory Committee ■ Appointed female directors
		2025	■ Added non-financial indicators to the indicators used in evaluations for performance-linked stock compensation

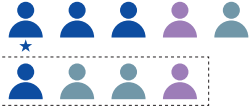
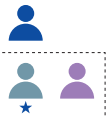
■ Structure ■ Director compensation system ■ Operational policy

Corporate Governance System (as of June 26, 2025)



Governance

Committee Structures

	Roles and Functions	Composition	Meetings
Board of Directors	The Board of Directors deliberates and decides on important matters that are fundamental to the Company based on resolutions approved by the General Meeting of Shareholders; matters that should be discussed and authorized as defined by laws, regulations, and the Articles of Incorporation; and important matters related to management principles, aims, strategic directions, and business execution.	The Company's Board of Directors consists of a maximum of four directors who are members of the Audit & Supervisory Committee (including one inside director, in principle) and no more than seven directors who are not members of the Audit & Supervisory Committee, for no more than 11 directors, ensuring the Board of Directors is sufficiently diverse and of an appropriate size. 	Once a month, in principle
Audit & Supervisory Committee	The Audit & Supervisory Committee conducts organizational audits using the internal control system with the intention of improving corporate value from an independent and objective standpoint. The Audit & Supervisory Committee also audits and monitors business execution from an independent and objective vantage point.	The Audit & Supervisory Committee has four members, including three outside directors who form a majority in accordance with the Companies Act. Both outside directors and members of the Audit & Supervisory Committee are independent and highly specialized and possess extensive experience as corporate managers. 	Once a month, in principle
Nomination Advisory Committee	To ensure transparency and appropriateness in the selection of director candidates, the Company has established a system to ensure the fairness and transparency of all procedures and provide opportunities for appropriate involvement and advice from outside directors.	The committee has at least three members and is composed of a majority of outside directors. The committee is chaired by the lead independent outside director. 	As needed
Compensation Advisory Committee	To ensure transparency and appropriateness in the determination of compensation, the Company has established a system to ensure the fairness and transparency of all procedures and provide opportunities for appropriate involvement and advice from outside directors.	The committee has at least three members and is composed of a majority of outside directors. The committee is chaired by the lead independent outside director. 	As needed

 Inside Director
  Outside Director (Male/Female)
  Member of the Audit & Supervisory Committee
 ★ Chairperson

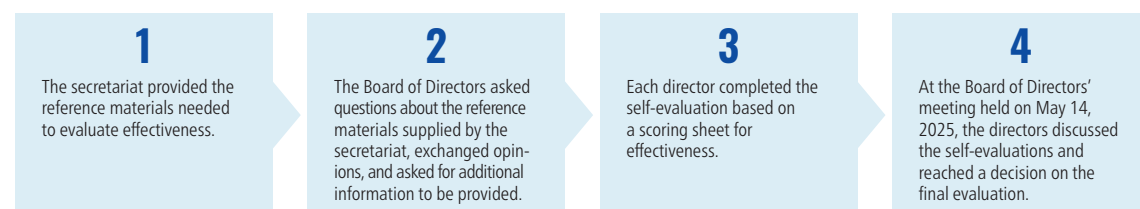
Evaluation of Effectiveness of the Board of Directors

In order to confirm that the Board of Directors is functioning effectively overall, each director completes a self-evaluation of the Board every year after gathering the necessary information from relevant divisions for evaluating the effectiveness of the Board of Directors, which then reaches a final evaluation decision while referring to these opinions on its effectiveness.

Summary of the Results of the Effectiveness Evaluation in Fiscal 2024

(1) Method of Evaluation

From March to May 2025, the Board of Directors conducted an evaluation of its effectiveness following the procedures outlined below.



(2) Results of the Evaluation and Analysis of Effectiveness of the Board of Directors

Through the application of (1) method of evaluation, the Company's Board of Directors affirmed that the

Board of Directors is functioning effectively overall. The following is a summary of the results of the evaluation.

1. The Company's Board of Directors is appropriately structured and operating in accordance with its Corporate Governance Guidelines.
2. Each director is fully aware of the roles and responsibilities expected of them by the Board of Directors while properly carrying out their duties.
3. The Company will formulate a Medium-Term Business Plan that clarifies its strategic direction and disclose the progress of the plan at financial results briefings. In addition, the Company places importance on ESG management and discloses the status of ESG-related initiatives and other information in its integrated report, the TKK Report.
4. The Nomination Advisory Committee and the Compensation Advisory Committee, chaired by an independent outside director, was established as a voluntary advisory body to the Board of Directors. The Committee deliberated on matters related to director nominations and compensation and ensured fairness and transparency in the decision-making process with the appropriate involvement of independent outside directors.

(3) Efforts to Improve the Effectiveness of the Board of Directors

To thoroughly fulfill its role, the Board of Directors will continue to ensure its effectiveness by gathering the information necessary for making decisions, selecting agenda topics, holding in-depth discussions that consider multiple perspectives, taking appropriate risks, and proactively and boldly making decisions.

We will strengthen our efforts to deepen outside directors' understanding of initiatives undertaken by the various divisions and the environment in which the Company operates. Such efforts include

engaging outside directors in such activities as business interviews, business site inspections, and interviews with the president and other officers in addition to holding meetings exclusively for outside directors. We are also strengthening initiatives aimed at improving opportunities for furnishing explanations of and engaging in dialogue with stakeholders about the Company's initiatives, including the content and progress of management plans.

Board of Directors Skills Matrix

In light of the Founding Philosophy, Management Vision, slogan, and business plans, it has been determined that to fulfill its roles and responsibilities, the Board of Directors needs skills in nine areas

related to management oversight, the formulation of future growth strategies, and other areas that may contribute to improving corporate value in existing businesses.

