

TKK REPORT 2026

ACTION FOR THE FUTURE

TOYO KANETSU K.K.

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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 2025, the fiscal year ended March 31, 2026, are available in the *TKK Report 2026* 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/>

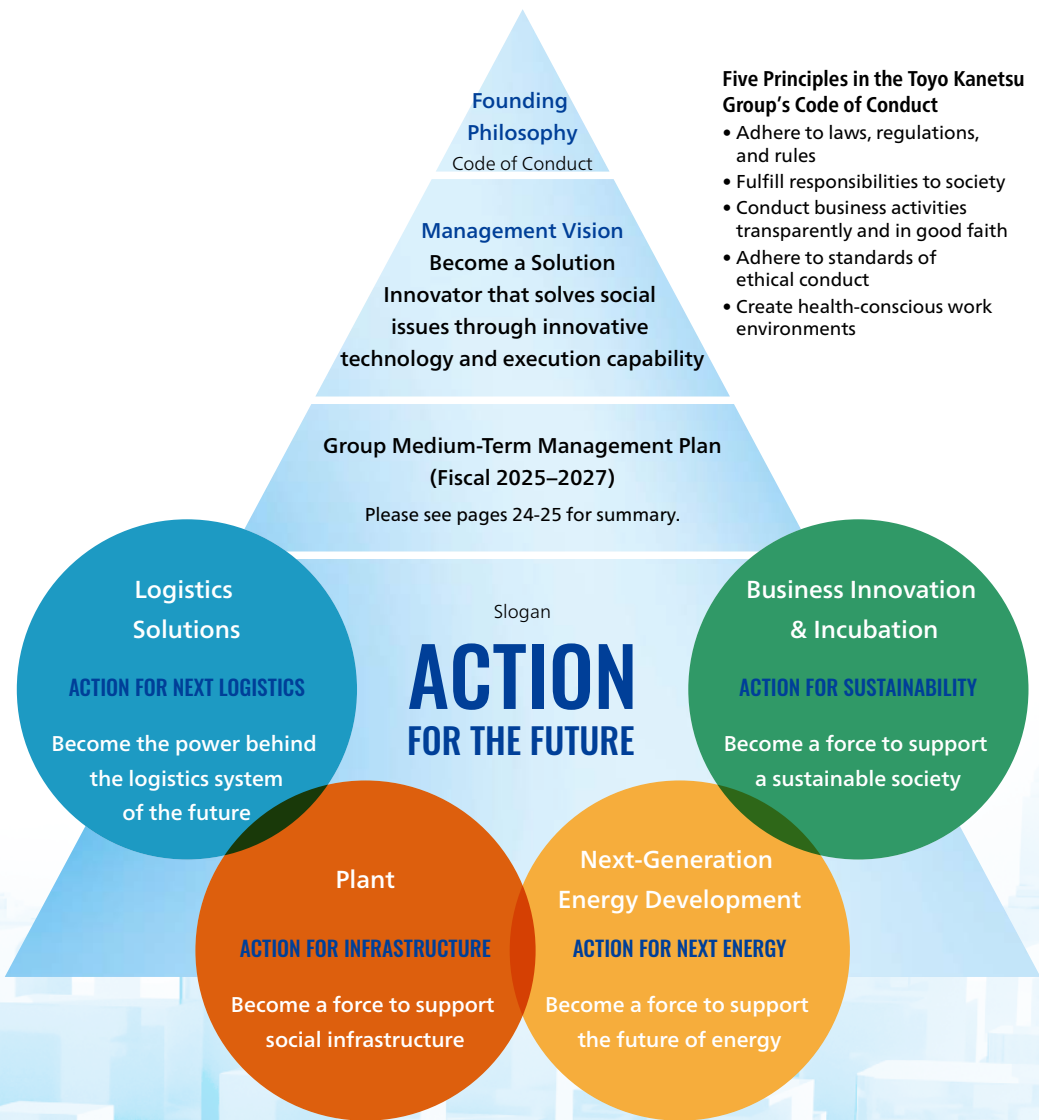
Cautionary Note Regarding Forward-Looking Statements

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

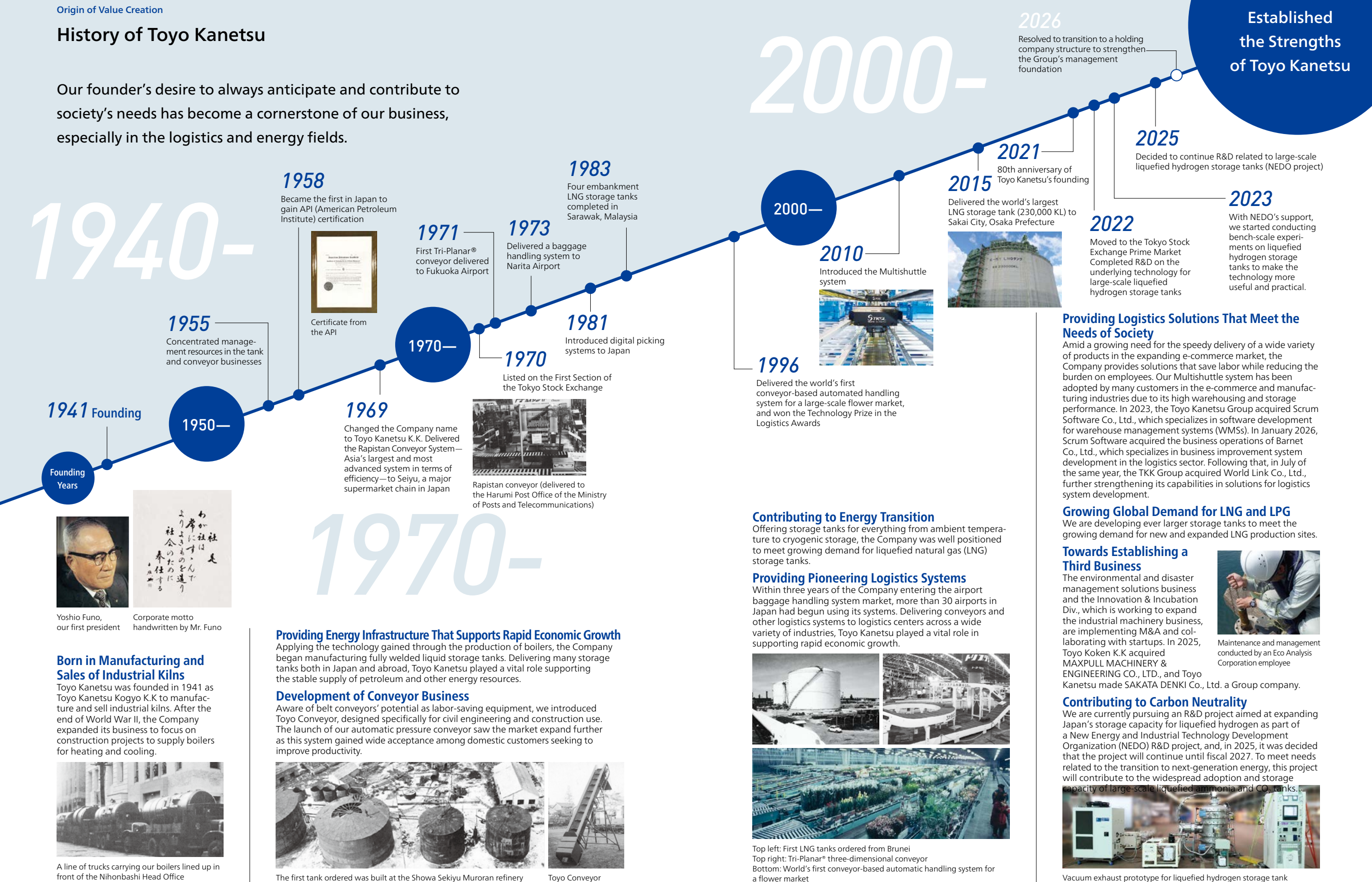


- Five Principles in the Toyo Kanetsu Group’s Code of Conduct**
- Adhere to laws, regulations, and rules
 - Fulfill responsibilities to society
 - Conduct business activities transparently and in good faith
 - Adhere to standards of ethical conduct
 - Create health-conscious work environments

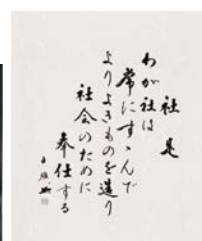
The ability to exceed expectations
and become a force for the future.

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.



Yoshio Funo,
our first president



Corporate motto
handwritten by Mr. Funo

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



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



Toyo Conveyor



Top left: First LNG tanks ordered from Brunei

Top right: Tri-Planar® three-dimensional conveyor

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



Maintenance and management
conducted by an Eco Analysis
Corporation employee



Vacuum exhaust prototype for liquefied hydrogen storage tank

At a Glance (Fiscal 2025 results)

Founding

85 years ago

International and domestic network

19 international and domestic companies

Net sales

¥59.6 billion

Logistics Solutions Business bases

19 centers

Baggage handling systems delivered

17 countries

Domestic share of airport baggage handling systems

85%

Storage tanks constructed

40 countries

Of the environmental measurement equipment maintenance and management industry

No.1

* Eco-Analysis Corporation

Domestic share of electric winches

40%

* Toyo Koken K.K.

Domestic share of manual winches

70%

* MAXPULL MACHINERY & ENGINEERING CO., LTD.

Total storage tanks delivered

Over **5,700**

* Domestically and internationally

Temperature capability of large-scale liquefied hydrogen tanks in development

-253°C

Liquefied ammonia storage tanks delivered

7 international projects



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.

Message from the President



President and Representative Director

Transitioning to a Holding Company Structure to Enter a New Stage of Growth

Review of Fiscal 2025 Performance

In fiscal 2025, consolidated net sales amounted to ¥59.617 billion, down 1.4% year on year, while operating profit totaled ¥3.581 billion, down 13.3%. Despite the decline in both revenue and profit, net sales reached the second-highest level in the Company's history, following the record set in the previous fiscal year. Both net sales and operating profit achieved approximately 96% of our full-year targets, and we therefore view the results as broadly in line with our plan.

By segment, the primary factor behind the decline in overall performance was a temporary slowdown in large-scale projects within the Logistics Solutions Business. From the outset of the fiscal year, we anticipated a gap between major projects and focused on offsetting potential declines in productivity associated with an increase in small- and medium-sized projects through stronger project management and further improvements in operational efficiency. As a result, orders for these projects grew significantly, which we view positively as evidence of an expanding customer base. We also regard the continued growth of our highly profitable maintenance services as an important contributor to stable earnings. As logistics centers become increasingly sophisticated, demand for maintenance services, including preventive inspections and rapid response to equipment

failures, continues to rise. By expanding our maintenance network and strengthening customer support capabilities, we have been able to sustain strong growth in this area.

The Plant Business delivered increased revenue and profit, supported by growth in tank maintenance projects for domestic refineries. The business has now remained profitable for four consecutive years, demonstrating steady progress in strengthening its earnings base. While tank maintenance remains a core business, we are also engaged in projects involving LNG, LPG, and Sustainable Aviation Fuel (SAF) storage tanks. Our proven track record as the world's second-largest tank manufacturer, combined with our strong project execution and safety management capabilities, continues to be highly valued by customers and has contributed to improved profitability.

The Business Innovation & Incubation segment recorded higher revenue following the addition of SAKATA DENKI Co., Ltd. and MAXPULL MACHINERY & ENGINEERING CO., LTD. to the Group. Profit, however, declined due to a reactionary slowdown following the strong performance of Toyo Koken Co., Ltd. and Kankyo Research Institute Inc. in fiscal 2024, as well as intensified competition that limited our ability to pass on rising costs.

Evaluating Progress Under the Group Medium-Term Management Plan

Our current Group Medium-Term Management Plan represents Phase 2 of our long-term roadmap

spanning fiscal 2022 through fiscal 2030, which has been divided into three phases. Fiscal 2026 marks

Message from the President

the second year of this phase and the midpoint of the overall nine-year plan. In terms of revenue composition, the Logistics Solutions Business accounted for approximately 60% of fiscal 2025 sales, while the Plant Business and Business Innovation & Incubation segment each accounted for roughly 20%.

Logistics Solutions Business

Our objective during the current plan period is to achieve both expansion in scale and growth in profitability. To accomplish this, we are pursuing two strategic initiatives: expanding our customer base and broadening the scope of our services. In terms of customer expansion, we are strengthening proposals not only for traditional commercial logistics customers, but also for manufacturers. As labor shortages and productivity challenges intensify across production sites, there is growing demand for high-density storage systems and advanced automation technologies, creating new market opportunities. We are also expanding our service scope beyond hardware solutions to include software that supports the operation of entire logistics centers. At the core of this initiative is the development of a warehouse management system (WMS) that manages the full logistics process, from receiving and storage to shipping. A prototype has already been completed, and proposals are now being made to a broad range of industries. The next-generation WMS we envision will integrate operational data accumulated throughout logistics center operations with traditional WMS data and utilize AI to optimize warehouse performance. To realize this vision, we are working in collaboration with Amazon Web Services (AWS). By leveraging cloud and AI technologies, we aim to develop solutions that optimize logistics centers as a whole. The expansion of both our customer base and service scope will remain the primary drivers of growth in the Logistics Solutions Business as we pursue a balanced approach to revenue growth and profitability improvement.

Plant Business

Approximately 70% of Japan's electricity generation currently relies on thermal power, with LNG, coal, crude oil, and related fuels accounting for roughly 60% of that capacity. Ensuring the safe and reliable operation of storage tanks remains essential to

securing a stable energy supply. The Plant Business currently performs maintenance on more than 100 tanks annually. Tank maintenance is a critical element of the infrastructure supporting energy security, and we expect this role to remain important for many years to come. At the same time, workforce shortages and the aging of skilled workers have become major industry-wide challenges. To address these issues, we are actively pursuing multi-year service agreements with customers, strengthening long-term partnerships while ensuring appropriate pricing and stable operations. To further support workforce development, we established TKK Plant Engineering K.K. in 2021 as a company dedicated to maintenance operations and regional recruitment. Today, it operates across 12 sites in 10 cities. In 2023, we also acquired an equity stake in KIMOTO CORPORATION, strengthening our maintenance and construction capabilities. Going forward, we will continue investing in workforce recruitment, skills transfer, safety management, and talent development to ensure the long-term sustainability and competitiveness of our field operations.

Through TKK Plant Engineering, we are actively working to secure and develop field personnel. At the same time, to further enhance the quality of on-site operations, we are placing particular emphasis on developing personnel capable of serving as site supervisors and site managers, thereby strengthening our field execution capabilities.

Securing skilled field personnel is not simply a means of expanding business opportunities. It is a critical management priority that underpins sustainable business growth while maintaining the highest standards of safety and quality. Going forward, we will continue to strengthen our ability to recruit field personnel, facilitate the transfer of technical expertise, and cultivate the next generation of talent. Through these initiatives, we will reinforce our occupational safety framework and continuously enhance our on-site capabilities to support long-term growth.

Business Innovation & Incubation

Established in 2021 to create a new social infrastructure business, the Business Innovation & Incubation segment entered a new phase in 2025 with the addition of SAKATA DENKI Co., Ltd., a company with advanced technologies and expertise in disaster prevention and civil engineering measurement.

As a result, we have positioned environmental and disaster management solutions as a primary growth focus under the current Medium-Term Management Plan. By combining the technological capabilities and customer networks of Kankyo Research Institute Inc., Eco Analysis Corporation, and SAKATA DENKI, we are actively exploring new opportunities and business models. Although the business remains in the process of building its long-term model, we aim to create high-value-added solutions by integrating each company's strengths in investigation, monitoring, analysis, and maintenance services. Looking ahead, the Japanese government plans to establish the Disaster Management Agency in fiscal 2026. We view this as a significant opportunity to deepen cooperation with public-sector organizations and private-sector partners while accelerating market development and technological innovation. In light of the fact that the transition to a hydrogen-based

society is progressing somewhat more slowly than originally anticipated, the former Next-Generation Energy Development Division was reorganized in April 2025 as the Next-Generation Energy Development Center, with a renewed focus on advancing development initiatives. The Center is engaged in both the promotion of environmentally conscious tank solutions, including storage tanks for next-generation energy applications, and the development of large-scale liquefied hydrogen storage tanks under a research and development program supported by NEDO. As part of this effort, construction has commenced on a bench-scale test tank approximately one-tenth the size of a commercial unit, with the goal of supporting the practical application of a 50,000 m³-class liquefied hydrogen storage tank. Development activities remain on schedule as we work toward completing demonstration testing and acquiring the necessary technologies by fiscal 2027.

Transition to a Holding Company Structure in Fiscal 2027

The Group has decided to transition to a holding company structure effective April 1, 2027. The purpose of this transition is to accelerate decision-making and

increase growth potential by establishing separate operating companies for our two core businesses: Logistics Solutions and Plant. Historically, these



Message from the President

businesses have provided balance and stability by complementing one another's performance cycles. However, the environment surrounding our Group has changed significantly. Companies listed on the Tokyo Stock Exchange Prime Market are now expected not only to maintain stable operations but also to achieve sustainable growth while improving capital efficiency.

Today, these two businesses account for approximately 80% of the Group's net sales and operating profit. Yet they differ substantially in terms of market dynamics, customer bases, business models, required expertise, and strategic partnerships. The talent they require is also distinct, with limited overlap between the two. To achieve our next stage of growth, we concluded that each business should operate under a management structure tailored to its unique characteristics, enabling more autonomous and agile decision-making. At the same time, the Group must strengthen capital allocation, governance, and risk management from a broader perspective. Accordingly, we have decided to adopt a holding company structure under which both businesses will operate as independent companies. The new structure will facilitate greater delegation of authority, enabling faster decision-making while supporting organic growth, M&A opportunities, and alliances both within and outside the Group. It will also improve transparency by making each business's earnings profile and growth strategy more clearly visible to stakeholders. The holding company, meanwhile, will be responsible for overall Group strategy, optimal resource allocation, governance enhancement, and the promotion of ESG management. It will also accelerate the development of future growth businesses, including the Business Innovation & Incubation

segment and the Next-Generation Energy Development Center.