	Main Expected Areas of Expertise								
	Overall management	Human capital	Legal, risk management	Finance, accounting	International experience	DX, IT	ESG, SDGs	Business management	Engineering, quality, safety
Takashi Owada	●	●					●	●	●
Yasunori Kobayashi		●			●	●		●	●
Takeshi Yonehara	●		●	●	●		●		
Makiko Sato★	●					●	●	●	
Osamu Watanabe★	●				●	●		●	
Keisuke Kodama			●	●	●		●		
Kazuo Ushida★	●	●			●			●	●
Shuji Iwamura★	●	●	●				●		
Yukari Sakai★			●	●		●	●		

★ Independent outside director ■ Member of the Audit & Supervisory Committee

Governance

Director Compensation

At its meeting held on February 26, 2021, the Board of Directors approved a policy for determining individual director (excluding outside directors and directors who are members of the Audit & Supervisory Committee, hereinafter referred to as "executive directors") compensation, and at its meeting held on May 13, 2022, the Board approved revisions to that policy. Resolutions of the Board of Directors are discussed with the Nomination and Compensation Committee (currently the Compensation Advisory Committee), the majority of which is composed of independent outside directors, and a report is received from the committee.

Basic policy

- To ensure that compensation for executive directors enhances their motivation to improve its performance and increase its corporate value over the medium to long term and functions properly as an incentive to share risks and returns arising from changes in its share price with shareholders, the Company has adopted a compensation system linking compensation with its business results and

stock value. The basic policy of this system is to establish appropriate criteria that take into consideration each individual's responsibilities when determining the compensation for individual executive directors. Compensation for executive directors comprises basic (monetary/fixed) compensation, performance-linked monetary compensation, and performance-linked stock compensation.

- In light of their duties, only basic compensation (monetary/fixed) is paid to directors who are Audit & Supervisory Committee members and non-executive directors who are not Audit & Supervisory Committee members.
- Of the above, concerning the method of determining the individual compensation of non-executive directors who are not Audit & Supervisory Committee members, the Company will ensure transparency in the process by adopting the same method as that used for determining individual compensation of executive directors as described on page 62.

Total Compensation by Director Category, Total Compensation by Type, and Number of Eligible Directors in Fiscal 2024

Director category	Total amount of compensation (¥ million)	Total amount of compensation by type (¥ million)			Number of eligible directors
		Basic (monetary) compensation	Performance-linked compensation	Performance-linked stock compensation	
Directors (excluding members of the Audit & Supervisory Committee and outside directors)	152	93	46	12	5
Directors (members of the Audit & Supervisory Committee) (excluding outside directors)	17	17	—	—	1
Outside directors	42	42	—	—	5

Notes: 1 The number of directors (excluding Audit & Supervisory Committee members and outside directors) as of March 31, 2025 was four. This number differs from that shown above as the above number includes one director (excluding Audit & Supervisory Committee members) who completed their term and retired at the conclusion of the 116th General Meeting of Shareholders held on June 26, 2024.
 2 The amounts paid to directors (excluding Audit & Supervisory Committee members) do not include the employee salaries of those serving concurrently as employee and director.
 3 The maximum amount of compensation for eligible directors (excluding those who are Audit & Supervisory Committee members) was resolved to be within ¥20 million per month (of this amount, within ¥1.7 million for outside directors) (not including employee salaries) at the 114th General Meeting of Shareholders held on June 28, 2022 (the number of directors at the time of this meeting was six, two of whom were outside directors). Separate from this compensation, a performance-linked stock compensation system using a trust for directors (excluding outside directors and Audit & Supervisory Committee members who are directors) and executive officers who are ranked managing executive officer or higher and who are not directors was introduced at the 117th General Meeting of Shareholders held on June 26, 2025 (the number of eligible directors at the time of this meeting was three), with the maximum amount of trust money resolved to be ¥700 million for each of the three fiscal years of the period covered.
 4 The maximum amount of compensation for directors (Audit & Supervisory Committee members) was resolved to be within ¥5 million per month at the 107th General Meeting of Shareholders held on June 26, 2015 (the number of eligible directors (Audit & Supervisory Committee members) at the time of this meeting was four).
 5 The performance-linked stock compensation column for the above directors (excluding Audit & Supervisory Committee members and outside directors) represents the amounts reported as expenses for fiscal 2024.

Policy on determining individual compensation for basic (monetary) compensation (including policy on determining timing and conditions for granting compensation)

- Basic (monetary) compensation for the Company's executive directors shall be monthly fixed compensation. This compensation is determined in line with a pre-existing compensation table according

to rank, comprehensively taking into consideration factors that include the compensation levels of other companies, the Company's performance, and the salary level of its employees.

- Alongside performance-linked monetary compensation (see the following section), the Company will pay such basic (monetary) compensation as monthly fixed compensation on a monthly basis for one year during the next fiscal year.

Policy on determining the details of performance-linked monetary compensation and non-monetary compensation (hereinafter, "performance-linked stock compensation") and method for calculating amount and number of points (including policy on determining timing and conditions for granting compensation)

Policy on determining the details of performance-linked monetary compensation and method for calculating amount and number of points

- Performance-linked monetary compensation is cash-based compensation reflecting key performance indicators (KPIs) that the Company has established in order to raise awareness of the

importance of enhancing performance each fiscal year. The amount of this compensation is calculated by adding the amount of ordinary profit each fiscal year to the projected amount of ordinary profit for the next fiscal year.

- Executive bonuses of a certain portion of profits may be paid by resolution of the General Meeting of Shareholders only in the event that the ordinary profit and stock dividend amounts are at a certain level or higher.

Policy on determining the details of performance-linked stock compensation and method for calculating amount and number of points

Details, amount, and method for calculating performance-linked stock compensation

Performance-linked stock compensation grants the following points each fiscal year to executive directors and executive officers who are ranked managing executive officer or higher and who are not directors (hereinafter, "directors and executive officers") in accordance with their rank and level of achievement of earnings indicators based on the Medium-Term Business Plan and other materials.

Directors and executive officers who are not responsible for business divisions or are responsible for corporate divisions:

Points granted = Base points for rank (linked to financial indicators) × Performance-linked coefficient of financial indicators ((1) × 0.5 + (2) × 0.5)^{*1} + Base points for rank (linked to non-financial indicators) × Performance-linked coefficient of non-financial indicators^{*2}

Directors and executive officers responsible for business divisions

Points granted = Base points for rank (linked to financial indicators) × Performance-linked coefficient of financial indicators ((1) × 0.25 + (2) × 0.25 + (3) × 0.5)^{*1} + Base points for rank (linked to non-financial indicators) × Performance-linked coefficient of non-financial indicators^{*2}

^{*1} The performance-linked coefficients of the financial indicators (1), (2), and (3) vary between 0%–144% according to the level of achievement of overall targets for ROE and operating profit as well as for divisional operating profit (segment profit).

^{*2} The performance-linked coefficient for non-financial indicators varies between 0%–100% according to the overall assessment of the Compensation Advisory Committee of the level of achievement of targets for GHG emission reduction and the progress of efforts to improve employee engagement.

Directors and executive officers shall be granted a maximum of 48,000 points (of which 20,000 points are for executive directors) each fiscal year in the three fiscal years from fiscal 2025 through fiscal 2027 (hereinafter referred to as the "initial period," which is assumed to be the period of the Medium-Term Business Plan) and a maximum of 120,000 points (of which 50,000 points are for executive directors) in the three fiscal years of the initial period. Moreover, the points granted shall be converted into the Company's shares at the rate of one share per point when providing shares of the Company's stock to directors and executive officers.

Policy on determining timing and conditions for granting performance-linked stock compensation

- The period of the performance-linked stock compensation system shall cover the initial period and

every three fiscal years starting from the end of the initial period (or the period of the Medium-Term Business Plan formulated following the initial period).

- In principle, shares of the Company's stock shall be provided to directors and executive officers following the determination of the Company's performance in the final fiscal year of each period covered by the compensation system, in accordance with the cumulative total of points granted in the period covered. However, from the perspective of ensuring capital for the payment of taxes, a number of shares of the Company, corresponding to 50% of the cumulative points, shall be converted into cash and the cash amount equal to the amount of converted shares shall be paid to directors and executive officers.

Governance

Policy on determining the ratio of basic (monetary) compensation, performance-linked monetary compensation, and performance-linked stock compensation to compensation for individual directors

The Company has not determined the ratio of each type of compensation for executive directors, but in consideration of the intention behind introducing performance-linked compensation, the structure of compensation types is such that the higher an executive director's rank, the more weight is assigned to performance-linked compensation.

Matters regarding the method for determining the details of compensation for individual executive directors

The Company has stipulated policies and procedures for determining compensation for directors (excluding outside directors and Audit & Supervisory Committee members who are directors) in its Corporate Governance Guidelines, which it determines the amount of compensation for individual executive directors by a resolution of the Board of

Directors following deliberations and recommendations by the Compensation Advisory Committee, of which independent outside directors form a majority, thereby ensuring the transparency of the process for determining compensation.

Reasons why the Board of Directors decided to bring the details on compensation for individual executive directors in relation to fiscal 2024 in line with this policy

The Compensation Advisory Committee, which was consulted by the Board of Directors, conducted a multi-faceted examination of the draft proposal, including of its consistency with decision-making policy, and confirmed specific amounts by applying them to the compensation table before making its recommendations to the Board of Directors. Accordingly, in determining the details of compensation for individual executive directors, the Board of Directors basically respects the committee's recommendations, deeming them to be in line with decision-making policy.

Cross-Shareholdings

Toyo Kanetsu has the following basic policies on holding cross-shareholdings and the exercise of voting rights.

1. Toyo Kanetsu does not have cross-shareholdings for purposes other than strengthening relationships and partnerships with customers and suppliers and increasing corporate value. New acquisitions of cross-shareholdings, as well as buying and selling shareholdings, are conducted and reported to the Board of Directors in accordance with internal rules.
2. Every year, the Board of Directors examines the purpose of owning individual shares, the benefits and risks of holding these shares, and whether the holdings align with the cost of capital in order to determine whether it is appropriate to own these shares.
3. With regard to the exercise of voting rights, the Company shall, in principle, be in opposition when there are concerns that its purpose for owning the stock does not align with management, such as when:
 - Earnings have worsened for several years at the investee company with no sign of a recovery in sight; and
 - Significant problems come to light in internal controls related to financial reporting by the investee and improvements seem unlikely.
4. In the event that a company that owns shares in Toyo Kanetsu for cross-shareholding purposes indicates its intention to sell these shares, the Company shall not take inappropriate action that may interfere with the sale of the shares, such as suggesting said company would lose business with the Company.
5. Toyo Kanetsu shall not engage in business transactions with a company (in which it owns stock for cross-shareholding purposes) that conflict with its interests as well as with the common interests of its shareholders, such as continuing to conduct business without adequate evidence of the economic rationale for the business transactions.

In fiscal 2024, the Company sold its cross-shareholdings in two listed company, resulting in a total sale amounting to ¥747 million. As of March 31, 2025, the total amount of investment stocks held for

purposes other than pure investment in the Consolidated Balance Sheets was ¥3,140 million, which accounts for 8.1% of the consolidated net assets of ¥38,909 million.

Please refer to the Corporate Governance Guidelines, the Corporate Governance Report and the Annual Securities Report for details (in Japanese only).

- ▶ Corporate Governance Guidelines https://www.toyokanetsu.co.jp/pdf/ir/corporate_governance_4.pdf
- ▶ Corporate Governance Report https://www.toyokanetsu.co.jp/pdf/ir/corporate_governance_4-4.pdf
- ▶ Annual Securities Report <https://www.toyokanetsu.co.jp/ir/securities.html>

Business Risks

Of all the risks that could affect its business activities, certain of those potentially having a significant impact on the Toyo Kanetsu Group are shown below. However, this is not an exhaustive list of risks related to the Group and there are risks that are difficult to foresee.