This transition is far more than a simple organizational restructuring. It is a strategic decision designed to enhance the Group's growth trajectory toward our 2030 targets while supporting the sustainable enhancement of corporate value in a rapidly changing business environment. (For further details regarding the transition to a holding company structure, please refer to pages 14–15.)

At the same time, expanding the Logistics Solutions Business will be a critical factor in achieving our fiscal 2030 net sales target of ¥90.0 billion. To grow the business from approximately ¥38.0 billion in fiscal 2024 to ¥60.0 billion, we will continue to expand both our customer base and the scope of services we provide, with the initial objective of reaching net sales of ¥45.0 billion. Building on this growth platform, we will then pursue additional growth opportunities through strategic alliances and partnerships.

For the Plant Business, which has a fiscal 2030 net sales target of ¥15.0 billion, securing and developing field personnel will be a prerequisite for continued growth. In addition to expanding our workforce through TKK Plant Engineering K.K., we will strengthen skills transfer programs and enhance our safety and quality management systems, establishing a framework that enables us to convert business opportunities into sustainable earnings. Similarly, the Business Innovation & Incubation segment has a net sales target of ¥15.0 billion. To achieve this goal, our first priority is to establish new business models in the environment and disaster management domain by generating synergies among the technologies and expertise of Kankyo Research Institute Inc., Eco Analysis Corporation, and SAKATA DENKI.

Progress in Advancing “Toyo Kanetsu-Style ESG Management”

For the Toyo Kanetsu Group, ESG management is not a standalone initiative. Rather, it serves as a fundamental management platform that supports the achievement of our long-term goals for fiscal 2030 and the sustainable enhancement of corporate value. In fiscal 2025, as we entered Phase 2 of our

current Medium-Term Management Plan, we reviewed our materiality framework to reflect changes in both the internal and external environment. As a result, we identified eight material issues, which are grouped into the following three categories:

1. Addressing Social Challenges Through Our Businesses

Climate change and environmental issues
Labor shortages

2. Strengthening Business Competitiveness

Development of new technologies
Collaboration with business partners
Product and system reliability
Productivity improvement

3. Strengthening the Corporate Management Foundation

Risk management
Governance
Human capital management

To further advance what we call “Toyo Kanetsu-style ESG management,” we became a participant in the United Nations Global Compact in January 2026. In addition, the Group received a CDP Climate Change score of B, reflecting external recognition of our ESG initiatives. While encouraged by these evaluations, we remain committed to raising our standards further through responsible and innovative leadership while continuing to create social value.

Addressing Social Challenges Through Our Businesses

The Logistics Solutions Business contributes to solving one of society's most pressing challenges, labor shortages, by advancing labor-saving solutions and automated logistics center operations through robotics and other technologies. The Plant Business and the Next-Generation Energy Development Center contribute to the realization of a low-carbon society through tank maintenance services as well as the development and deployment of storage tanks for Sustainable Aviation Fuel (SAF), liquefied hydrogen, and other next-generation energy sources. Through its environmental and disaster management businesses, the Business Innovation & Incubation segment supports the creation of diverse and sustainable living environments while helping protect lives and communities from increasingly severe natural disasters.

Strengthening Business Competitiveness

In research and development, we are focused on initiatives including next-generation warehouse management systems (WMS), large-scale liquefied hydrogen storage tanks, and the development of new technologies through open innovation. To further strengthen product quality and safety,

dedicated functions were established within each business division in fiscal 2026, enabling more specialized management tailored to the characteristics of each business. In addition, the Group established the Toyo Kanetsu Safety and Health Council, a cross-functional forum for sharing and discussing occupational health and safety information across the Group, with the goal of preventing serious workplace incidents. To improve productivity, we introduced generative AI across the Company. In addition to increasing operational efficiency, this initiative is intended to create an environment that encourages employees to take on new challenges. Through AI usage guidelines, training programs, and internal recognition initiatives, we are promoting the effective utilization of AI while fostering the creation of new value. In the Logistics Solutions Business, we are also advancing the standardization of products, design processes, and system implementation, improving both operational efficiency and quality consistency. With respect to collaboration, we are building a sustainable supply chain through initiatives based on the Toyo Kanetsu Group Supplier Policy, working closely with our business partners to achieve mutual growth and long-term value creation.

Strengthening the Corporate Management Foundation

We regard investment in human capital as one of our highest management priorities. To achieve sustainable growth, it is essential to evolve into an organization in which every employee can recognize change, think independently, and take ACTION. To support this objective, we began designing a new human resources framework during Phase 1 of the Medium-Term Management Plan. The new system has been developed to encourage individual initiative and ACTION by linking employee development, performance evaluation, and compensation. Scheduled for implementation in October 2026, the new framework is intended to foster self-directed talent while strengthening organizational execution capabilities. With respect to risk management, the Sustainability Committee and other forums regularly discuss emerging risks and share information across the organization to ensure appropriate responses. In governance, we continue to conduct periodic evaluations of the effectiveness of the Board of Directors, including its composition and operational effectiveness. We are also committed to further enhancing corporate transparency through ongoing efforts in compliance, disclosure, and stakeholder communication.

Message from the President

Progress on My Three Commitments

Since assuming the role of President in 2022, I have remained committed to the three promises I made to our employees: promoting open communication in the workplace, improving compensation and benefits, and developing a greater sense of purpose and fulfillment at work.

To create a workplace where employees can speak openly and share their concerns, I launched an initiative in 2025 to visit Plant Business worksites across Japan. By listening directly to employees and addressing challenges faced in the field, we have been able to turn dialogue into tangible improvements. To date, I have visited nearly all of our domestic worksites. Going forward, I plan to conduct similar visits to customer support centers within the Logistics Solutions Business. In addition, I resumed "Owada 845," a monthly live-streaming program for all employees that was originally launched during my first year as President. Through this forum, I share updates on Company initiatives and management thinking while encouraging face-to-face dialogue throughout the organization.

Between October 2022 and April 2026, we implemented cumulative wage increases totaling 17% over a three-and-a-half-year period, and we carried out another base salary increase in fiscal 2026. We

have also worked to strengthen our employee stock ownership program, not only to support employees' long-term asset building but also to further instill an ownership mindset and awareness of shareholder value throughout the Company. By increasing the Company's matching contribution from 10% to 20%, participation in the employee stock ownership plan rose from less than 20% to nearly 70%. Furthermore, we granted treasury shares to the employee stock ownership association in the form of restricted stock, further aligning employees' interests with the long-term growth of the Company.

Of the three commitments, the one I value most is fostering a greater sense of purpose and fulfillment at work. I believe that enjoying one's work serves as a powerful driver of professional growth, creating a virtuous cycle in which improved skills lead to better performance, greater achievement, and ultimately a stronger sense of fulfillment. The new human resources system described earlier is also part of this effort. Through this framework, we aim to create an organization in which every employee can recognize change, think independently, and continue to take ACTION. By empowering individuals to challenge themselves and contribute proactively, we will strengthen both personal growth and organizational execution capabilities.

Progress in Implement Management that is Conscious of Cost of Capital and Stock Price

With respect to shareholder returns, our dividend policy had historically been based on the dividend payout ratio. However, to provide shareholders with

more stable and predictable returns, we adopted a target dividend on equity (DOE) ratio of 4.0% or higher during Phase 2 of our Medium-Term

Management Plan. As a result, shareholder returns exceeded the level achieved under the previous Medium-Term Management Plan period. For fiscal 2025, the annual dividend amounted to ¥103 per share on a post-stock-split basis, representing a dividend payout ratio of 62.6%. In terms of capital policy, we also took steps to make our shares more accessible to investors and broaden our shareholder base. Effective January 1, 2026, we implemented a two-for-one stock split of our common shares. We expect this measure to improve market liquidity, lower the investment threshold for individual investors, and encourage broader participation, including among younger investors.

In May 2025, we revised our performance-linked stock compensation program for executives to incorporate non-financial performance indicators, including progress toward greenhouse gas (GHG) emissions reduction targets and improvements in employee engagement. By linking ESG performance

directly to executive compensation, we have further aligned ESG management with management accountability and reinforced a stronger focus on enhancing long-term corporate and shareholder value. At the same time, we decided to allocate restricted stock to the employee stock ownership association, helping to foster a greater ownership mindset among employees and encouraging broader awareness of the relationship between corporate performance and share value. We also established a dedicated Investor Relations Department and have significantly expanded our engagement with the investment community. During the fiscal year, we conducted more than 90 meetings with institutional investors in Japan and overseas, while also holding briefing sessions for individual investors. Through these initiatives, we are strengthening communication with investors and shareholders and further enhancing market understanding of the Group's growth strategy and long-term value creation efforts.

Entering the Final Stage of Establishing a Foundation for Future Growth

The Toyo Kanetsu Group is currently experiencing one of the most significant turning points in its 85-year history. The last major inflection point occurred in 2017, when the Logistics Solutions Business surpassed the Plant Business in both revenue and operating profit. At that same time, the Future Creation Project, the precursor to today's Business Innovation & Incubation segment, was launched to establish a third pillar of growth. As we have advanced through the three phases of our long-term plan, Phase 1 established a solid foundation for both the Logistics Solutions and Plant businesses

and significantly increased expectations for our future growth. Against this backdrop, we decided to transition to a holding company structure during the second year of Phase 2, with a clear view toward Phase 3 and beyond. We believe that our efforts to establish a foundation for future growth are now entering their final and most important stage.

Together with our stakeholders, we will continue to strengthen that foundation, create new opportunities for growth, and work as one Group to enhance corporate value for the years ahead.



Message from the President

Transitioning to a Holding Company Structure

Accelerating Growth and Strengthening Our Foundation

Under our Medium-Term Management Plan and its policy of establishing a foundation for future growth, the Toyo Kanetsu Group has worked to steadily improve corporate value, driving Group growth through Logistics Solutions and Plant. Market conditions and social issues have shifted since, and management must now deliver sustained growth and improved capital efficiency together. To respond to that change, seize growth opportunities, and allocate our resources where they work hardest, we will transition to a holding company structure in April 2027. The move strengthens the drive behind our Group strategy, spurs the autonomous growth of each business, and advances our corporate value.

Challenges We Face on the Path to Sustainable Growth

Logistics Solutions and Plant together accounted for roughly 80% of Group net sales in fiscal 2025, yet the two differ sharply in market environment, customer needs, and the technologies they demand. Growth from here requires a structure that lets each business decide fast and optimize resources on its own terms. It also requires investment in new growth areas and further work on our business portfolio to sharpen the competitiveness of the Group as a whole.

The transition to a holding company structure delivers what our Medium-Term Management Plan calls for: creating new value and growing sustainably by restructuring that portfolio. It drives the autonomous growth of each business and improves our corporate value over the medium-to-long term.

The New Group Management Structure

We will transition to a holding company structure on April 1, 2027. Logistics Solutions and Plant will be spun off as independent operating companies beneath it. Delegating authority this way makes management decisions faster and accountability clearer. The holding company will formulate strategy, allocate resources, strengthen governance, advance ESG management, and support each operating company's growth.

Business Innovation & Incubation, centered on the environmental and disaster management fields, will be establishing its business model, so it will sit directly under the holding company, which will provide support in commercialization. The Next-Generation Energy Development Center will likewise sit directly under the holding company while we build its foundation as a future growth business.

Creating Value Through the New Structure

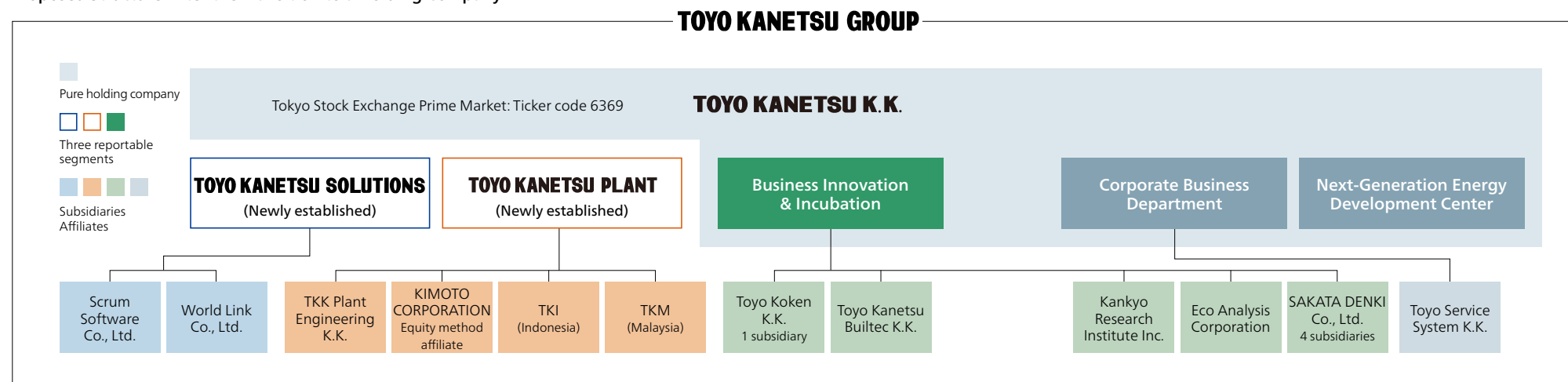
The Toyo Kanetsu Group expects three main benefits from the transition to a holding company structure. The first benefit is faster decision-making through the delegation of authority to the operating companies, building a structure in which each company makes its own management decisions in response to its market and customers. The second is expanded strategic investment, M&A and alliances, along with nimble investment decisions at the business level will raise the pace of growth. The third is greater transparency in our market disclosure, as clear reporting of performance and strategy gives shareholders and investors a deeper understanding of our strategy and our corporate value. The holding company will also strengthen its governance and ESG oversight functions, improving the soundness and sustainability of management across the Group.

Toward the Next Stage of Growth

This transition is more than a reorganization. It strengthens the management foundation we need to reach our next stage of growth. We will accelerate our two growth engines, Logistics Solutions and Plant, while building Business Innovation & Incubation into a third pillar, and execute the strategy that carries us to our 2030 targets.

Through this transition, the Toyo Kanetsu Group will pursue capital efficiency and sustained improvement in corporate value. With our 100th anniversary in view, we aim to be a growth company that meets the expectations of all our stakeholders.

Proposed Structure After the Transition to a Holding Company



Objectives

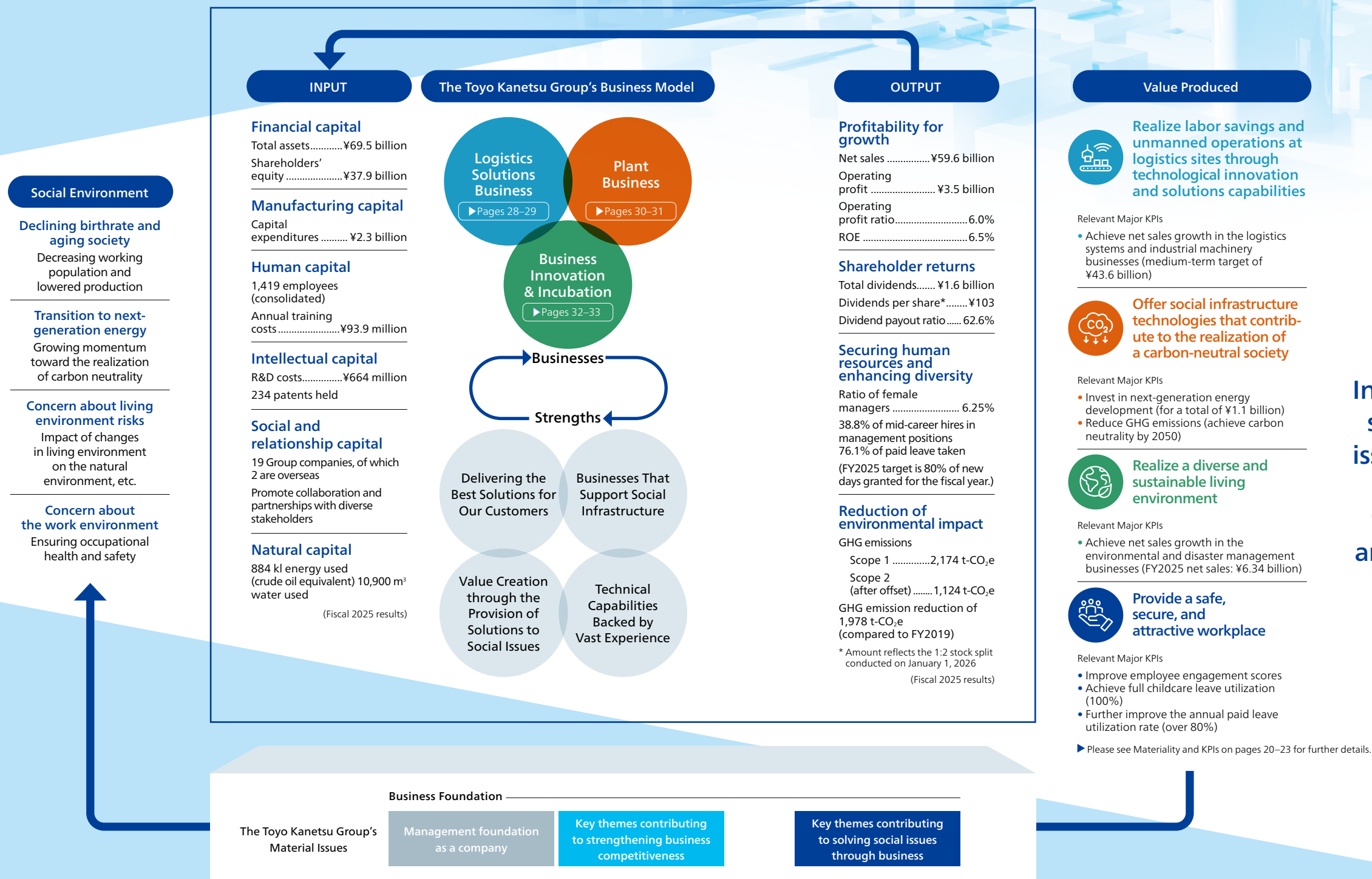
Faster decision-making by the operating companies