▶ For details please see the *TKK Report 2025 Financial Section* which is available on the Company's website. https://www.toyokanetsu.co.jp/global/ir/tkk_report.php

Category		Nature of risk
1	Climate change	• Impact on the business environment in the event of a decrease in demand for LNG and crude oil tanks amid an acceleration in the shifting energy mix prompted by growing global environmental awareness and the transition to a low-carbon and carbon-neutral society • Decrease in social trust in the event of the occurrence of environmental problems arising from business activities
2	Execution of projects	Logistics Solutions Business • Unexpected increase in costs due to various factors, such as compressed construction periods due to unforeseen changes in construction plans under pressure to shorten delivery times and delivery deadline adjustments due to carrying out multiple large projects simultaneously within a certain period of time • Impact on the execution of projects in the event that principal products and materials purchased from specific overseas business partners cannot be purchased in a stable manner Plant Business and Next-Generation Energy Development Business • Impact on business execution in the event of shortages of construction workers, rising procurement prices of materials and equipment, and delays in the transfer of technologies to project engineers • Shortages and price hikes for parts and materials due to geopolitical risks • Deterioration in profits from projects and adverse effect on the Group's social reputation due to serious quality complaints or problems with products • In addition, the Group's overseas operations carry the following inherent risks. a) Unexpected changes in laws and regulations, b) Political and economic instability, c) Difficulties in securing human resources, d) Unfavorable tax system revisions, and e) Social disorder due to terrorism, war, epidemics, disasters, or other factors
3	Securing and developing human resources	• Impact on business activities from an outflow of human resources and rise in recruitment costs
4	Intensifying competition for orders	• Unreasonable downward pressure on profitability • Impact on the Group's ability to obtain orders due to changes in terms of customer policies and plans, the business environment of the industry, and industry restructuring • Decline in the Group's competitiveness in the event of delays in responding to market demand amid shortened product and technology life cycles • Impact on business results and financial position stemming from the recording of impairment losses on non-current assets in the event that profitability declines and the Group cannot generate sufficient cash flows due to dramatic changes in the business environment and business conditions
5	Launch of new businesses	• Effects on business results and financial position in the event of progress not being achieved as planned due to a sudden change in the environment after an M&A or other unanticipated factors
6	Occupational health and safety	• Compensation for damages, criminal penalties, administrative punishment, and a decline in public trust in the event of an incident or accident
7	Compliance	• Financial penalties and a decline in public trust in the Group stemming from the violation of laws and regulations in Japan and overseas
8	Natural disasters and epidemics	• Serious material damage and human injury caused by greater-than-expected natural disasters • Risks in a wide range of areas caused by the impact of pandemics, etc.
9	Information security and maintenance of information infrastructure	• Damage to the Group's reputation for reliability due to the loss or leakage of confidential information as a result of unforeseen cyberattacks • Loss of business opportunities in the event that the Group lags behind in digital transformation initiatives or disruption of current core business systems
10	Market trends, etc.	Logistics Solutions Business • Reflecting lower demand for logistics facilities, slowdown in investments in logistics-related facilities as a result of a recession or Japan's declining birth rate and aging population • Decline in demand for air travel Plant Business and Next-Generation Energy Development Business • Cancellation, postponement, or major revision of investment plans due to factors that include global economic trends, economic and social conditions in oil and gas producing and consuming countries, energy and environmental policies in various countries, and trends in crude oil and LNG prices • In addition, the following risks are also possible in the event of the deterioration of the economic environment. a) Fluctuations in foreign exchange rates, b) Fluctuations in interest rates, and c) Valuation of securities held

Note: Forward-looking statements contained in this section are based on the understanding of the Company as of the submission date (June 26, 2025) of its Securities Report (in Japanese only) for fiscal 2024.

Governance

Director Profiles (As of June 26, 2025)

Directors



Takashi Owada
 President & Representative Director
 Years on the Board: 6
 Company shares held: 7,577

Apr. 1985 Joined the Company
 Oct. 2002 Transferred to Toyo Kanetsu Solutions K.K. (currently Toyo Kanetsu), General Manager of System Sales No. 1 Department, Marketing Division
 Jul. 2006 General Manager of Systems Integration Department, System Division
 Apr. 2008 Executive Officer and General Manager of System Division
 Apr. 2015 Managing Executive Officer
 Apr. 2018 Transferred to the Company as an Executive Officer, seconded to Toyo Kanetsu Solutions K.K. (currently Toyo Kanetsu) as a Director and Managing Executive Officer
 Apr. 2019 Managing Executive Officer, Division Manager of Logistics Solutions Division
 Jun. 2019 Director, Managing Executive Officer, Division Manager of Logistics Solutions Division

Apr. 2021 Director, Executive Vice President, Division Manager of Logistics Solutions Division
 Apr. 2022 President & Representative Director
 Apr. 2023 President & Representative Director, Overseeing Safety, Environment, and Quality Assurance Department, Green Transformation Promotion Office, and Next-Generation Energy Development Office
 Apr. 2024 President & Representative Director, Overseeing Next-Generation Energy Development Business and Safety, Environment, and Quality Assurance
 Apr. 2025 President & Representative Director, Overseeing Next-Generation Energy Development and Safety, Environment, and Quality Assurance (current position)



Yasunori Kobayashi
 Director, Senior Managing Officer
 Years on the Board: 1
 Company shares held: 3,812

Apr. 1990 Joined the Company
 Oct. 2002 Transferred to Toyo Kanetsu Solutions K.K. (currently Toyo Kanetsu)
 Apr. 2011 Project Manager
 Apr. 2015 Executive Officer of Business Management Department, Project Management Department, Construction Management Department, and Service Department
 Apr. 2019 Toyo Kanetsu Solutions K.K. merged into the Company, Executive Officer of Logistics Solutions Division, Overseas Business Department, Airport Systems Department, Construction Management Department, and Service Sales Department

Apr. 2022 Senior Managing Officer, General Manager of Logistics Solutions Division
 Jun. 2024 Director, Senior Managing Officer, Division Manager of Logistics Solutions Division
 Apr. 2025 Director, Senior Managing Officer, Division Manager of Logistics Solutions Division, Head of HR Management (current position)



Takeshi Yonehara
 Director, Senior Managing Officer
 Years on the Board: Newly appointed
 Company shares held: 2,803

Apr. 1986 Joined the Company
 Apr. 2012 General Manager of Accounting Department of Corporate Management Division
 Apr. 2016 Executive Officer and General Manager of Accounting Department of Corporate Management Division
 Jun. 2017 Managing Director of Toyo Kanetsu (Malaysia) Sdn. Bhd. (current position)
 Apr. 2018 Executive Officer, General Manager of Financial Planning Department of Corporate Management Division and in charge of Business Department
 Apr. 2019 Executive Officer in charge of Personnel Affairs Department, Financial Affairs Department and General Affairs Department of Corporate Division

Apr. 2021 Managing Officer, Deputy Division Manager of Corporate Division and in charge of Personnel Affairs Department, Financial Affairs Department and General Affairs Department
 Apr. 2022 Senior Executive Officer and Division Manager of Corporate Division
 Jun. 2022 Komisaris (Auditor) of PT Toyo Kanetsu Indonesia (current position)
 Apr. 2024 Senior Executive Officer, Division Manager of Corporate Division and Assistant to Next-Generation Energy Development Division
 Apr. 2025 Senior Executive Officer in charge of Financial Affairs, IR, Risk Management, and ESG
 Jun. 2025 Director, Senior Managing Officer, Head of Finance, IR, Risk Management, and ESG (current position)



Makiko Sato
 Outside Director
 Years on the Board: 3
 Company shares held: 535

Apr. 2000 Joined CyberAgent, Inc.
 Oct. 2005 Seconded to WEDDING PARK CO., LTD.
 Oct. 2006 Seconded to CyberAgent Ventures (currently CyberAgent Capital, Inc.)
 Jun. 2016 Founded iSGS Investment Works Inc., Director and Representative Partner
 May 2022 Member of the Committee for Evaluating the Conclusion of the “Exploration and Development of Global Entrepreneurship for NEXT generation” Project at Ministry of Education, Culture, Sports, Science and Technology

Jun. 2022 Outside Director of the Company (current position)
 Feb. 2023 iSGS Investment Works Inc., Representative Director and Representative Partner (current position)
 Jan. 2024 Director of Japan Venture Capital Association (current position)
 Jun. 2025 Outside Director of Seino Holdings Co., Ltd. (current position)



Osamu Watanabe
 Outside Director
 Years on the Board: Newly appointed
 Company shares held: 0

Apr. 1978 Joined The Daiei, Inc.
 Apr. 1999 Representative Director and President of Shoppers Hirosaki Co., Ltd.
 Apr. 2002 Deputy General Manager of Sales Planning Division of The Daiei, Inc.
 Apr. 2003 Deputy General Manager of Product Planning Division, The Daiei, Inc.
 Aug. 2003 Joined TOSTEM VIVA Co., Ltd. (currently ARCLANDS CORPORATION), Executive Officer and Assistant General Manager of President’s Office
 Feb. 2004 Managing Executive Officer and Deputy General Manager of Sales Division, TOSTEM VIVA Co., Ltd.
 Jun. 2006 Director, Senior-Level Managing Executive Officer, Deputy General Manager of Sales Division and General Manager of HC Business Department, TOSTEM VIVA Co., Ltd.

Apr. 2012 Director, Senior Managing Executive Officer and General Manager of Sales Division, LIXIL VIVA CORPORATION
 Oct. 2014 Representative Director, President & COO, LIXIL VIVA CORPORATION
 Jun. 2018 Representative, President and CEO, and Nomination and Remuneration Advisory Committee Member, LIXIL VIVA CORPORATION
 Sept. 2021 Management consultant, -Management Academy for Enterprise Successors (current position)
 Apr. 2023 Coordination Professor Project Advisor of Hosei Business School of Innovation Management
 Apr. 2024 Coordination Professor Project Advisor of Hosei University Graduate School
 Jun. 2025 Outside Director of the Company (current position)

Director and Audit & Supervisory Committee Members



Keisuke Kodama
 Director and Audit & Supervisory Committee Member
 Years on the Board: 10
 Company shares held: 9,958

Apr. 1982 Joined the Company
 Jul. 2006 General Manager of Domestic Sales Department of Plant & Machinery Division
 Apr. 2009 General Manager of Corporate Management Department of Corporate Management Division
 Apr. 2010 Executive Officer, General Manager of Corporate Management Department of Corporate Management Division
 Apr. 2012 Seconded to Toyo Kanetsu Solutions K.K. (currently Toyo Kanetsu) as an Executive Officer
 Apr. 2013 Transferred to Toyo Kanetsu Solutions K.K. as a Managing Executive Officer
 Apr. 2015 Transferred to the Company as a Managing Executive Officer, Deputy Division Manager of Corporate Management Division
 Jun. 2015 Director, Managing Executive Officer, Deputy Division Manager of Corporate Management Division

Apr. 2016 Director, Managing Executive Officer, Division Manager of Corporate Management Division
 Apr. 2018 Director, Senior Managing Officer, Division Manager of Corporate Management Division
 Apr. 2019 Director, Senior Managing Officer, Division Manager of Corporate Division
 Apr. 2020 Director, Executive Vice President, Executive Officer
 Apr. 2022 Director, Executive Vice President, Executive Officer, Assistant to the President
 Apr. 2023 Director, Executive Vice President, in charge of Risk Management Department, and Special Appointed Officer
 Mar. 2024 Director, Kankyo Research Institute Inc.
 Apr. 2025 Director, Executive Vice President, Assistant to the President, and Special Appointive Officer
 Jun. 2025 Director, Audit & Supervisory Committee member (current position)