Growth driven by M&A and alliances within and beyond the Group

Greater market transparency

The Toyo Kanetsu Group's Value Creation Process

Founding Philosophy "Be Creative, Be Good for Society"



Materiality of the Toyo Kanetsu Group

Materiality of the Toyo Kanetsu Group

In 2019, the 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 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

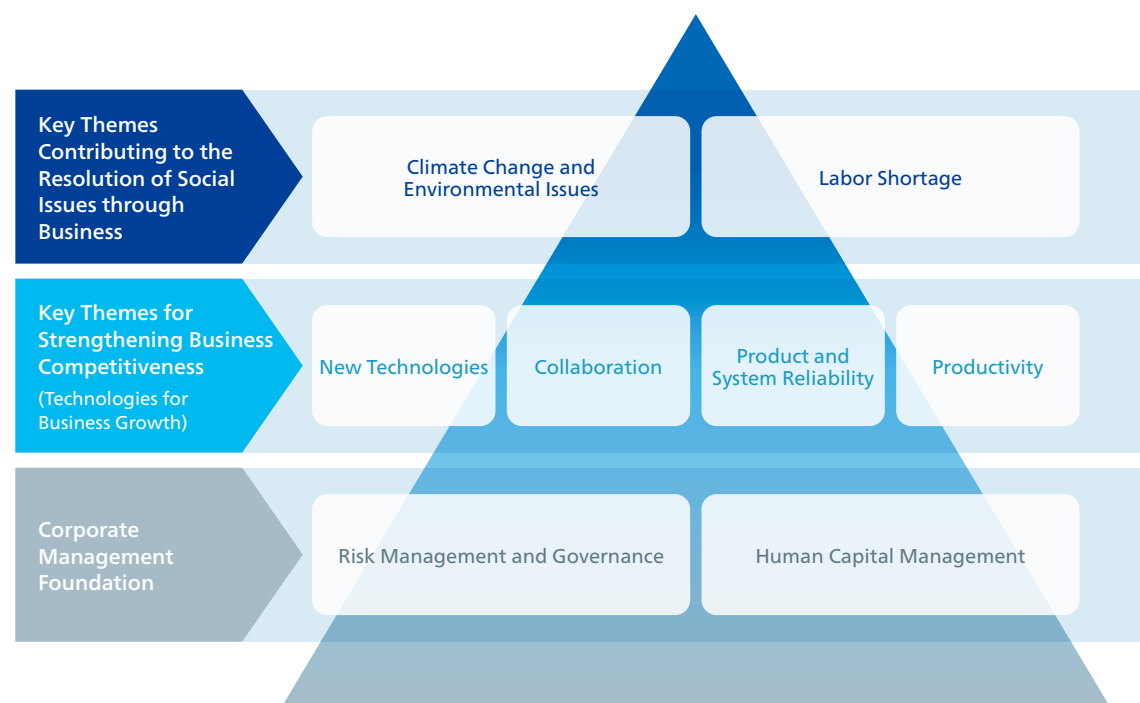
our corporate motto and management vision, the “Corporate Management Foundation” category was identified specifically to capture the importance of a solid management foundation in risk management, governance, and management of our human capital. “Key Themes for Strengthening Business Competitiveness (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”

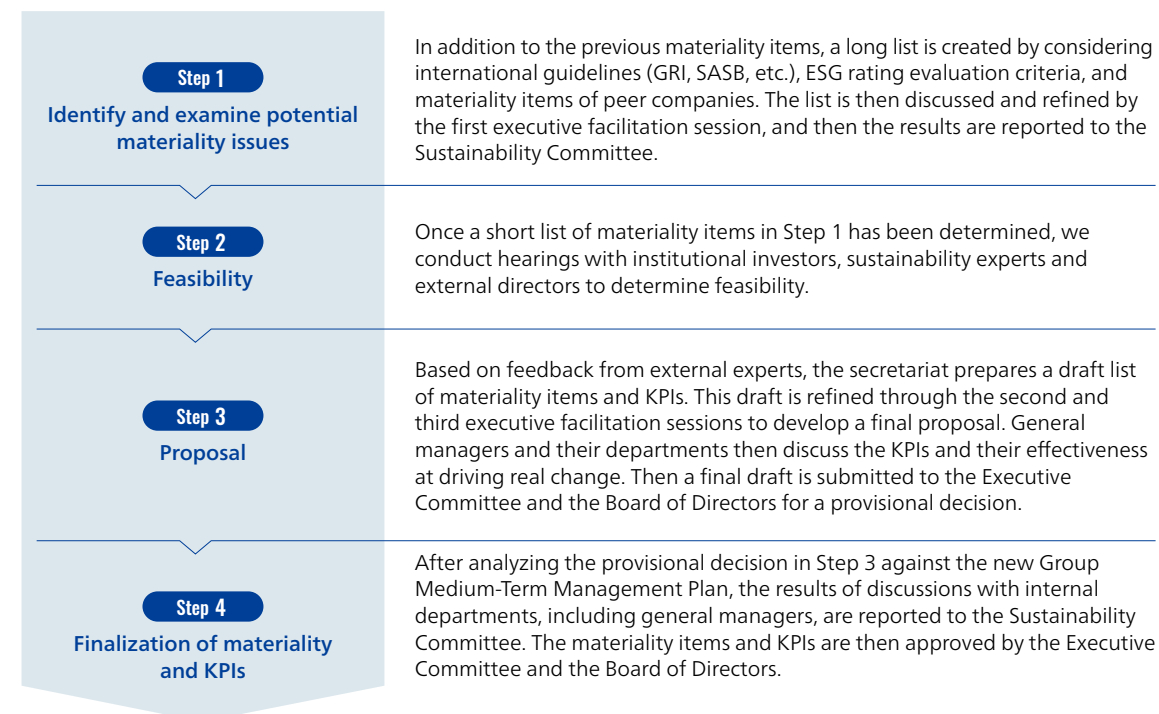
Management Vision

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



Process of Reviewing and Finalizing Materiality and KPIs

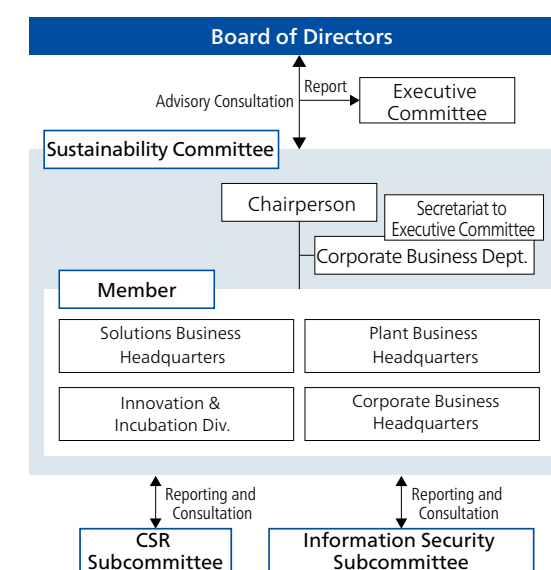
We do a full review of materiality items and determine the best KPIs to track progress by engaging with stakeholders both inside and outside the Company and examining global standards. We implemented this process in April 2025 in the process of putting together the new plan.



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

* Figures in parentheses are fiscal 2025 results.

● Logistics Solutions ● Plant ● Business Innovation & Incubation ● Next-Generation Energy Development ◆ Company-wide

	Key Themes Contributing to the Resolution of Social Issues Through Business		Key Themes for Strengthening Business Competitiveness (Technologies for Business Growth)			
	Climate Change and Environmental Issues ▶ pp. 40–43	Labor Shortage ▶ pp. 46–47	New Technologies ▶ pp. 46–47	Collaboration	Product and System Reliability	Productivity
SDGs	  	 	 	 	 	 
Initiatives	● Develop and supply next-generation energy products ● Promote environmental and disaster management businesses, and roll out products and services with superior environmental performance ● Contribute to carbon neutrality	● Develop and provide labor-saving solutions and automation systems	● Develop products and services focused on customer needs ● Acquire technology and know-how through in-house development and M&A	● Collaborate with partner companies across the supply chain ● Reinforce supply chain resilience ● Promote open innovation ● Collaborate with local communities	● Enhance product and system quality ● Strengthen maintenance systems (Plant Business) ● Reinforce the service systems that ensure stable operation (Customer Support Division)	● Standardize operations ● Improve processes ● Digitalize routine tasks
KPIs*	● Promote R&D in next-generation energy → FY2027: ¥1,100 million cumulative (¥130 million) ● Advance the commercialization of large-scale liquefied hydrogen tanks with NEDO subsidies ● Provide and promote new construction and renovation work on tanks for next-generation energy storage ● (Quantitative) Environmental and disaster management business net sales → FY2027: ¥6,250 million (¥6,342 million) ● Develop our business to maximize use of resources and reduce environmental impact ● Reduce combined Scope 1 and Scope 2 GHG emissions by 50% from fiscal 2019 levels by 2030 → 2030 consolidated target, Scope 1+2 post-offset: 2,638 t-CO₂e (3,298 t-CO₂e) ● Implement measures to reduce Scope 3 emissions ● (Non-consolidated) Implement measures to introduce EVs → 2030 EV ratio target: 5% (5%)	● Logistics Solutions and industrial machinery business net sales → FY2027: ¥43.65 billion (¥39.121 billion) ● Contribute to labor savings and automation through our products	● Conduct active R&D in both new and existing domains ● Adopt leading-edge technologies including AI and IoT ● Execute M&A and open innovation initiatives	● Engage in dialogue with the supply chain ● Participate actively in community contribution activities	● Serious accidents related to product and service quality → 0 (0) ● Improve work efficiency, save labor, automate, and introduce new technologies ● Provide value-driven maintenance including renewals and retrofits	● (Consolidated) Operating profit per employee → FY2027: ¥3,530 thousand (¥2,071 thousand) ● Promote the standardization of products and operations ● Review tasks that depend on individuals, and advance robotics and labor savings
FY2025 activities	● The NEDO technology development project progressed on schedule ● Completed site selection, procurement, engineering work, and permit acquisition, advancing research toward commercializing large-scale liquefied hydrogen tanks ● Continued LPG tank repair projects ● Developing a new model of the Ecoloveyor, our flagship product, to meet current needs ● Adopted the latest components and revised standardized designs to renew conventional conveyance systems, building the structure for full-scale rollout from FY2027 ◆ Introduced an emissions calculation system to improve the accuracy of GHG emissions measurement ◆ Introduced EVs at the Kobe Center	● Introduced AGVs (automated guided vehicles) for a consumer cooperative customer, cutting worker walking distance and wait time to make the picking process more efficient	● Advanced in-house development of our warehouse management system (WMS) and completed the prototype; began expanding functionality using AI ● Expanded development staff and strengthened the sales structure through Scrum Software Co., Ltd.'s acquisition of the business operations of Barnet Co., Ltd. ● Continued developing automatic welding machines and related technologies using image detection	◆ Strengthened supply chain ties through joint meetings with partner companies held by our procurement and construction departments, on-site safety patrols, and other activities ● Provided training at the Customer Center and training to improve first-response capability at customer sites ● Participated in seminars hosted by external bodies, including the National Convention for the Prevention of Industrial Accidents in the Construction Industry ● Built an open innovation foundation that supports business growth by gathering information and creating opportunities for collaboration through external contacts such as CVC (Corporate Venture Capital) discussions ● Donated welding materials and test plates to technical high schools ◆ Donated funds for book purchases and other purposes to the five municipalities where our main offices are located	● Positioned safety and quality assurance functions closer to the worksite to improve quality and ensure safety ● Expanded facilities to strengthen customer support, opening the Kagoshima Satellite and relocating the Haneda Satellite ● Improved maintenance capability with the start of operations at the Yamanashi Parts Center	● Continued standardization and process development at the Wakayama Plant; in FY2025, embedded planned production and standardized work procedures as site improvement activities, and strengthened the management structure ● Applied automation technology and introduced work support tools at worksites ◆ Developed AI-based operational efficiency measures and built a foundation for employees to use AI collaboratively

Materiality and KPIs

* Figures in parentheses are fiscal 2025 results.

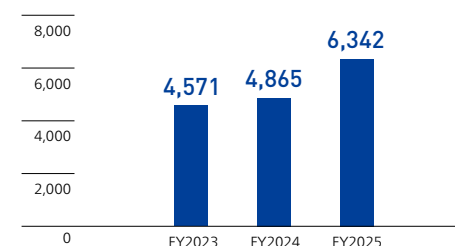
● Logistics Solutions ● Plant ● Business Innovation & Incubation ● Next-Generation Energy Development ◆ Company-wide

	Corporate Management Foundation	
	Risk Management and Governance	Human Capital Management ▶ pp. 48–51
SDGs		
Initiatives	- Strengthen legal compliance and corporate governance - Reinforce BCP - Strengthen information security systems	- Develop a more employee-friendly workplace - Support the development and growth of talent - Promote Diversity, Equity & Inclusion
	● Address human rights issues	● Ensure occupational health and safety
KPIs*	- Maintain outside director ratio at 50% or more → (Non-consolidated) FY2026: 50% (55.6%) - Compliance self-assessment participation rate → (Consolidated) FY2026: 100% (100%) - Risk management training sessions → (Consolidated) FY2026: 4 (4) - Safety confirmation drill participation rate (annual average) → (Consolidated) FY2026: 100% (97.6%) - Disaster and BCP drills → (Consolidated) FY2026: 1 per company per year (4) - Information security training completion rate → (Consolidated) FY2026: 100% (100%) - Targeted email attack drills → (Consolidated) FY2026: 2 (2)	- Annual paid leave utilization rate → (Non-consolidated) FY2026: 80% (76.1%) - Childcare leave utilization rate → (Non-consolidated) FY2026: 100% (78.6%) Men: 100% (80%) / Women: 100% (75%*) * Effectively 100% including employees on maternity leave - Ratio of female managers → (Non-consolidated) FY2026: 10% (6.25%) - Employment rate of persons with disabilities → (Non-consolidated) FY2026: 2.7% (1.3%) - Award system – improvement proposal submission rate → (Non-consolidated) FY2026: 100% (89.4%) - Improve the employee engagement index → (Non-consolidated) FY2026 engagement scores eNPS average: 5.5 pt (5.38 pt) Ease of working average: 4.0 pt (3.92 pt) Sense of fulfillment average: 3.5 pt (3.31 pt) - Secure diverse talent and create opportunities for them to thrive
	- Implement human rights due diligence and the PDCA cycle - Implement human rights initiatives with suppliers and partner companies - Lost-time injury frequency rate → (Consolidated) FY2026: 0 per million hours (1.94 per million hours) - Lost-time injury severity rate → (Consolidated) FY2026: 0 days per thousand hours (0.05 days per thousand hours) - Fatal accidents → (Consolidated) 2025: 0 (0) - Stress check response rate → (Consolidated) FY2026: 100% (91.90%)	
FY2025 activities	- Conducted compliance self-assessments, maintaining and raising compliance awareness across the Group - Held risk management training, and disaster and BCP drills, strengthening our business continuity structure - Held information security training and targeted email attack drills, improving our resilience to cyber risk - Conducted human rights due diligence under our supplier policy, advancing our response to human rights risks in the supply chain	- Introduced a full two-day weekend at worksites - Strengthened heat countermeasures at all worksites through summer working hours and heatstroke prevention equipment - Strengthened the foundation for talent development by enriching OJT and level-based training and clarifying promotion requirements - Adapted our training structure and new HR system, drawing on specialist training personnel - Advanced basic training and qualification support for young employees to develop welders - Promoted next-generation management training and new business studies conducted by younger employees - Continued hiring non-Japanese employees and strengthened multilingual support - Trained female welders and assigned them to worksites
	- Conducted human rights due diligence under our supplier policy - Advanced the use of talent able to meet the communication needs of the job, regardless of nationality	

Climate Change and Environmental Issues

Environmental and disaster management business net sales

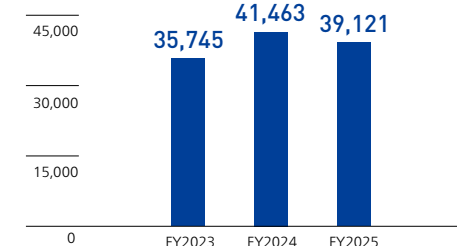
(Millions of yen)



Labor Shortage

Logistics Solutions and industrial machinery business net sales

(Millions of yen)



Product and System Reliability

Serious accidents related to product and service quality

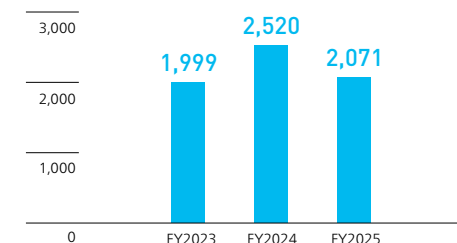
FY2024–FY2025

0

Productivity

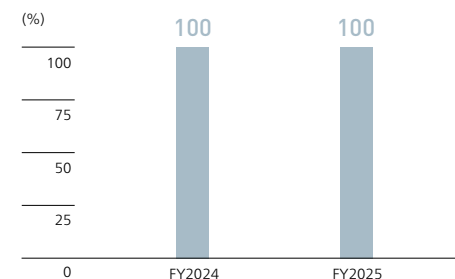
Operating profit per employee

(Thousands of yen)



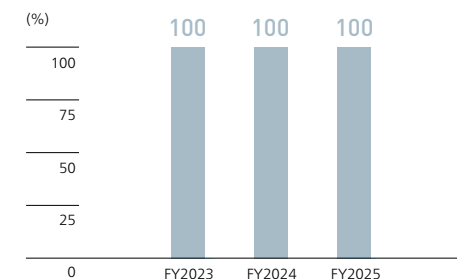
Risk Management and Governance

Compliance self-assessment participation rate*



* Data collection began with FY2024 results

Information security training completion rate

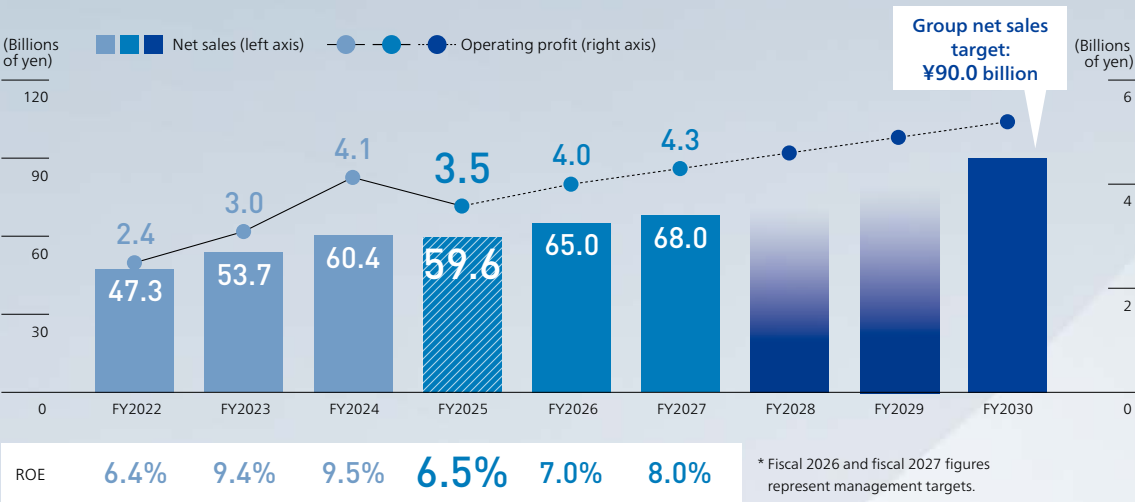


▶ For details of the data in this report, please see the Integrated Report page.
https://www.toyokanetsu.co.jp/global/ir/tkk_report.html

Group Medium-Term Management Plan (Fiscal 2025–2027)

Trajectory of the Group Medium-Term Management Plan

As part of its long-term strategy, the Toyo Kanetsu Group has divided the period from 2022 to 2030 into three phases. In the first phase, the period of the previous Medium-Term Management Plan, we did not achieve the profit and loss plan set forth at the time of its announcement in May 2022; we did, however, achieve increased revenue and profit for two consecutive fiscal years. In the second phase, the current Medium-Term Management Plan, we aim to establish a foundation for future growth under new management strategies aligned with the business environment.