Kazuo Ushida
 Outside Director and Audit & Supervisory Committee Member
 Years on the Board: 4
 Company shares held: 797

Apr. 1975 Joined Nippon Kogaku Tokyo K.K. (currently Nikon Corporation)
 Jun. 2005 Managing Director and Senior Executive Officer, President of Precision Machinery Company of Nikon Corporation
 Jun. 2007 Director and Senior Managing Officer, President of Precision Machinery Company of Nikon Corporation
 Jun. 2013 Representative Director, Executive Vice President and Executive Officer of Intellectual Property Division, President of Precision Equipment Company, Deputy Officer of Corporate Planning Division of Nikon Corporation
 Jun. 2014 Representative Director, President and Chief Executive Officer of Medical Business Development Division and New Business Development Division of Nikon Corporation

Jun. 2017 Representative Director, President and Chief Executive Officer of New Business Development Division, Optical Division, and R&D Division of Nikon Corporation
 Apr. 2019 Chairman and Representative Director of Nikon Corporation
 Apr. 2020 Chairman of the Board of Nikon Corporation
 May 2021 Chairman of Japan Telescope Manufacturers Association
 Jun. 2021 Outside Director and Audit & Supervisory Committee Member of the Company (current position), Chairman of the Board of Nikon Corporation, Chairman of Japan Optical Industry Association (current position)
 Apr. 2022 Chairman of Japan Optical Glass Manufacturers’ Association
 Jun. 2022 Outside Director of JSR Corporation
 Jun. 2024 Senior Counselor of NIKON CORPORATION (current position)



Shuji Iwamura
 Outside Director and Audit & Supervisory Committee Member
 Years on the Board: 2
 Company shares held: 298

Apr. 1976 Appointed as Public Prosecutor
 Oct. 2002 Head of special investigation task force of the Tokyo District Public Prosecutors Office
 Jun. 2010 Superintending Prosecutor of the Sendai High Public Prosecutors Office
 Aug. 2011 Superintending Prosecutor of the Nagoya High Public Prosecutors Office
 Oct. 2012 Registered as an attorney at law, Advisor to Nagashima Ohno & Tsunematsu
 May 2013 Outside Corporate Auditor of FamilyMart Co., Ltd.
 Jun. 2013 Outside Director of Riken Corporation
 Mar. 2015 Outside Auditor of CANON ELECTRONICS INC. (current position)
 Jun. 2015 Outside Auditor of The Hokkaido Bank, Ltd. (current position)

Oct. 2017 Member of the Board of Governors and Member of the Audit Committee of the Government Pension Investment Fund
 Jun. 2018 Outside Director of Hayashikane Sangyo Co., Ltd.
 Jun. 2019 Outside Director and Audit and Supervisory Committee Member of Riken Corporation
 Jan. 2020 TOKYO FLEX LAW OFFICE LPC
 Apr. 2021 T&K Partners (current position)
 Jun. 2023 Outside Director and Audit & Supervisory Committee Member of the Company (current position) and Outside Director (Audit & Supervisory Committee member) of Hayashikane Sangyo Co., Ltd. (current position)



Yukari Sakai
 Outside Director
 Years on the Board: 3
 Company shares held: 535

Apr. 1991 Joined Nomura Securities Co., Ltd.
 Jan. 2005 Director of Corporate Tune Co., Ltd.
 Jun. 2005 Standing Audit and Supervisory Committee Member of UNITED ARROWS LTD.
 Jun. 2008 Outside Auditor and Supervisory Board Member, REPROCELL Inc.
 Sep. 2013 Outside Auditor and Supervisory Board Member of Beauty Kadan Co., Ltd.
 Jun. 2016 Outside Director and Standing Audit & Supervisory Committee Member of UNITED ARROWS LTD.
 Oct. 2017 Outside Director and Audit & Supervisory Committee Member, Tea Life Co. Ltd.
 Mar. 2019 External Director and Audit & Supervisory Board Member of Uzabase, Inc.
 Jun. 2021 Outside Director of PACIFIC METALS CO., LTD. (current position)
 Jun. 2022 Outside Director of the Company (current position)
 Jun. 2025 Outside Director and Audit & Supervisory Committee Member of the Company (current position)

Consolidated Financial Highlights (Fiscal years ended March 31)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	(Reference) FY2024
	(Millions of yen)									(Thousands of U.S. dollars)*2
Net sales	¥41,932	¥41,758	¥45,188	¥46,518	¥43,617	¥59,177	¥47,351	¥53,787	¥60,474	\$404,430
Operating profit	3,080	2,265	1,406	2,591	2,623	2,808	2,497	3,090	4,131	27,632
Ordinary profit	3,441	2,646	1,771	2,970	3,053	3,474	2,896	3,579	4,403	29,450
Profit attributable to owners of parent	3,746	2,362	1,025	1,717	1,777	2,334	2,378	3,554	3,638	24,334
Total assets	53,228	55,818	64,756	60,985	58,764	64,290	64,001	67,891	67,436	450,988
Total net assets	35,481	36,666	35,234	34,602	36,484	36,477	38,087	37,752	38,909	260,215
Total shareholders' equity	33,978	34,207	33,324	32,722	33,068	34,450	34,789	35,871	37,414	250,211
	(Yen)									(U.S. dollars)*2
Basic earnings per share*1	373.78	251.26	112.80	195.87	212.41	285.43	293.63	456.13	471.62	3.15
Dividends per share*1	120.00	100.00	100.00	100.00	115.00	145.00	147.00	229.00	236.00	1.57
Net assets per share*1	3,702.00	3,941.68	3,897.68	4,095.51	4,461.06	4,460.55	4,708.95	4,894.51	5,028.98	33.63
	(%)									
Equity ratio	66.7	65.7	54.4	56.7	62.1	56.7	59.5	55.6	57.7	—
Dividend payout ratio	32.1	39.8	88.7	51.1	54.1	50.8	50.1	50.2	50.0	—
Return on equity (ROE)	10.7	6.5	2.9	4.9	5.0	6.4	6.4	9.4	9.5	—
Return on assets (ROA)	6.6	4.8	2.9	4.7	5.1	5.6	4.5	5.4	6.5	—
	(Millions of yen)									(Thousands of U.S. dollars)*2
Net cash provided by (used in) operating activities	(2,131)	3,726	(6,698)	6,955	1,482	(1,097)	1,105	(739)	5,300	35,449
Net cash provided by (used in) investing activities	(1,714)	(85)	(1,315)	(812)	(338)	(830)	826	(1,045)	(1,762)	(11,787)
Net cash provided by (used in) financing activities	(2,820)	2,032	3,249	(2,351)	(5,176)	3,208	(3,719)	3,120	(5,422)	(36,263)

The Toyo Kanetsu Group prepares its consolidated financial statements in accordance with Japanese generally accepted accounting principles (GAAP).

Figures are rounded down to the nearest million yen.

*1 Toyo Kanetsu conducted a 10:1 reverse stock split for ordinary shares effective on October 1, 2017.

As a result, figures prior to the fiscal year ended March 31, 2017 have been restated for basic earnings per share, dividends per share, and net assets per share.

*2 Figures denominated in U.S. dollars were converted at a rate of ¥149.53 = \$1, referring to the prevailing rate on March 31, 2025.

Domestic and Overseas Offices (As of August 12, 2025)

Toyo Kanetsu K.K. Head Office		2-11-1, Minamisuna, Koto-ku, Tokyo 136-8666, Japan
Chiba Plant		2, Tsukiji, Kisarazu-shi, Chiba 292-0835, Japan
Wakayama Plant		457, No, Arida-shi, Wakayama 649-0314, Japan
Customer Support Department	Sapporo Center	5-7-23, Atsubetsuchuo 3-jo, Atsubetsu-ku, Sapporo-shi, Hokkaido 004-0053, Japan
	Sendai Center	4-4-11, Morisekinoshita, Natori-shi, Miyagi 981-1227, Japan
	Saitama Center	3rd Floor, Shibuichi Building, 1-57, Miyahara-cho, Kita-ku, Saitama-shi, Saitama 331-0812, Japan
	Tsurugashima Satellite	1497-23, Suneori, Tsurugashima-shi, Saitama 350-2213, Japan
	Tokyo Center	1-25-2, Minamisuna, Koto-ku, Tokyo 136-0076, Japan
	Nagareyama Satellite	8-1315-1, Nagareyama, Nagareyama-shi, Chiba 270-0164, Japan
	Yokohama Center	2-22, 5th Floor Keihan Yokohama Building, Honcho, Naka-ku, Yokohama-shi, Kanagawa 231-0005, Japan
	Atsugi Satellite	1st Floor, MP Building, 1-17, Atsugi-cho, Atsugi-shi, Kanagawa 243-0011, Japan
	Nagoya Center	2-18-13, Naeshiro, Moriyama-ku, Nagoya-shi, Aichi 463-0046, Japan
	Osaka Center	1-9-2, Senriokahigashi, Settsu-shi, Osaka 566-0011, Japan
	Kobe Center	1-1-10, Mikageishimachi, Higashinada-ku, Kobe-shi, Hyogo 658-0045, Japan
	Okayama Center	2nd Floor, Ima3chome Aizu Building, 3-7-7, Ima, Kita-ku, Okayama- shi, Okayama 700-0975, Japan
	Fukuoka Center	1st Floor, Fukuoka Zasshonokuma Daiichi Seimei Building, 1-3-1, Shinonomemachi, Hakata-ku, Fukuoka-shi, Fukuoka 812-0871, Japan
	Technical Center Haneda Satellite	2nd Floor, Sumitomo Seimei Kamata Building, 4-22-3, Kamata, Ota-ku, Tokyo 144-0052, Japan

Group Companies

Toyo Koken K.K.	2-11-1, Minamisuna, Koto-ku, Tokyo 136-8666, Japan	Design, manufacture, installation, and sale of winches, hoists, lifting equipment, balancers, construction power assist device, etc.
Toyo Kanetsu Bultec K.K.	2-11-1, Minamisuna, Koto-ku, Tokyo 136-8666, Japan	Construction (planning, design, and construction of buildings and steel pipe piling work) Gondola business (rental and sale of temporary construction gondolas)
Toyo Service System K.K.	2-11-1, Minamisuna, Koto-ku, Tokyo 136-8666, Japan	Computer data processing, monochrome and color output, electronic file registration, copying and binding of drawings and documents, building maintenance, leasing business (to Toyo Kanetsu Group companies and others), outsourcing of general affairs and accounting-related work from Group companies
Kankyo Research Institute Inc.	112-2, Okadomachi, Hachioji-shi, Tokyo 192-0054, Japan	Investigation, measurement and analysis of asbestos, sick building syndrome, noise/vibration, odor, etc.
Eco Analysis Corporation	84, Takeda Kitamitsuguicho, Fushimi-ku, Kyoto-shi, Kyoto 612-8419, Japan	Maintenance, inspection, repair, and data analysis of environmental and measuring equipment, environmental surveys (lifestyle and natural environments), environmental assessments, sales of environmental monitoring systems, sales of environmental measuring instruments and reagents, etc.
TKK Plant Engineering K.K.	2-11-1, Minamisuna, Koto-ku, Tokyo 136-8666, Japan	Worker dispatching business in Japan specializing in supervision for maintenance and design of storage tanks
Scrum Software Co., Ltd.	6th Floor, Minamisenba M21Building, 1-10-20, Minamisenba, Chuo-ku, Osaka 542-0081, Japan	Planning, development, production, and sales of specialized computer systems for logistics and distribution (development from scratch, package application and customization, development tools, database middleware evaluation and selection)
SAKATA DENKI Co., Ltd.	2-17-20, Yagisawa, Nishitokyo-shi, Tokyo 202-0022, Japan	Development, prototyping, design, manufacture, and sale of measuring instruments and test machines for civil engineering, construction, and pollution work, installation of such products, and construction consulting
MAXPULL MACHINERY & ENGINEERING CO., LTD.*	Nagareyama Industrial Park, 1296-22 Nakaya, Nishifukai, Nagareyama-shi, Chiba 270-0107, Japan	Design, manufacture, and sale of manual and electric winches and industrial machinery
PT Toyo Kanetsu Indonesia	Midplaza Building 1, 8th Floor, Jl. Jend. Sudirman Kav. 10-11, Jakarta 10220, INDONESIA	Manufacture and sale of storage tanks
Toyo Kanetsu (Malaysia) Sdn. Bhd.	Sublot 51, 1st Floor Medan Jaya Commercial Centre, 97000 Bintulu MALAYSIA	Manufacture and sales of storage tanks and equipment and devices for material handling systems