Phase 1
Previous Medium-Term Management Plan

Under the policy of establishing a growth path toward the future, the Logistics Solutions Business drove Group performance. In the Plant Business as well, we built a structure capable of securing stable earnings. As a result, we achieved increased revenue and profit, with net sales reaching a record high.

Phase 2
Current Medium-Term Management Plan

We launched the second phase under the policy of establishing a foundation for future growth, identifying business growth, productivity improvement, and the strengthening of human resource capabilities as our management priorities. By expanding the scope of the Logistics Solutions Business and improving operational efficiency, we are strengthening our structure for sustainable growth.

Phase 3
Next Medium-Term Management Plan

Taking into account the role of each business, we will accelerate growth and work to sustainably enhance corporate value: expanding the Logistics Solutions Business into new domains, continuing to secure stable earnings in the Plant Business, entering the next-generation energy market, and establishing the environmental and disaster management businesses within Business Innovation & Incubation.

Group Management Strategy

Basic Policy: Establish a foundation for future growth

Business Growth

Restructure our business portfolio to create new value and drive sustainable growth

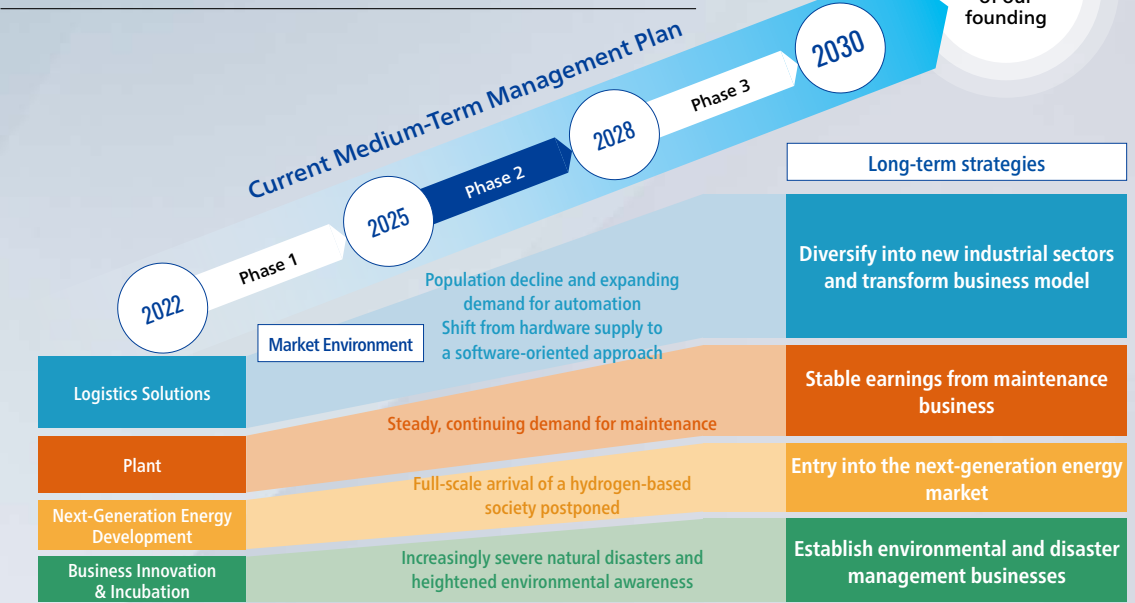
Productivity Improvement

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

Strengthening Human Resource Capabilities

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

Market Environment and Growth Strategy



Consolidated Targets (Fiscal 2027)

Net sales **¥68.0 billion** Operating profit **¥4.3 billion** ROE **8%**

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

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

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)

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

Shareholder Return Policy

As one of our key management priorities, our basic policy is to strike an appropriate balance between strategic investment that enables sustainable growth and the maximization of returns to shareholders.

KFI

- Dividend on equity (DOE): 4.0% or higher (Note: Excluding periods in which large-scale capital requirements arise)
- Applicable period: Fiscal 2026–2028

Capital Policy

To sustainably enhance corporate value, we will proactively pursue growth investment with capital costs in mind, while ensuring financial soundness.

KFI

- D/E ratio (interest-bearing debt / net assets): Below 0.8x
- Equity ratio: Approximately 50%
- Applicable period: Fiscal 2026–2028

► For details, please refer to the Business Overview on pp. 28–33.

Message from the Chief Financial Officer

Steadily Building a Foundation for Future Growth and Advancing to the Next Phase

Takeshi Yonehara

Director and
Senior Managing Officer
Chief Financial Officer
Responsible for Business Innovation
& Incubation Division, Finance,
IR, Risk Management, ESG

Evaluation of Fiscal 2025 Results and Progress of the Group Medium-Term Management Plan

In fiscal 2025, the first year of the current Medium-Term Management Plan, both revenue and profit declined year on year. When the plan was formulated, we had anticipated that revenue recognized from large-scale new construction projects in the Logistics Solutions Business would fall below the previous year's level. However, an increase in higher-margin maintenance-related sales, together with growth in Plant Business earnings, provided support, and our performance in terms of profit and capital efficiency remained in line with the plan. We therefore regard fiscal 2025 as something of a plateau year in the course of our growth.

Within our long-term strategy culminating in fiscal 2030, we position the three years from fiscal 2025 to fiscal 2027 as the second phase, aimed at establishing a foundation for future growth. Guided by this policy, we made steady progress across the three pillars of our Group management strategy: (1) business growth, (2) productivity improvement, and (3) strengthening human resource capabilities. Under business growth, we promoted alliances and decided on a transition to a holding company structure to enhance transparency. Under productivity improvement,

we advanced digital transformation by providing generative AI accounts to all employees. Under human resource capabilities, we prepared for the shift to a new HR system, to be introduced in October 2026, that places greater emphasis on employee motivation and initiative.

Progress on Growth Investment and R&D Investment under the Medium-Term Management Plan

Consolidated operating cash flow for the Group was ¥6.56 billion, remaining positive for a second consecutive year. Drawing on these funds, we allocated ¥660 million to R&D, ¥650 million to recruitment and human resource development, and ¥250 million to IT and DX as growth investments. We also repaid ¥1.7 billion in borrowings to strengthen financial soundness in preparation for major investments ahead.

Expanding the scope of the Logistics Solutions Business is a particularly critical element in reaching our fiscal 2030 net sales target of ¥90.0 billion. To that end, we are developing a warehouse management system (WMS) that supports the operation of entire logistics centers, and we continue to invest in software development companies. We will steadily pursue further investment in areas that strengthen the Group's competitiveness.

Management with an Awareness of Capital Costs and Stock Price

As previously announced, we are pursuing management with an awareness of capital costs and stock price through three pillars: (1) business growth and improved profitability, (2) a stronger capital and financial strategy, and (3) proactive IR activities. Key progress in fiscal 2025 was as follows.

(1) Business growth and improved profitability

We pursued software development as well as M&A aimed at acquiring talent, in order to expand the scope of the Logistics Solutions Business.

(2) A stronger capital and financial strategy

We invested in business expansion, centered on R&D, while balancing financial soundness with shareholder returns, which totaled approximately ¥2.6 billion.

(3) Proactive IR activities

We continued to expand opportunities for dialogue by hosting and participating in briefings for institutional and individual investors in Japan and overseas, and by holding one-on-one meetings, in order to deepen understanding of our business strategy and growth potential.

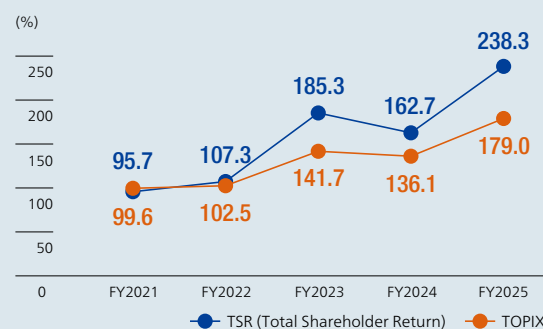
As of July 31, 2026, our PER stands at approximately 14x, and were ROE to reach 8%, our PBR would rise above 1.0x. We therefore recognize that our principal near-term challenge is to sustain ROE at the 8% level, by improving it through business growth and stronger earning power while further enriching our dialogue with investors.

Outlook for Fiscal 2026

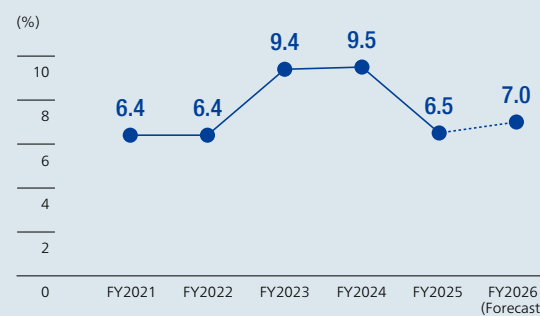
In fiscal 2026, we expect growth in maintenance sales in the Logistics Solutions Business, along with stable earnings from domestic tank maintenance in the Plant Business. The large-scale tank maintenance project in Malaysia, ordered in fiscal 2024, is progressing smoothly and should contribute to sales in that business. In Business Innovation & Incubation, the one-time costs arising from the unification of accounting standards across Group companies will no longer be incurred, and we also expect earnings to accumulate, centered on environmental and disaster management businesses. As a result, we anticipate that consolidated performance will expand and return to a growth trajectory.

Going forward, we will steadily advance the measures set out in the Group Medium-Term Management Plan and work toward achieving our targets in the plan's final year.

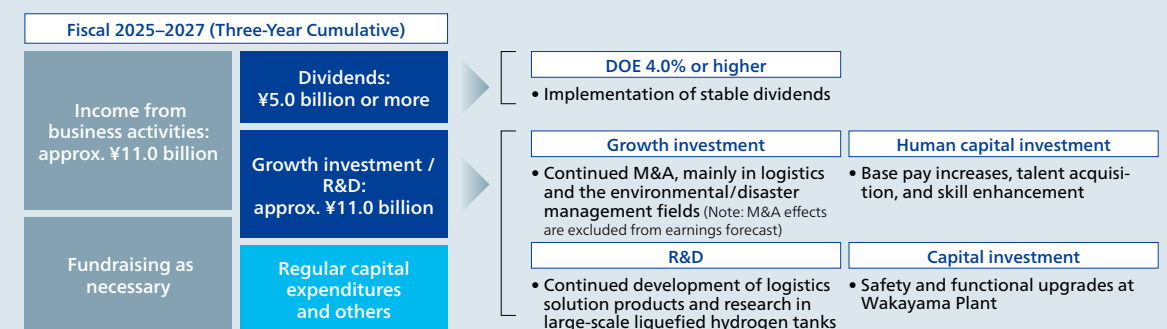
TSR (Total Shareholder Return) / TOPIX



ROE



Medium-Term Management Plan – Financial Strategy



Logistics Solutions Business

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

Shinsuke Yaginuma

Senior Managing Officer
Head of Solutions Division



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

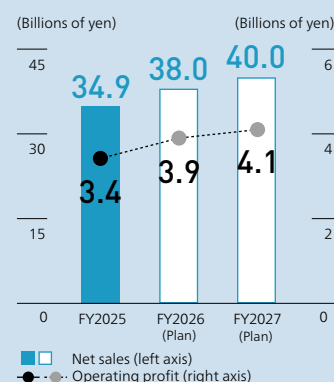
Net sales

¥40.0 billion

Operating profit

¥4.1 billion

Net Sales / Operating Profit



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

Priority
Measures
of the
Medium-Term
Management Plan

Group Management Strategy

Key initiative(s)

1



Business Growth

- Expand into new sectors

2



Productivity Improvement

- Thorough standardization
- Acquisition of new technologies

3



Strengthening Human Resources Capabilities

- Enhancement of organizational capabilities

Review of Fiscal 2025

A growing need for labor-saving automation, primarily among online retailers, 3PL providers, wholesalers, and consumer cooperatives, drove demand for integrated solutions. In this environment, we delivered end-to-end solutions combining in-warehouse storage, conveyance, and operational management, and have begun to see solid outcomes from this approach. Notably, our first delivery of the 3D Pallet Shuttle, a high-density storage system combining three-dimensional storage with automated conveyance, commenced operation, contributing to optimized storage efficiency and a reduced on-site workload at the customer's warehouse. Orders for solutions utilizing AMRs (autonomous mobile robots) also remained firm. By leveraging their space-saving design and highly flexible layout configuration, we broadened our response to automation needs in conveyance and picking processes as

well. In the airport sector, we handled projects for the renewal and maintenance of existing equipment while also making solid progress in developing new solutions in anticipation of future demand for renovation projects. Across both the logistics and airport domains, we strengthened our business foundation with an eye toward future growth.



T-Sort, which enables space-saving and flexible sorting operations

Fiscal 2026 Outlook

In response to labor shortages and fluctuating demand at logistics sites, we will further strengthen our ability to propose comprehensive solutions that combine software and hardware. With respect to our WMS, we are introducing AI functionality powered by AWS to enhance operational analysis, volume forecasting, and inventory management. By making workloads visible and improving the accuracy of human resource planning, we will strengthen our ability to recommend operational improvements. On the sales front, we will continue to extend our offerings to new customer segments, including the manufacturing industry, by leveraging the knowledge we have cultivated in the logistics field. Combined with the product lineup we have expanded in recent years, this will enable us to deliver flexible solutions tailored to each customer's challenges. In addition, we are reorganizing our customer support network

to strengthen our maintenance and service structure. This includes the opening of the Yamanashi Parts Center, the establishment of the Kagoshima Satellite, the relocation and expansion of the Haneda Satellite, and the expansion of the Sendai Center, which, collectively, significantly improves our framework for stable and rapid response.



Yamanashi Parts Center

Plant Business

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

Hitoshi Iida

Managing Executive Officer
Head of Plant Business Division



Value Proposition



Providing highly reliable social infrastructure

Environment	➤ Opportunities 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 the acquisition of new projects
- Develop human resources to ensure the transfer of technical skills

FY2027 Targets

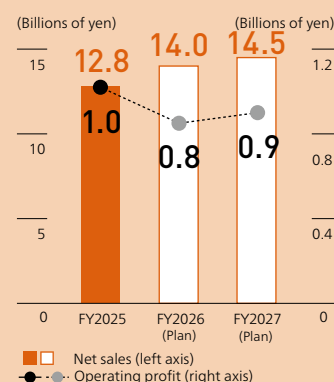
Net sales

¥14.5 billion

Operating profit

¥900 million

Net Sales / Operating Profit



Priority Measures of the Medium-Term Management Plan

Group Management Strategy

- 1 Business Growth**
- 2 Productivity Improvement**
- 3 Strengthening Human Resources Capabilities**

Key initiative(s)

- Secure stable earnings through continued maintenance orders and acquisition of new projects
- Strengthen technical expertise, construction capabilities, and workforce capacity through talent acquisition and development
- Expand into new market segments based on our track record and our expertise as a tank manufacturer
- Introduce new technology to improve efficiency and reduce labor

Review of Fiscal 2025

We saw solid performance as we continued to secure orders for domestic maintenance work centered on statutory inspections, which contributed to a stable earnings base. Through ongoing efforts in recruitment and training, we strengthened our on-site HR structure, including the transfer of technical skills, thereby improving our response capabilities.

Overseas, a large-scale maintenance project in Malaysia, ordered from our subsidiary Toyo Kanetsu (Malaysia) Sdn. Bhd., is currently under way. With support from the headquarters Plant Division, we are managing the project with an emphasis on safety, quality, and schedule. In addition, anticipating a shortage of skilled workers in tank construction, we continue to examine and develop automated welding, cutting, and related technologies that will

contribute to a solid technological foundation, efficient construction operations and improved productivity. By leveraging the technical capabilities and construction expertise accumulated through these initiatives, we will expand orders in the energy storage tank field both in Japan and overseas toward strengthening our foundation for sustainable growth.



Construction of a spherical tank in Indonesia

Fiscal 2026 Outlook

Since domestic maintenance demand is expected to remain stable, we expect to maintain or improve our earnings base, helped by projects with multi-year contracts. To expand orders in the future, we will continue sales activities at our overseas subsidiaries in addition to those in Japan.

With the development of human resources that support plant construction and maintenance as a key theme, we will systematically promote OJT and training frameworks tailored to each job category, including engineers, construction managers, and skilled workers. In particular, by reinforcing the transfer of technical skills in the field, we will build a structure capable of handling projects on a stable and continuous basis.

We will also continue to use automation and other technologies to improve construction efficiency and quality while improving productivity.

Going forward, with our integrated construction capabilities as a strength, we aim to expand orders for energy storage tank projects in Japan and overseas, supporting the stable operation of the energy sector as a key part of infrastructure.



Large-scale refurbishment of a cryogenic tank in Malaysia

Business Innovation & Incubation

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

Shintaro Yoshizawa

Executive Officer

Deputy Head of Business Innovation & Incubation Division
In Charge of Strategic Business Development Department

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

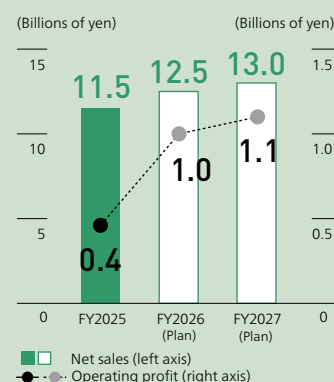
Net sales

¥13.0 billion

Operating profit

¥1.1 billion

Net Sales / Operating Profit



Net sales (left axis)
Operating profit (right axis)

Value
Proposition



- Protecting the infrastructure of our living environment, including homes and workplaces, and enabling disaster prediction
- Providing solutions for a sustainable social infrastructure and for safe living and working environments
- Providing safe and efficient heavy duty transport equipment

Environment

- Increasing demand for environment and disaster management solutions, reinforced by stricter regulations
- Emerging needs in new environmental and disaster management challenges, including biodiversity, water resource management, and an aging infrastructure
- 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

Priority
Measures
of the
Medium-Term
Management Plan

Group Management Strategy



Business Growth



**Strengthening
Human Resources
Capabilities**

Key initiative(s)

- Focus on growth in the environment and disaster management solutions business

- Create Group synergies and business opportunities through integrated Group operations
- Build efficient Group governance

Review of Fiscal 2025

Revenue increased following the consolidation of SAKATA DENKI Co., Ltd. and MAXPULL MACHINERY & ENGINEERING CO., LTD. On the profit side, however, earnings declined due to a rebound effect in certain businesses and changes in the competitive environment, compounded by the recording of M&A-related expenses and costs associated with the integration process. In the environment and disaster management solutions business, demand for measurement in civil engineering work grew against a backdrop of infrastructure renewal and heightened disaster awareness, while competition in the asbestos abatement market intensified. In the industrial machinery business, the market remained stable, supported by growth in construction investment and in capital investment plans related to semiconductors and rechargeable batteries.

Greater integration among Group company operations created more synergy and generated new business opportunities, which is a priority measure of the Medium-Term Management Plan. We implemented a planning program for Group management personnel aimed at driving non-linear growth at each company and promoted value creation driven by market needs through the cross-organizational project, Miralyne. The collaboration cultivated through these activities generated tangible synergies, including an increase in order opportunities.



Growth program attended by Group management personnel

Fiscal 2026 Outlook

In fiscal 2026, the second year of the Medium-Term Management Plan, we will focus on generating synergies by bringing together the proprietary technologies developed by our three Group companies as part of the Division's efforts centered on the environment and disaster management domains. We aim to build solutions that respond to growing societal needs, such as predictive maintenance and life extension for aging infrastructure, support for environmental measures tied to urban redevelopment, and the reduction of indirect damage in the event of large-scale disasters. To realize these goals, we will develop the business models of our existing operations, and work to create a new business foundation for future growth. At the same time, through activities centered on the Miralyne Project launched last fiscal year, we are creating a forum in which the sales

operations of each Group company work as one to generate customer value, leading to stronger interdepartmental collaboration and enhanced proposal capabilities. In the industrial machinery business, we established a Synergy Creation Committee to actively promote cross-selling and joint development initiatives to increase project volume with MAXPULL MACHINERY & ENGINEERING in areas such as products and customers to expand sales.



Miralyne informational event

Dialogue between



Outside Directors

Kazuo Ushida

Kazuo Ushida served as President and Representative Director of Nikon Corporation and later as Chairman of the Board. In June 2021, he was appointed an Outside Director and Audit & Supervisory Committee Member of Toyo Kanetsu K.K.

He previously served as Chairman of the JAPAN TELESCOPE MANUFACTURERS ASSOCIATION, Chairman of the Japan Optical Glass Manufacturers' Association, and an Outside Director of JSR Corporation. He currently serves as Senior Counselor of Nikon Corporation and Chairman of the Japan Optical Industry Association.



Osamu Watanabe

Osamu Watanabe served as President, CEO, and Nomination and Compensation Advisory Committee Member of TOSTEM VIVA Co., Ltd. (now ARCLANDS CORPORATION). He has worked as a management consultant since 2021 and continues to lead the second-generation management school Kyoo Jikki. He became an Outside Director of Toyo Kanetsu in 2025 and an Outside Director (Audit & Supervisory Committee Member) in June 2026.

Dialogue between Outside Directors

Strengthening Group Governance Through the Transition to a Holding Company Structure

The Role of Audit & Supervisory Committee and Board Effectiveness Under the New Structure

Watanabe: At the 118th Annual General Meeting of Shareholders held in June 2026, I was appointed as an Audit & Supervisory Committee Member of Toyo Kanetsu. Drawing on my previous management experience, as well as the insights I have gained through ongoing dialogue with fellow Audit & Supervisory Committee members, I look forward to contributing to the Company's continued development.

Throughout my career, I have remained committed to the principles of "fair business and fair management." What matters most to me is whether decisions are made in a manner that is logical, principled, and aligned with sound business judgment. As management faces an increasingly diverse range of challenges, it is important to maintain a clear and consistent framework for decision-making. Guided by this philosophy, I intend to support the Company's sound governance and long-term growth.

Ushida: Mr. Watanabe assumed the role of Audit & Supervisory Committee Member after serving as an Outside Director for the past year. His customer-centric perspective, particularly in the logistics field, has added a valuable new dimension to Board discussions and further enhanced the diversity of viewpoints represented within the Board.

Over the course of my 49 years in manufacturing, I have seen countless businesses experience both growth and decline. When market conditions become challenging, differing opinions inevitably emerge over whether a business should be expanded, restructured, or discontinued. Yet there is seldom a definitive right answer to these decisions. Today, our own Logistics Solutions and Plant businesses are facing structural changes in their operating environments, requiring management to make critically important decisions regarding strategic priorities and capital allocation.

At the same time, we are nurturing new businesses that we expect to become future growth drivers. As these initiatives develop, it is important that management remains steadfast in its strategic direction. By bringing together our respective experiences and areas of expertise, the Audit & Supervisory Committee can provide meaningful oversight and support, helping to foster sound decision-making and sustainable growth across the Group.

Watanabe: With all Outside Directors having been appointed as Audit & Supervisory Committee Members at this year's Annual General Meeting of Shareholders, the Board has entered a new stage of development. Effective governance is not about the balance of numbers or the existence of opposing views. Rather, it is about fostering meaningful, high-quality discussions informed by a diversity of perspectives. In that regard, I see it as my responsibility to bring a unique and constructive perspective to the table and help enrich the Board's deliberations.

Looking back on the past year, what has given me the greatest confidence is the way the Board reaches its conclusions. Directors engage in frank and constructive discussions, challenging one another's assumptions from different perspectives. Yet those discussions consistently lead to decisions that enjoy broad support and shared understanding. The Company's culture encourages open dialogue and thoughtful debate, and I place great trust in that strength.

Ushida: With the number of inside and outside directors now evenly balanced, some may express concern that outside directors do not constitute a majority of the Board. From my experience over the past five years, however, I have consistently seen the views of outside directors respected and incorporated into the decision-making process through open and substantive discussion. Accordingly, I am confident that the Board's governance function will remain fully effective under this structure.

In addition, Audit & Supervisory Committee Members serve concurrently as directors, enabling them to assess matters from multiple angles, including both business appropriateness and legal compliance. This framework has further enhanced the Board's oversight capabilities. Supported by a culture of mutual trust and constructive dialogue, we will continue to provide effective supervision and contribute to the sound governance of the Group.

The Discussion and Perspectives Behind the Holding Company Transition

Watanabe: The planned transition to a holding company structure in fiscal 2027 was not the result of a single decision, but rather the culmination of extensive discussions conducted over a considerable period of time. Deliberations began within a study committee that included Outside Directors and continued even after the proposal was formally brought before the Board.



The Audit & Supervisory Committee Members provided candid and, at times, challenging feedback throughout the process. By repeatedly revisiting, refining, and re-evaluating the proposal, we were able to strengthen it significantly. As a result, I believe we have developed a structure that is both highly practical and well positioned to support the Group's future growth.

Ushida: Throughout the process of designing the new structure, my primary concern was how it would be received by stakeholders, both within and outside the Group. I was particularly vocal about the internal implications of the transition, raising a number of challenging questions and concerns. In my view, this demonstrates the Audit & Supervisory Committee's strong sense of responsibility and its commitment to actively engaging in discussions regarding the future direction of the Company.

By engaging in open, constructive, and at times rigorous debate, all directors were ultimately able to develop a shared conviction regarding the proposed course of action. It was precisely because the Board was able to reach this level of alignment and confidence that I believe we were able to formulate the most appropriate transition plan.

Watanabe: My focus was on ensuring that this transition would be genuinely beneficial to our subsidiaries and that their growth story would be compelling, clearly understood, and broadly supported by stakeholders both inside and outside the Group.

In my view, the true value of a holding company structure is not found in tighter parent-company control. Rather, it lies in creating an environment where each subsidiary can pursue growth with greater agility and autonomy, while leveraging its unique expertise and competitive advantages in targeted markets. The holding company should then provide the capital, human resources, and strategic guidance needed to support those efforts.

Establishing a framework in which the success of each subsidiary contributes to the growth of the entire Group will be critical going forward. Accordingly, the holding company should not only fulfill a governance function but also play an active role in enabling and accelerating the growth of its operating companies.

Ushida: No organizational structure is without its trade-offs. Ultimately, the success of the transition to a holding company structure will depend on how effectively it is

operated in practice. Potential challenges include higher costs arising from overlapping management functions as the organization becomes more complex, as well as uncertainty among employees regarding the new structure. It will therefore be essential to address these concerns through transparent communication and sustained dialogue throughout the transition process.

Nevertheless, I believe the benefits are even greater. By clearly delineating the position, performance, and growth prospects of each business, the holding company structure facilitates more effective resource allocation and more agile decision-making tailored to the needs of each business at its particular stage of development.

The same advantages extend to investors and prospective business partners. A more transparent organizational framework makes it easier to evaluate opportunities for collaboration, investment, and M&A, while enhancing understanding of the Group's overall business portfolio. Ultimately, this increases strategic flexibility and enables the Company to act more rapidly and decisively in response to a changing business environment.

Investing for Growth Under the Medium-Term Management Plan

Ushida: When evaluating the progress of our medium-term management plan, it is, of course, important to monitor financial indicators such as revenue and operating profit on a quarterly basis. However, what I place even greater emphasis on is a long-term perspective that looks 30 or 40 years into the future. Our fundamental goal is to remain a company where employees joining us today can look back decades from now and sincerely say, "I'm glad I chose to work here."

Accordingly, I look beyond immediate profitability to evaluate whether we are aligned with long-term growth trends, carefully considering both the risk of future business saturation and the potential of nascent opportunities that could evolve into significant sources of growth over time.

Watanabe: That perspective is absolutely critical. We regard our medium-term management plan as a key milestone on the journey toward realizing our "ACTION FOR THE FUTURE" vision. While the achievement of financial targets is important, we believe that sustainable growth in corporate value ultimately stems from continuous improvements in the quality and capabilities of the organization.

While fiscal 2025 results fell short of certain targets due to a temporary gap between major projects, we do not view this as a cause for concern. Across the Group, our businesses continue to make steady progress in line with the actions outlined in the plan.

In the Logistics Solutions business, for instance, we are expanding our logistics DX capabilities, including warehouse management system (WMS) solutions, as we advance toward a holistic management approach. At the same time, the Plant business is becoming structurally more resilient and increasingly capable of generating stable profits. These achievements reflect meaningful advancement from both quantitative and qualitative perspectives.

Ushida: We are currently operating in an environment that requires careful judgment as we weigh the merits of proactive investment against the need for prudence.

Although the Plant business enjoys a comparatively stable earnings base driven by maintenance services, the Logistics Solutions business remains more susceptible to fluctuations in customers' investment sentiment.

Nevertheless, I regard these headwinds as cyclical rather than structural. Rather than focusing on short-term market fluctuations, the key question is whether we are positioning the Company in line with the long-term trends that will drive sustainable growth.

Watanabe: Although the domestic market no longer offers an easy path to sustained growth, untapped opportunities undoubtedly remain, even in markets often perceived as mature or constrained. By strengthening our WMS-centered information systems offering and delivering seamless, end-to-end solutions that cover the full logistics center process from receiving to shipping, we believe we can significantly broaden our access to attractive new market opportunities.

At the same time, I would like to see each of our businesses continue pursuing new challenges with confidence and without hesitation. The shift to a holding company structure will empower our subsidiaries to act more autonomously and respond more swiftly to changing circumstances. By fostering an environment that supports proactive initiatives, including strategic partnerships and alliances, we believe the new structure will serve as a strong catalyst for expanding into new markets and generating future growth.

Advancing ESG Management Through the Evolution of Our Core Business

Watanabe: Drawing on regular reports from the Sustainability Committee's subcommittees the Committee actively reviews the progress of key initiatives and discusses emerging issues, with the Board providing oversight of these efforts.

In my view, ESG is not defined solely by the introduction of special initiatives or the pursuit of highly visible programs. Because our Group's business activities are inherently connected to ESG themes, the question is not what additional measures we should undertake for ESG's sake. Rather, I believe that enhancing the value and sustainability of our core businesses is itself the most meaningful way to advance ESG management and create long-term value.

Ushida: I fully agree that our businesses are intrinsically connected to ESG. The Logistics Solutions business enhances operational efficiency and productivity throughout the supply chain, while the Plant business plays a vital role in maintaining the safety and resilience of social infrastructure. Meanwhile, the Business Innovation & Incubation contributes more directly to environmental stewardship and resource management.

In this sense, our commitment to strengthening and growing our core businesses is itself evidence of our ESG commitment. It sends a compelling message not only to investors but also to our employees that their daily work delivers tangible value to society.

At the same time, people are the foundation of both the Social and Governance dimensions of ESG. Demonstrating that we are truly a company that values its people is therefore of critical importance. Diversity, for example, should not be viewed solely as a social

responsibility; it is also a source of organizational strength and competitiveness. Accordingly, in my role as an Audit and Supervisory Committee Member, I rigorously monitor whether initiatives such as the advancement of women and the employment of persons with disabilities are being effectively implemented and producing meaningful results, rather than existing merely as policy statements.

Watanabe: As Mr. Ushida rightly pointed out, people are the lifeblood of a company. Historically, many Japanese companies have taken a "bamboo shoot" approach to talent development, expecting employees to naturally grow and flourish once given the opportunity. Yet, if we are truly committed to placing people at the center of management, we need a more intentional approach, one that carefully nurtures individual growth much like a gardener cultivates fruit or vegetable crops.

What matters is not only whether numerical targets are achieved, but also how much effort and attention are devoted to the process behind those results. As Audit and Supervisory Committee members, we have a responsibility to rigorously monitor management's actions and execution, not merely the outcomes they produce.

At the same time, ESG encompasses a wide range of issues, and it is neither practical nor effective to tackle every area at once. By identifying priority ESG themes each year and linking them closely to the medium-term management plan, we can steadily raise our performance one step at a time. I believe this disciplined approach will ultimately strengthen stakeholder trust and support while enhancing long-term corporate value.

Ushida: The alignment of the entire organization around a shared direction is a significant strength of our Company. The critical issue is not simply articulating a vision, but ensuring its successful execution. From that perspective, I believe the foremost responsibility of the Audit and Supervisory Committee is to independently monitor whether the vision is being translated into concrete actions and tangible outcomes.

By reinforcing the credibility of our vision through consistent execution, we can enhance employees' sense



of ownership, pride, and engagement, thereby supporting the sustainable growth of the Group.

Realizing Our Future Through an Advanced Group Management Structure

Ushida: Our core Logistics Solutions and Plant businesses each have significant strengths, yet both face the challenge of making difficult management decisions and maintaining competitive differentiation in an evolving business environment. For that reason, it is critical that, while charting the next course for these established businesses, we also cultivate environmental and disaster management businesses within our Business Innovation & Incubation segment and develop it into the Group's next growth engine.

There is no guarantee that any company will continue to thrive 50 years from now. Precisely because of this reality, we must articulate a compelling vision of the future to our stakeholders and remain steadfast in our determination to deliver transformative change.

Looking ahead to the planned transition to a holding company structure in fiscal 2027, success will depend on delegating authority to each business in a manner that

supports agile decision-making while maintaining clear organizational accountability. This relationship is, in many respects, analogous to that between outside directors and the executive management team. By clarifying the respective roles of the holding company and its operating subsidiaries and engaging at the appropriate level according to the significance of each issue, we can establish a sophisticated and highly effective Group management structure.