* A subsidiary of Toyo Koken K.K.

Equity Method Affiliate

KIMOTO CORPORATION	187-1, No, Arida-shi, Wakayama 649-0314, Japan	Tank construction, repair and maintenance, disaster prevention and security services, clean energy business
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Corporate Profile and Stock Information (As of March 31, 2025)

Corporate Profile

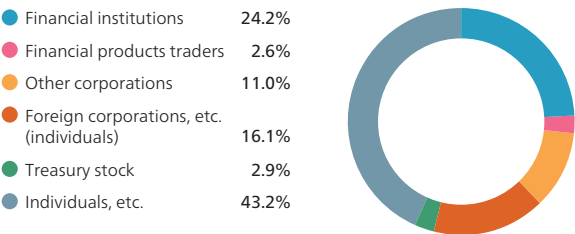
Corporate name	TOYO KANETSU K.K.
Headquarters	2-11-1, Minamisuna, Koto-ku, Tokyo 136-8666, Japan
Established	May 16, 1941
Capital	¥18.58 billion
Number of issued shares	8,023,074
Share unit	100
Number of employees	1,218 (on a consolidated basis)
Ticker code	6369
Share registrar	Mitsubishi UFJ Trust and Banking Corporation
Share registrar address and contact information	Stock Transfer Agency Department Mitsubishi UFJ Trust and Banking Corporation 1-1, Nikko-cho, Fuchu City, Tokyo 137-8081 TEL (free dial within Japan): 0120-232-711 Mailing address: P.O. Box 29, Shin-Tokyo Post Office, Tokyo 137-8081, Japan
Stock exchange listing	Tokyo Stock Exchange Prime Market
Independent accounting auditor	Gyosei & Co.

Major Shareholders

Name	Number of shares (Thousands)	Share-holding (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	1,010	12.96
Custody Bank of Japan, Ltd. (Trust account)	289	3.71
Nippon Life Insurance Company	207	2.65
Resona Bank, Limited	184	2.36
Toyo Kanetsu Employee Stock Ownership Plan	132	1.69
SUMITOMO LIFE INSURANCE COMPANY	115	1.48
Daiei Real Estate & Development Co., Ltd.	112	1.44
Sato Kogyo Co., Ltd.	111	1.42
NIPPON EXPRESS HOLDINGS	100	1.28
BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC)	94	1.21

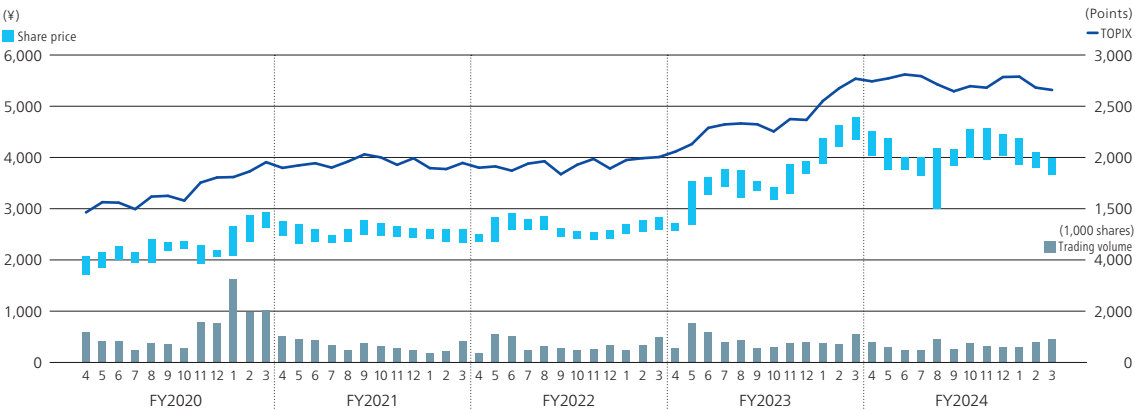
Note: The calculation of the percentage of total shares outstanding excludes treasury stock.

Shareholders and Distribution of Shares



Note: Percentage of total shares outstanding held by shareholder

Share Price and Trading Volume



Takeshi Yonehara
Director and Senior Managing Officer
Head of Finance, IR,
Risk Management, ESG

Thank you for reading the *TKK Report 2025*. This report was created with the intent of helping stakeholders understand our efforts to create shared value (CSV) over the medium to long term, from both the financial and non-financial perspectives. This report was formulated and edited based on challenges we have identified and feedback we have received through dialogue with investors both in Japan and overseas. We hope that the content and presentation clearly communicates our commitment to solving social issues and the actions we are taking to do so. We will continue striving to improve the value of our communications through the provision of information that contributes to sustainable growth.



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