Watanabe: I believe this transition to a holding company structure has the potential to serve as a catalyst for the Group's future growth. Its success, however, will depend not only on the strength of governance at the parent company, but also on the ability of each subsidiary to pursue a clear vision and establish a leading position in the marketplace.

Equally important is the parent company's oversight role. As part of its monitoring function, it must adopt not only an internal perspective but also a customer perspective, continually assessing whether each subsidiary is earning the trust and support of its clients. I look forward to seeing our subsidiaries develop into vibrant, self-driven organizations that move forward with both agility and independence.

Message from Outside Directors

Organizational Evolution and Maximizing Corporate Value Through the Transition to a Holding Company Structure



Shuji Iwamura

Outside Director,
Audit & Supervisory
Committee Member

The transition to a holding company structure represents the foundation for the Group's next stage of growth and, above all, a challenge undertaken with a view to the future. Our Group has now reached a point where it must move beyond past successes and, with conviction and determination, pursue new avenues of growth.

Under the new structure, I expect the holding company to take responsibility for formulating and overseeing Group-wide strategy, while each operating company leverages its unique business characteristics as an independent entity, acting proactively and entrepreneurially to enhance its value and competitiveness.



Yukari Sakai

Outside Director,
Audit & Supervisory
Committee Member

The transition to a holding company structure provides an excellent opportunity to advance the evolution of the organization by optimizing Group strategy formulation, decision-making processes, and post-merger growth support.

As a member of the Audit & Supervisory Committee, I will continue to objectively monitor the autonomous growth of each business while supporting the strengthening of Group-wide governance and the enhancement of risk management. Through these efforts, I hope to contribute to the sustainable enhancement of corporate value across the Group.

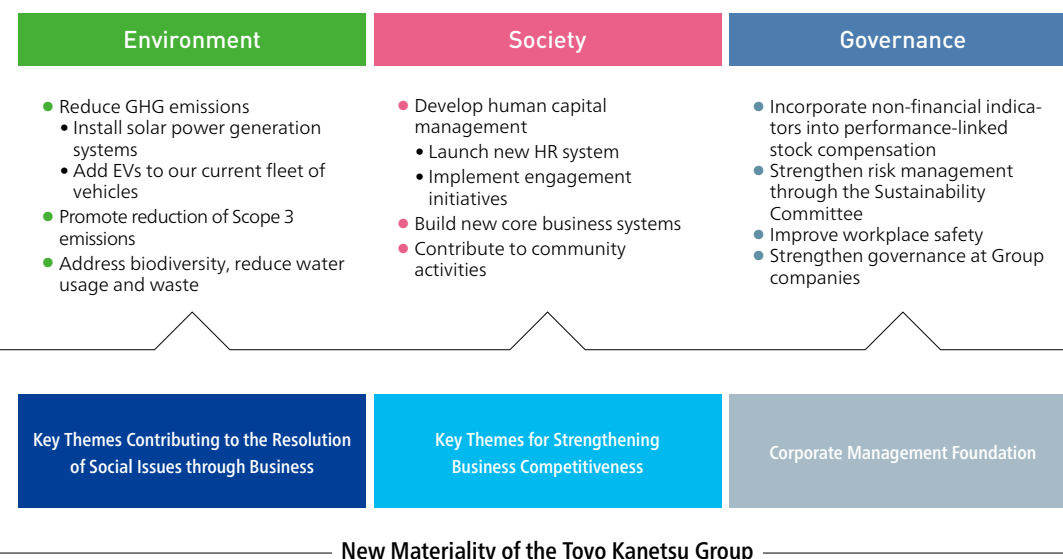
Toyo Kanetsu Group's

ESG Management

With a view to sustainably enhancing corporate value, the Toyo Kanetsu Group positions its ESG initiatives at the core of its management strategy and promotes them as an essential management foundation. We recognize ESG not merely as a matter of responding to societal expectations, but as an indispensable element in achieving medium- to long-term growth.

In recent years, the business environment has changed considerably, and the roles expected of companies have grown increasingly demanding—from addressing climate change, to securing and developing human resources, to giving due consideration to sustainability across the entire supply chain. Responding appropriately to these issues does more than mitigate risk. It creates new opportunities for growth and is directly linked to maintaining and strengthening our competitiveness, making it a key management priority.

Guided by this understanding, and taking the resolution of social issues through our business as our starting point, the Group advances its business strategy and ESG initiatives as one, working to help realize a sustainable society while enhancing corporate value.



Environment

Continuing Research and Development Toward Carbon Neutrality

Amid rapidly shifting global conditions, ensuring the stable supply of conventional energy sources such as oil and LNG — the leading energy source for the transition away from carbon, which has gained renewed attention—has become a major focus. As a specialist tank manufacturer, Toyo Kanetsu Group has supported the development of the energy infrastructure through construction and maintenance technologies cultivated over many years.

Advances in Hydrogen Tank Development

Hydrogen is widely regarded as a promising energy carrier necessary to achieve carbon neutrality. But to successfully achieve a hydrogen society, economically feasible, large-scale transportation is essential. To that end, the supply chain to handle and transport carriers, including liquefied hydrogen, ammonia, and organic hydrides, is currently being developed. Large-scale storage tanks at both the export and receiving terminals will be a major contributing factor toward realizing a hydrogen-based supply chain.

With a firm focus on liquefied hydrogen, which presents the greatest number of technical challenges, we continue to make significant R&D advancements in large-scale storage tank technologies. Because liquefied hydrogen evaporates approximately seven times more readily than LNG, establishing high-performance insulation technology to minimize boil-off losses during storage is a critical challenge. We have long been actively engaged in R&D efforts on elemental technologies that contribute to enhanced insulation performance.

Since 2023, Toyo Kanetsu Group has participated in the NEDO* R&D program, "Technology Development for Building a Competitive Hydrogen Supply Chain / Technology Development for the Construction of a Large-Scale Hydrogen Supply Chain," pursuing practical technological development under the theme of "R&D on the Scale-Up of Liquefied Hydrogen Storage Tanks." As part of the program, we are constructing a test tank at approximately one-tenth the scale of a commercial unit (inner tank diameter: ϕ 4m; storage capacity: approximately 29 m³) to verify the feasibility and performance of an integrated system combining all previously

established elemental technologies, and will conduct demonstration testing toward commercialization of 50,000 m³-class large-scale liquefied hydrogen tanks, which is a specification set by the Ministry of Economy, Trade and Industry. The test tank will allow for the verification of construction and inspection methods, vacuum evacuation procedures, and welding techniques for the commercial-scale unit. In addition, actual liquefied testing using liquefied hydrogen stored at -253°C will be conducted to evaluate cooling procedures and insulation performance, which will directly contribute to the technical knowledge necessary for the commercialization of 50,000 m³-class large-scale liquefied hydrogen tanks.

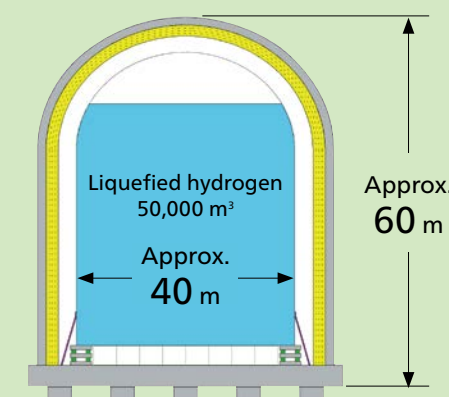
We completed a preliminary design of the ultimate tank specification — a 50,000 m³ liquefied hydrogen tank — establishing an overall vision for a future commercial tank, and further developed the detailed design of the test tank with the objective of verifying new technical challenges not encountered in conventional large-scale LNG tanks. In preparation for construction, we ordered tank materials, electrical and instrumentation equipment, factory fabrication services, civil engineering works, and piping and ancillary facility construction. Furthermore, as the test tank will use actual liquefied hydrogen, we selected an appropriate construction site with comprehensive consideration of safety protocols, the testing environment, and locational conditions. We applied for the various permits and licenses with local authorities and agencies as stipulated by the High Pressure Gas Safety Act for the installation and fabrication of the test facility.

We began construction in 2026 and aim to complete testing in 2027.

* New Energy and Industrial Technology Development Organization

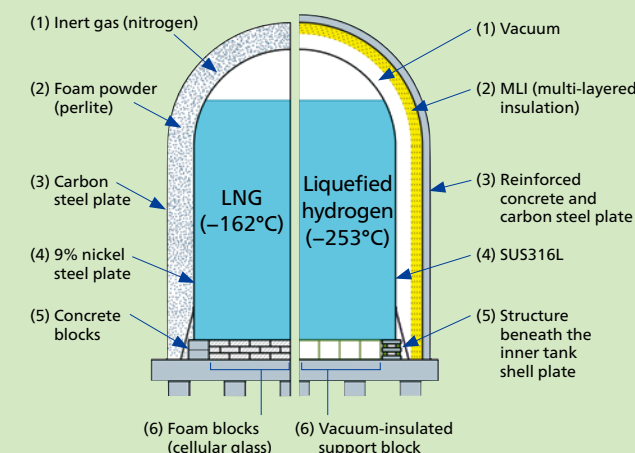


50,000 m³ Liquefied Hydrogen Tank



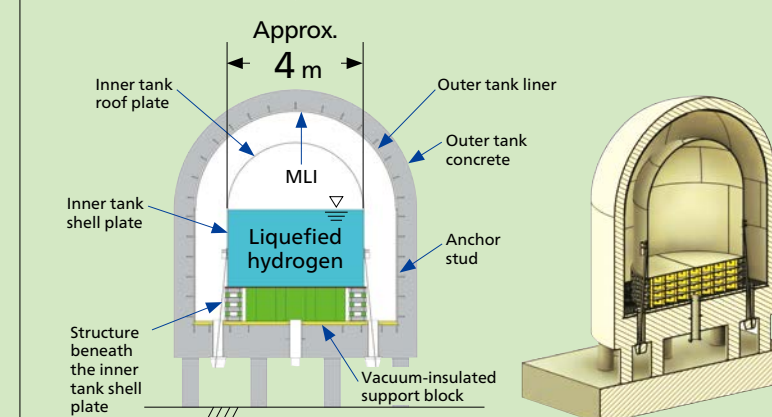
Approx. 1/10 (height x diameter)

Features of Toyo Kanetsu Group's Liquefied Hydrogen Tank



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

Test Tank and Verification Items



Verification Items

Assembly and construction	Inspection
Welding	Vacuum evacuation
Cooling method	Thermal insulation performance

Environment

Disclosure in Line with the TCFD Recommendations

The Toyo Kanetsu Group recognizes climate change as one of its key management priorities (materiality) and identifies and evaluates climate-related risks and opportunities in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These risks and opportunities are reflected in our materiality framework and KPIs, with progress monitored and managed across the Group.

Our response to climate change is not only a means of mitigating management risks, such as tighter regulations and rising carbon prices, but also an opportunity to strengthen competitiveness and create new business opportunities.

Item	Response status
Governance	- The Sustainability Committee oversees company-wide risks, including ESG-related risks, and reports to the Board of Directors at least quarterly. The Board supervises these activities and makes management decisions as necessary. - In May 2025, the Company introduced a stock-based compensation program linked to ESG performance for directors, excluding Outside Directors.
Strategy	- Scenario analyses have been conducted using both a below-2°C scenario and a 4°C global warming scenario, with a forward-looking perspective toward 2050. - Climate-related risks and opportunities are assessed based on their significance to business operations and financial performance, as well as the expected timing of their occurrence, and corresponding response measures are implemented. - In both the Logistics Solutions and Plant businesses, we have concluded that climate-related opportunities substantially outweigh the associated risks from an overall financial perspective.
Risk management	The Sustainability Committee identifies, evaluates, and monitors company-wide risks, including ESG-related risks. Response measures are prioritized according to their significance, and progress is reported to the Board of Directors.
Metrics and targets	- Reduction targets have been established for Scope 1 and Scope 2 emissions across the Company and its domestic and overseas consolidated subsidiaries. - Achieve carbon neutrality by 2050. - Reduce Scope 1*1 and Scope 2*2 emissions by 50% from fiscal 2019 levels by 2030. Note: For Scope 3 *3 emissions, we are working with suppliers and customers to promote emissions reductions throughout the value 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

Climate change presents significant risks to the Group’s business, including rising carbon prices, tighter regulations, energy cost volatility, and operational disruptions caused by extreme weather events. At the same time, it creates opportunities through growing demand for low-carbon technologies and environmentally focused services. Against this backdrop, the Group is advancing a range of initiatives, including the reduction of greenhouse gas (GHG) emissions, expanded use of renewable energy, and the decarbonization of facilities and vehicles. We view these efforts not simply as environmental initiatives, but as measures that help mitigate future cost risks, strengthen business competitiveness, and create new sources of value. Accordingly, climate-related actions are being integrated into our overall management strategy.

Going forward, we will continue to enhance our disclosures in line with the TCFD recommendations while contributing to the realization of a sustainable society through proactive climate action. To ensure that climate-related risks and opportunities are appropriately reflected in management decisions, the Group introduced an Internal Carbon Pricing (ICP) framework in fiscal 2022. This framework incorporates future carbon constraints into investment and business strategy decisions. Looking ahead, we will continue to strengthen our management foundation in support of long-term corporate value creation as society transitions toward a decarbonized future.

► For further details, including the results of our scenario analyses, please refer to “Toyo Kanetsu Group Disclosure Based on the TCFD Recommendations.”
https://www.toyokanetsu.co.jp/pdf/2022/toyo_kanetsu_2926.pdf



Reducing Greenhouse Gas Emissions

The Toyo Kanetsu Group is committed to reducing GHG emissions associated with energy consumption. Our fiscal 2025 emissions were as follows:

- Scope 1: 2,174 t-CO₂e
- Scope 2: 2,754 t-CO₂e (Offset amount: 1,630 t-CO₂e)
- Scope 3: 265,815 t-CO₂e

As a result, the Group achieved a 37.5% reduction in Scope 1 and Scope 2 emissions compared with fiscal 2019 levels, surpassing its interim target of a 30% reduction.

For Scope 3 emissions, we continue to examine category-specific initiatives, including the use of environmentally responsible materials and reductions in electricity consumption during the product-use phase. The emissions calculation system introduced in fiscal 2025 has now been largely deployed at the head office and is improving both the accuracy of GHG accounting and the quality of emissions analysis. The system is currently being rolled out across Group companies, enabling us to accelerate the development and implementation of emissions-reduction initiatives on a Group-wide basis.

In March 2025, as part of our efforts to contribute to climate change mitigation through emissions reductions, we switched the electricity used at our Tokyo headquarters to electricity derived from renewable energy sources. We are also considering similar transitions at our Group companies. In addition to the self-consumption solar power generation system already in operation at our Chiba facility, similar systems have now been installed and commissioned at our Yamanashi facility and Wakayama Plant. We are also expanding the use of EVs introduced at the Wakayama Plant and Kobe Center and are evaluating the introduction of EVs for company vehicles at the Chiba facility.

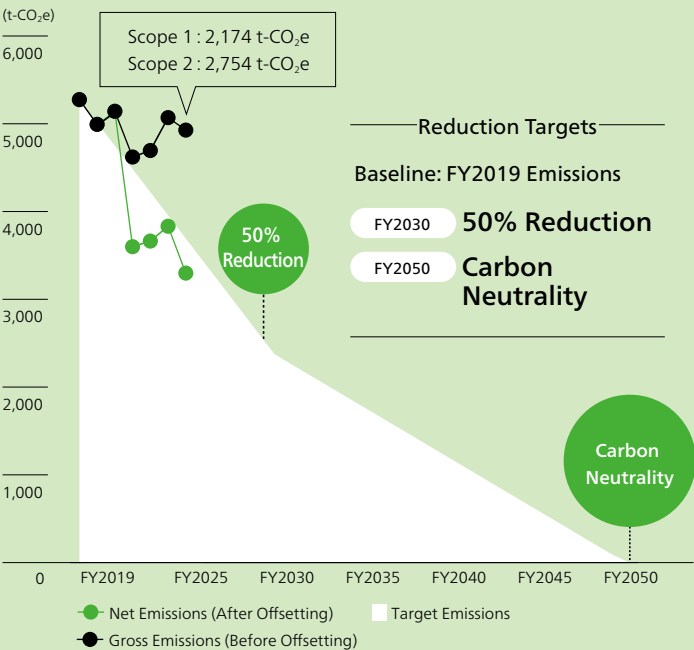
Although the Group is scheduled to transition to a holding company structure in fiscal 2027, we will continue to advance decarbonization initiatives across all Group companies under the new structure.



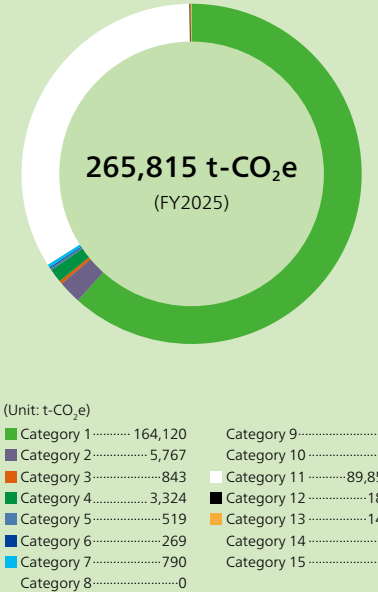
Wakayama Plant Solar Power Installation

GHG Emissions

GHG Emissions Reduction Targets and Offset Trends



Scope 3 Emissions Breakdown by Category



Environment

Our Approach to Addressing Environmental Challenges Through the Business Innovation & Incubation Segment

The Toyo Kanetsu Group is driving the growth and expansion of its Environment and Disaster Management Solutions Business in response to increasingly serious societal challenges, including more frequent extreme weather events, natural disasters, and aging infrastructure. Through this business, we aim to provide solutions that contribute to environmental protection, disaster preparedness, and the resilience of social infrastructure.

The "environment" we seek to protect extends beyond natural ecosystems such as mountains, rivers, and forests. It encompasses the broader environment in which people live and work, including the infrastructure and systems that support everyday life. By

helping safeguard, monitor, and maintain these environments, we strive to reduce the impact of disasters and accidents while contributing to a safer and more sustainable society.

Kankyo Research Institute Inc., Eco Analysis Corporation, and SAKATA DENKI Co., Ltd. are committed not only to strengthening their existing businesses but also to leveraging their expertise as niche leaders in their respective fields. Through continued innovation and expansion into new areas, these companies are pursuing the development of advanced solutions that address emerging environmental and social challenges.



Group Company Solutions



Educational Seminars on Asbestos Risk Management and Regulatory Compliance

We provide educational programs for property owners, developers, and other stakeholders to deepen their understanding of asbestos-related risks and the regulatory requirements associated with building demolition and renovation projects.

These seminars offer systematic guidance on relevant regulations, investigation methodologies, and risk management practices, helping participants improve awareness of asbestos-related hazards while promoting appropriate environmental protection and workplace safety.



More than 250 asbestos seminars conducted to date



Comprehensive Air Quality Monitoring Services for Municipalities

In response to growing needs related to climate change adaptation and environmental risk management, we launched SoraMiru (Air Quality Monitoring & Management), an integrated service providing measurement, operation, and maintenance for continuous air quality monitoring systems.

The service helps alleviate labor shortages and administrative burdens faced by local governments while supporting the establishment of stable monitoring frameworks. By improving the visualization of environmental data and enabling more informed policy decisions, it contributes to sustainable environmental administration and the creation of long-term social value.



Launched an innovative comprehensive air quality monitoring service



Digital Transformation Solution for 3D Measurement in Construction Management

SAKATA DENKI Co., Ltd. has begun providing a digital transformation solution that integrates its proprietary measurement cloud platform, DABROS, with third-party 3D construction management models, enabling real-time visualization of construction site conditions.

By integrating diverse datasets and supporting the early detection of potential issues, this solution enhances decision-making while contributing to the safety, reliability, and long-term sustainability of infrastructure.



Providing advanced 3D measurement DX solutions for construction management

Social



Providing Solutions That Optimize the Entire Logistics Process

Japan's aging population and declining birthrate are making labor shortages at logistics sites increasingly severe. Consumer cooperatives in particular face mounting pressure from fluctuating volumes and small-lot, multi-item handling, while manufacturers need more sophisticated inventory management and process coordination. Balancing efficiency with stable operation has become a critical management issue.

The Toyo Kanetsu Group works at the front line of logistics to solve these challenges, with solutions that reach from automation and labor savings at the site through to optimization of the entire logistics process. These efforts also advance two of our materiality items — New Technologies and Collaboration — and strengthen our business competitiveness.

Logistics Automation That Delivers Both Productivity and a Better Workplace

At logistics sites, maintaining stable operations against daily swings in order volume and shipment mix ranks alongside the labor shortage as a critical challenge. Picking systems built around autonomous mobile robots (AMRs) reduce how far workers have to move, delivering labor savings and higher efficiency at once.

One of the great strengths of these automated systems is how flexibly they adapt to shifting order patterns. Freed from a fixed layout, they run stably

even where volumes swing sharply between peak and off-peak periods. Securing and training staff to match rising and falling workloads has long troubled logistics sites, and systems like these keep those sites running efficiently.

The AMR carries goods to the worker rather than the worker walking to the goods. Shorter distances mean less physical strain, and a workplace where people can work more comfortably.

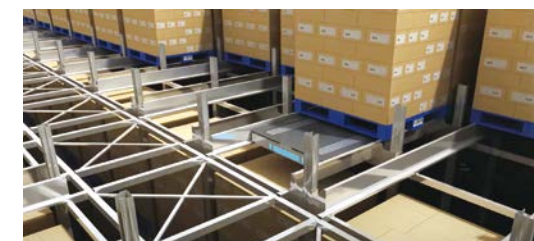


Mitsui-Soko Logistics Co., Ltd. (Fukuoka Office / T-sort installation)

Storage Automation That Performs Even Where Work Is Constrained

Where the environment limits how long people can work, or where tight space demands high storage efficiency, building storage and transport systems that run without manual labor becomes a critical challenge. The 3D Pallet Shuttle answers that challenge, combining high-density three-dimensional storage with automated transport to lighten the workload and raise storage efficiency. Automation proves most valuable at sites with heavy physical strain and safety constraints — low-temperature environments such as refrigerated and frozen warehouses, or sites handling heavy items. Automating pallet storage and retrieval removes the reliance on manual work and lets customers build a storage system that makes effective use of limited space.

Solutions like these support labor savings, safety, and productivity at a wide range of sites, manufacturing among them. They also improve working environments and help build logistics and production systems that can be sustained.

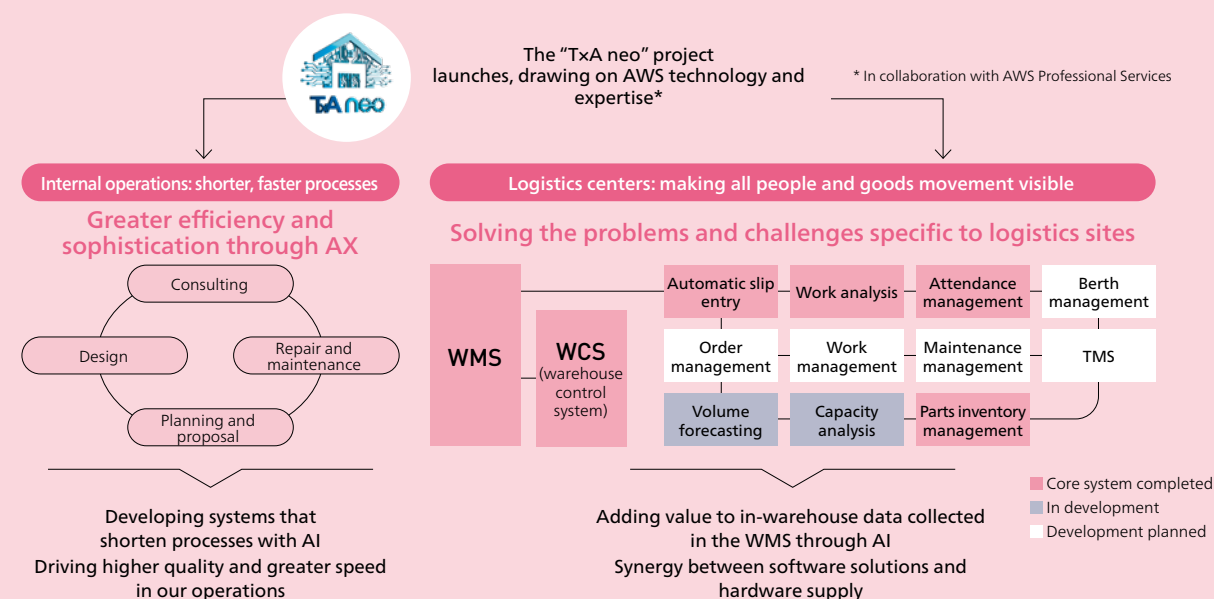


3D Pallet Shuttle

Warehouse Management That Supports Stable Operation Through Visualization and Forecasting

Sustained operation at logistics sites calls for more than automated equipment; it calls for more sophisticated management functions that encompass the whole operation as well as optimize it. A WMS (warehouse management system) makes receiving, storage, retrieval, and inventory management more efficient, and by drawing on the various data that accumulate at the site, it forms the foundation for more accurate operational decisions. We have

completed the prototype of our in-house WMS and have begun proposing it to a broad range of industries and sectors. Developing it with the cooperation of AWS, we are also integrating WMS data with the operational data that accumulate at logistics sites, aiming to optimize in-warehouse operations using AI. Building on cloud and AI technologies, we are advancing solutions that optimize the logistics center as a whole.



Toyo Kanetsu Group Human Resource Strategy

Message from the Executive Officer in Charge of HR Management



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

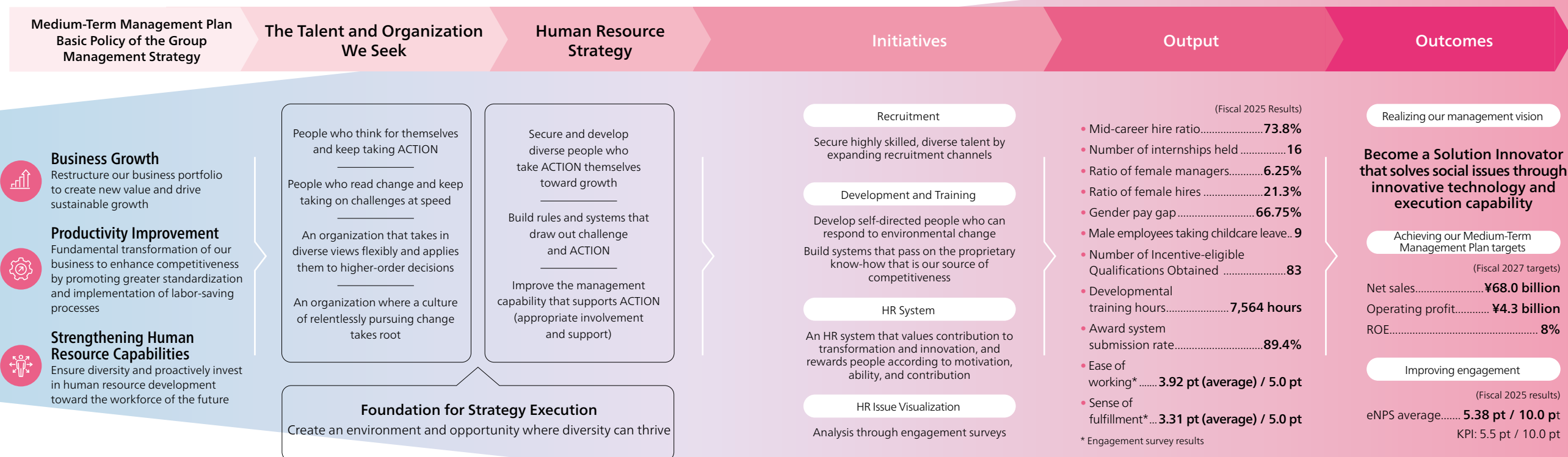
Since our founding, the spirit of our corporate motto — “Be Creative, Be Good for Society” — has been the common thread in everything we do. Our business style of working alongside our customers embodies this spirit and is one of the Toyo Kanetsu Group's core strengths.

At the same time, fast-changing technology and value are driving increased uncertainty and complexity, along with the role that is expected of us. To continue delivering the genuine success as a key partner that customers have come to expect, we must evolve into the “Become a Solution Innovator that solves social issues through innovative technology and execution capability” as defined in our management vision. The most important resource behind that evolution is our people. By “innovative technology” we mean creating new value by combining leading-edge technology with our own know-how, unconstrained by convention or existing frameworks. By “execution capability” we mean the resolve to act without flinching in the face of difficulty. Therefore, each employee must be able to recognize change, take on challenges without fear, and act independently.

Developing and strengthening people and the organization in this way sits at the heart of our human capital management. The model below shows how our human resource strategy, our initiatives, and our results connect. At the core of that strategy lie two key concepts: securing and developing people who think for themselves and take ACTION, and building the rules and systems that draw that behavior out. To this end, we are securing diverse talent, strengthening our capacity to create value through diversity, and raising expertise and autonomy through planned development and training. We are also reinforcing strategy, systems, and infrastructure as a single whole with the goal of developing an HR system that highlights and rewards challenge and achievement, supports flexible and productive ways of working, and centrally manages HR data to bring organizational issues to light. We use surveys to quantify the state of our people and organization, then work through a continuous cycle of identifying issues, acting on them, and refining our approach to advance our organizational management. We are connecting these efforts to stronger human capabilities and, using engagement as our indicator, building the organization that will achieve our medium-term plan targets and realize our management vision.

We will continue to invest in human capital as we pursue sustainable growth.

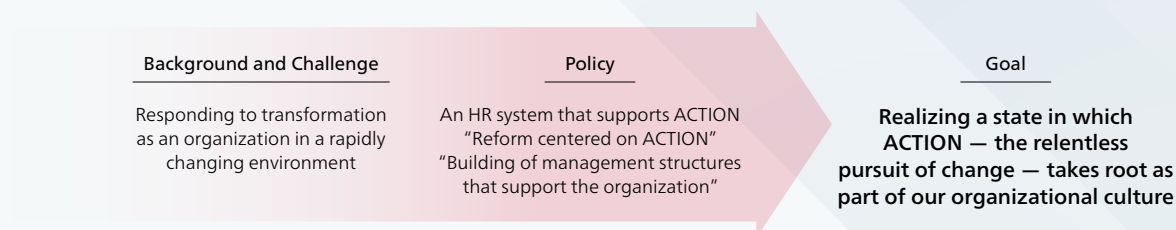
Human Capital Management Value Creation Model



Revision of the HR System

As our business environment changes rapidly, strengthening our execution capability and speed as an organization has become the challenge in driving transformation. In response, we are revising our HR system around ACTION — each employee taking on challenges and acting on their own initiative — and building out the evaluation, development, and management mechanisms that support it. Ahead of

implementation in October 2026, we held briefings during fiscal 2025 for all employees, including those at locations nationwide, deepening understanding among management and the wider workforce. Through this, we are shifting to organization where each employee acts autonomously and drives transformation, raising execution capability across the organization and linking it to sustained improvement in corporate value.



	Previous system	New system
Job levels	Job levels defined by job ability classification	Job levels defining roles and behaviors based on management policy Point 1
Compensation	A compensation structure that valued challenge but retained seniority elements	A compensation structure that removes seniority elements and rewards behavior and results Point 2
Evaluation	An evaluation system centered on results, with no behavioral evaluation for managers	An evaluation system that weighs both behavior and results, managers included Point 3

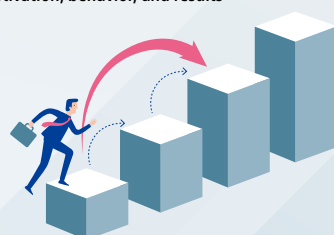
Point 1 Redefining behavioral requirements by job level and linking them to evaluation and compensation

We placed "Transformation and Innovation" at the center as the behavioral requirement common to all employees. Together with "Vision and Strategy Development," "Execution and Risk Management," "Human Resource Development," and "Communication," we redefined these five requirements by job level in line with management policy. Building an evaluation system on these behavioral requirements has turned the framework into one where requirements, evaluation, and compensation move together.



Point 2 Introducing accelerated promotion based on motivation, behavior, and results

We reviewed the seniority-based approach to promotion and advancement, and introduced a mechanism that allows flexible appointment — including skipping levels — according to an employee's motivation, behavior, and results.

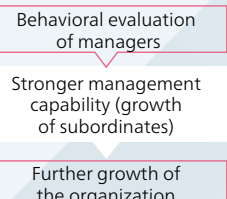


Operating Policy

To root the system firmly in the workplace, we are pursuing thorough guidance and education alongside an environment that makes the system easy to operate. Reading the engagement survey results together with conditions in the workplace and employee feedback, we verify and improve the system continuously, raising its effectiveness and energizing the organization.

Point 3 Weighting managerial behavior to strengthen management capability

For managers, we evaluate behavior itself alongside results, strengthening management capability in areas such as developing people and running the organization.



Using Engagement Indicators

To make our human capital visible, we introduced an engagement survey built around two indicators: eNPS (Employee Net Promoter Score) and intention to stay. The survey gives us a picture of the organization across working styles, supervisors, growth opportunities, the evaluation system, and other areas. We do more than monitor these indicators — we reflect the results in management-level decisions and in director evaluations, strengthening governance by connecting management with the front lines.

We manage eNPS, ease of working, and sense of fulfillment as company-wide KPIs. Every item improved year on year and now stands above the industry average. Variation between organizations and gaps in management quality remain challenges,

and we are working to lift performance across the board. Alongside the HR system revision and workshops in which department heads address the issues in their own organizations, we are pursuing company-wide measures such as base pay increases and work style reform. Together these raise engagement, advance our human capital management, and improve corporate value.

Engagement Scores	Unit: points		
	FY2024	FY2025	KPI
eNPS average	5.20	5.38	5.5/10.0
"Ease of working" average	3.87	3.92	4.0/5.0
"Sense of fulfillment" average	3.28	3.31	3.5/5.0

Topic

Recruitment

With competition for talent intensifying, and given our workforce composition and corporate culture, securing diverse talent remains a key priority. We are broadening our recruitment channels, including referral hiring, while working to secure the engineering talent that will support future business growth and to raise the ratio of female hires. We continue to visit science and engineering universities and technical colleges and to work with Polytechnic Centers, building the foundation for securing talent. In new graduate recruitment, our HR and business divisions work together to expand internships and events. Hands-on programs that incorporate the perspective of engineers working in the field, along with women-only internships, have strengthened our appeal, widened the range of participants, and improved gender balance. In fiscal 2025 we held 16 internships across six types differing in target and theme. The application rate to our selection process reached 69%, up 18 points year on year, of which women accounted for 28%, up 9 points. We will continue to pursue measures that strengthen our competitiveness in recruitment.



Development and Training

A company's competitiveness comes from each employee performing to their full ability and growing of their own accord. We develop our people on that principle. Alongside restructuring our level-based training, we help employees build their expertise by providing support based on their individual needs, including assistance in qualification attainment and access to a wider range of external training. In fiscal 2025, we opened online learning to all employees, so they can learn regardless of time or place.

We are also building a development cycle that passes skills and techniques on to younger employees, institutionalizing our organizational knowledge. At the Education Center at our Chiba Plant, we run practical programs geared to logistics sites. New graduates complete internal internships across several departments before their formal assignment, which helps them shape their own careers and understand the business as a whole. By fostering a culture of self-directed learning and building mechanisms that carry organizational knowledge forward, we aim to strengthen our competitiveness and improve corporate value.

	Unit: hours	
	FY2024	FY2025
Capability development training hours (per employee)	3.3	11.9

(Note) Total hours were 2,005 in fiscal 2024 and 7,564 in fiscal 2025

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.
Excessively long work hours and wages	We comply with laws and regulations on working hours, minimum wages, and related matters in every country and region in which we operate, and we work to reduce excessive working hours. Beyond simply complying with minimum wage legislation in the countries and regions where we operate, our basic policy is to pay wages that meet a living wage standard. In line with the principle of equal pay for equal work, we apply a compensation structure that makes no distinction based on gender or other attributes among employees at the same job grade.
Privacy	Protect personal information in line with evolving environments.
Regional environment	Conduct business activities with due consideration for noise, wastewater, and other local environmental impacts.
Freedom of association and the right to collective bargaining	Fully respect freedom of association and collective bargaining.
Forced labor and child labor	We prohibit forced labor and child labor. In our recruitment process, we verify age through application documents, including residence cards for foreign workers, and we provide notification of working conditions and confirm the applicant's intent prior to employment. We also 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.
Human rights initiatives at suppliers	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 K.K. 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/global/sustainability/>

Human Rights Due Diligence

Internal and Partner Surveys

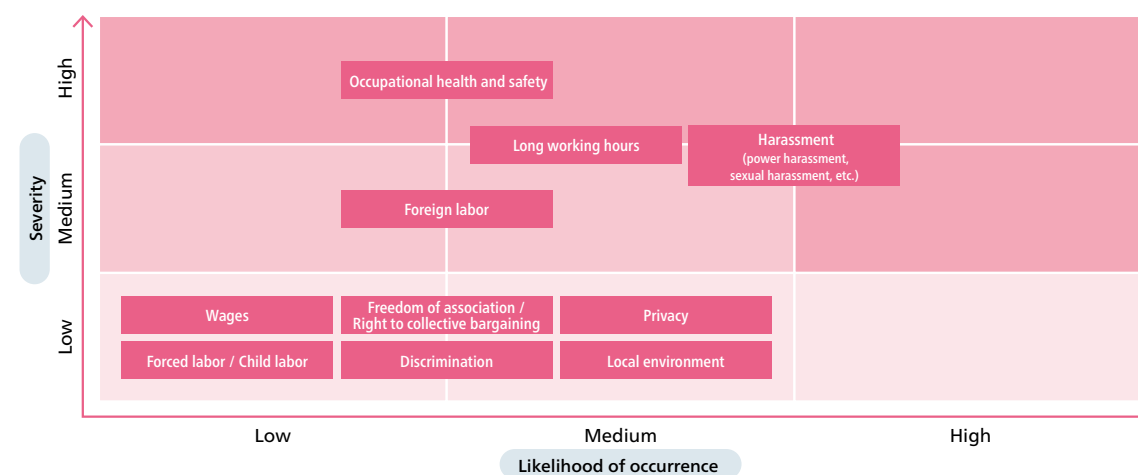
As part of formulating the Human Rights Policy in fiscal 2024, we conducted internal surveys (data reviews and interviews) and administered questionnaires (including interviews) to Group companies and major business partners to identify and assess human rights risks. The questionnaire was based on the 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 our safety promotion division, which sets KPIs and drives efforts toward the elimination of workplace accidents. These activities will be continued and further strengthened going forward.	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.

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.

Initiatives to Support the Sustainable Growth of the Group

The Toyo Kanetsu Group engages in proactive dialogue with stakeholders, disclosing the information they need to fully understand the initiatives we are undertaking to enhance corporate value. Opinions and concerns raised through this dialogue are shared internally and consistently reflected in our improvement measures.

We also engage with third-party rating organizations to gain a more objective view of our organization and the initiatives we have put forward. Through these efforts, we are building relationships of trust with society and the capital markets, leading to the sustainable enhancement of corporate value.

External Evaluations and Participation in International Frameworks

Through evaluations by ESG rating organizations and participation in international frameworks, we work to objectively validate our Group's activities and pursue continuous improvement.

Initiatives We Participate In

United Nations Global Compact



In 2025, we became a signatory to the United Nations Global Compact (UNGC) with the aim of further improving our ESG evaluations and strengthening the trust of our stakeholders.

GX Future Consortium



External ESG Evaluations

FTSE JPX Blossom Japan Index



FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index



FTSE JPX Blossom Japan Sector Relative Index

As of August 2026

CDP



For our 2025 response to CDP, an international NGO, we received a score of B for Climate Change and C for Water Security.

Certifications Related to the Workplace Environment

Health and Productivity Management® Outstanding Organization 2026 (Large Enterprise Category)



Under the Certified Health and Productivity Management® Outstanding Organizations Recognition Program, run jointly by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, we were certified as a Health and Productivity Management® Outstanding Organization 2026 (Large Enterprise Category) for the fifth consecutive year.

Tomonin



Community Contribution Activities

Tours for Shareholders: Deepening Understanding of Our Business

We place great importance on opportunities for direct dialogue with our shareholders and are working to deepen their understanding of our business. In September 2025, we held a tour for shareholders at a logistics center where our logistics systems have been installed. This was the second such tour, with approximately 40 shareholders participating. Following the tour, we provided an opportunity for discussion with directors and executive officers, promoting a deeper understanding of our business and building trust.



Toyo Kanetsu Children's Library: Delivering Ongoing Value to the Community

As a means of delivering ongoing value to local communities, we continue to promote the Toyo Kanetsu Children's Library initiative. Through donations to public libraries, this activity enriches the reading environment for children, and has to date funded the purchase of more than 3,000 books. In fiscal 2025, we received a commendation for meritorious service from Kisarazu City. We will continue these activities to help foster a love of reading among children in our communities.



Co-Creation and Community Relationship Building through Sports

Working with the professional basketball clubs that serve as our official partners, we are building lasting relationships with local communities. Together with Alvark Tokyo, we held basketball classes at elementary schools five times during the season, with more than 320 children participating in total. In addition, at the Toyosu Library in Koto City, we again held a collaborative exhibition in fiscal 2025 featuring books recommended by three players, offering children the chance to discover the enjoyment of reading through the perspectives of athletes competing at the highest level of their sport.

With the Tokyo United Basketball Club, we have created a variety of touchpoints, including hosting a Company-sponsored game that drew an audience of more than 10,000 and providing volunteer support for wheelchair basketball trial sessions. Through these activities, we are strengthening ties with local communities while also raising awareness of the Company.



Supply Chain Initiatives

The Toyo Kanetsu Group has identified collaboration as one of its materiality items, and is advancing a range of measures, including participation in the United Nations Global Compact and the formulation of a supplier policy.

Formulation of the Supplier Policy

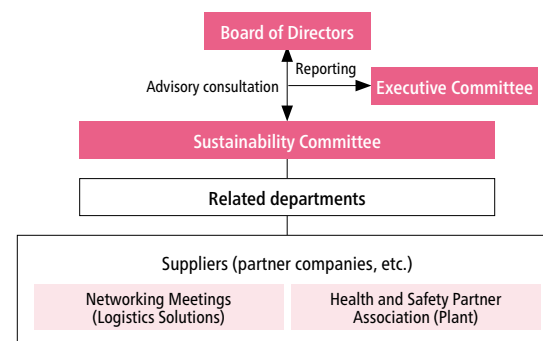
With approval from the Board of Directors, the Group formulated the Toyo Kanetsu Group Supplier Policy in November 2025. We comply with laws and regulations and conduct fair and transparent transactions, while striving to reduce environmental impact, respect

human rights, and ensure occupational health and safety. Through these efforts to help realize a sustainable society, we aim to grow together with our suppliers, including our partner companies.

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

Promotion and Management Framework

Our supply chain initiatives are overseen by the President and Representative Director of Toyo Kanetsu K.K. as the responsible officer, with the Sustainability Committee serving as the managing body. The Board of Directors provides oversight of these activities. Going forward, we will continue to work in coordination with our procurement divisions to strengthen collaboration with suppliers, including partner companies, and to advance a range of measures.



Supplier Survey (Risk Assessment)

In fiscal 2025, we surveyed selected major suppliers based on the Group's Supplier Policy in order to confirm and evaluate their compliance with laws and regulations as well as the status of their various initiatives.

Main Survey Items	Survey Results
- Basic policies (quality, information disclosure) - Ethical business activities (legal compliance, fair trade, information security, etc.) - Environment (climate change and GHG emissions, water resources, air and waste, chemical substances, biodiversity, etc.) - Human rights and labor (forced labor and child labor, working hours, wages, occupational health and safety, harassment, etc.) - General (instances of violations, status of compliance with codes of conduct)	- No legal violations or serious risk events were identified. - Among the human rights and labor items, harassment emerged as a comparatively higher risk; however, individual suppliers are conducting training and awareness activities on an ongoing basis. - Among the environmental items, responses varied from company to company, but we confirmed that each supplier understands and manages the applicable laws and regulations. We will continue to support sustainability activities suited to the circumstances of each company.

Governance

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 decision-making, rapid business execution, and proper supervision and monitoring of operations.

Corporate Governance System

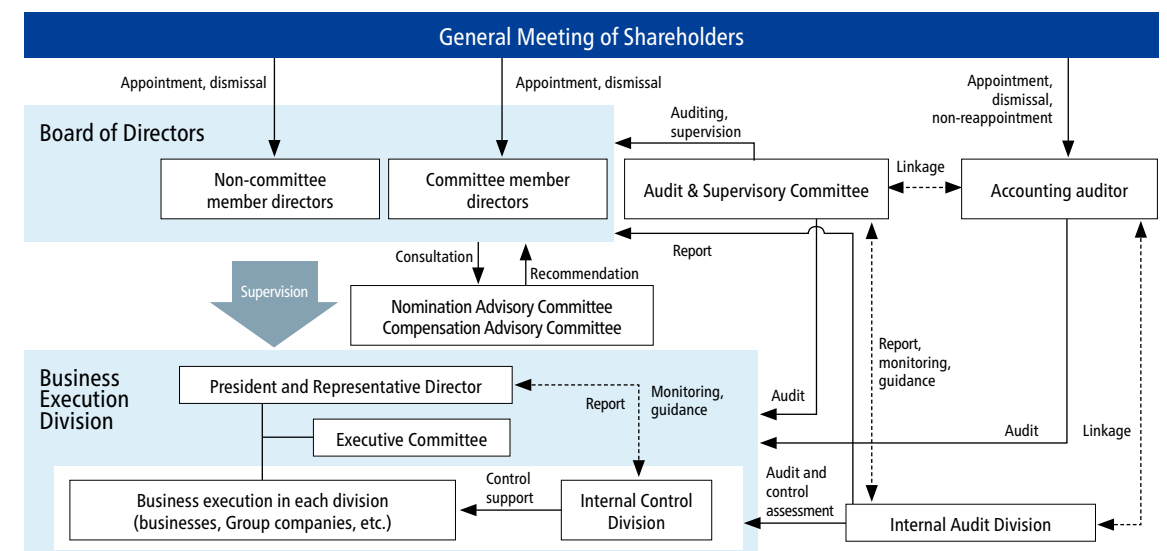
On June 26, 2015, Toyo Kanetsu switched from a "company with an audit and supervisory board" to a "company with an audit and supervisory committee" structure. By giving voting rights in the Board of Directors to directors who are members of the Audit & Supervisory Committee (including a number of outside 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

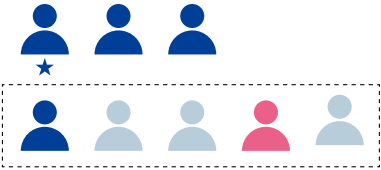
2000	Introduced an executive officer system
2005	Established the Compliance Committee Changed the maximum number of directors stipulated in the Articles of Incorporation from 20 to seven
2008	Abolished the retirement allowance scheme for directors
2015	Transitioned to a "company with an audit and supervisory 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
2016	Commenced evaluations of the effectiveness of the Board of Directors Formulated a basic capital policy
2018	Revised the Articles of Incorporation to allow an executive officer to be appointed as president
2019	Introduced a performance-linked stock compensation system
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
2026	Amended the Articles of Incorporation to limit the number of Audit and Supervisory Committee members to six

■ Structure ■ Director compensation system ■ Operational policy

Corporate Governance System (as of June 25, 2026)



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 six 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 13 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 five members, including four 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 2025

(1) Method of Evaluation

From March to May 2026, the Board of Directors conducted an evaluation of its effectiveness following the procedures outlined below.

- 1

The secretariat provided the reference materials needed to evaluate effectiveness.
- 2

The Board of Directors asked questions about the reference materials supplied by the secretariat, exchanged opinions, and asked for additional information to be provided.
- 3

Each director completed the self-evaluation based on a scoring sheet for effectiveness.
- 4

At the Board of Directors' meeting held on May 15, 2026, the directors discussed the self-evaluations and reached a decision on the final evaluation.

(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 Management 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, were established as a voluntary advisory body to the Board of Directors. The Committees 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.

Governance

Director Compensation

At its meeting held on February 26, 2021, the Board of Directors approved a policy for determining compensation for individual directors (excluding outside directors and directors who are members of the Audit & Supervisory Committee, hereinafter referred to as “executive directors”), and at its meeting held on May 14, 2025, 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 2025

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)	170	96	51	22	5
Directors (members of the Audit & Supervisory Committee) (excluding outside directors)	18	18	—	—	2
Outside directors	42	42	—	—	6

Notes: 1 The amounts paid to directors (excluding Audit & Supervisory Committee members) do not include the employee salaries of those serving concurrently as employee and director.
2 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 (of which, ¥300 million for directors) for each of the three fiscal years of the period covered.
3 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).
4 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 2025.

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 Management 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 Management 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 two shares* per point when providing shares of the Company’s stock to directors and executive officers.

* Toyo Kanetsu conducted a 1:2 stock split for ordinary shares effective on January 1, 2026. As a result, the conversion rate of points to shares was adjusted to two shares of Company stock per point.

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 Management 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 2025 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.

As of March 31, 2026, the total amount of investment stocks held for purposes other than pure investment in the Consolidated Balance Sheets was ¥3,617 million, which accounts for 9.0% of the consolidated net assets of ¥40,301 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_4-8.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 2026* 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 • 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 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
4 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
5 Compliance	• Financial penalties and a decline in public trust in the Group stemming from the violation of laws and regulations or corporate ethics, etc.
6 Occupational health and safety	• Damage to the Group's reputation, compensation for damages, construction delays, and costs of reconstruction in the event of serious injury, failures of quality, or other issues occurring across the various services provided by the Group
7 Securing and developing human resources	• Shrinking working population, intensifying competition for talent, and diversification of career aspirations may make it difficult to secure a workforce
8 Information security	• Damage to Group performance due to such issues as leakage of confidential information, data tampering, and system outages caused by cyberattacks, unauthorized access, and computer virus infections, etc.
9 Natural disasters and epidemics	• Disruptions due to natural disasters such as large-scale earthquakes and floods, risks to construction workers' health due to pandemics, delivery delays for equipment and materials to worksites, interruptions to ongoing construction, etc.
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 • 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 22, 2026) of its Securities Report (in Japanese only) for fiscal 2025.

Governance

Occupational Health and Safety

The Toyo Kanetsu Group puts the safety and health of our employees and our partner companies' employees above all else. We build occupational health and safety into our daily activities and comply with the relevant laws and regulations. New risks have come to the surface — a changing work environment, an aging skilled workforce, gaps in experience and skill — resulting in a greater incidence of accidents at worksites. These circumstances call for a

review of how we have worked until now. We therefore apply recurrence prevention measures rigorously to every accident and traffic incident, and we have shifted the emphasis of our safety management to prevention: catching risks early, near-misses included, and strengthening our countermeasures. We will continue to tailor safety measures to each business, preventing serious accidents before they happen and raising safety awareness further.

Plant Business: Recurrence Prevention Takes Hold, Delivering Zero Scaffold-Related Accidents

Accidents during scaffold assembly and dismantling occurred at domestic plant sites in 2022 and again in 2023. To prevent recurrence, we began dispatching personnel from the responsible department to worksites before work starts, delivering training on fall prevention. That program ran through fiscal 2024 and fiscal 2025. We did more than repeat it; participant questionnaires guided us in sharpening the content, raising risk awareness among supervisors and workers alike. The result was zero scaffold-related accidents for two consecutive years in fiscal 2025 and fiscal 2024, evidence that the measures have taken hold.



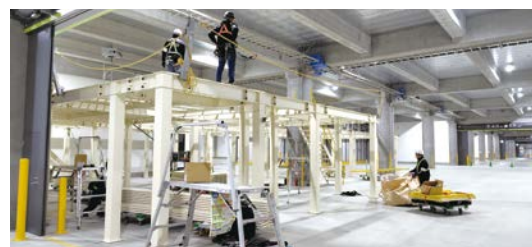
Training session in progress

Logistics Solutions Business: Strengthening Measures Against Recurring Falls

Seven accidents leading to four or more lost work-days occurred in fiscal 2025. We treat every one as a serious incident. Falls occurred more than once, so we designated falls as a priority risk, strengthened our cause analysis, and took corrective action.

We revised our Safe Work Standards, spelling out the procedures for working at height and using step-ladders. Workers now identify the risks and complete their safety checks before starting — the core of our effort against further falls.

Stronger safety patrols let us verify continuously that the measures work and allows for prompt alerts when an issue is found. We will keep the PDCA cycle turning, embedding these measures and improving them over time.



Preparation before work on a frame

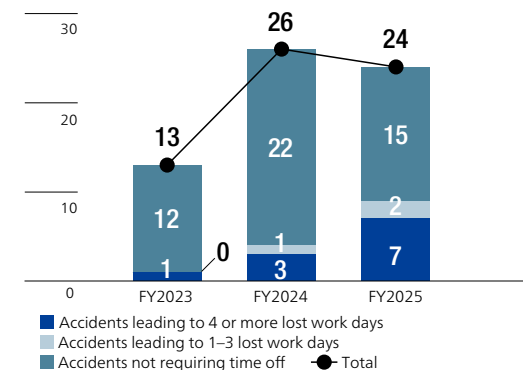


Morning briefing at the site

Occupational Health and Safety Incident Reports

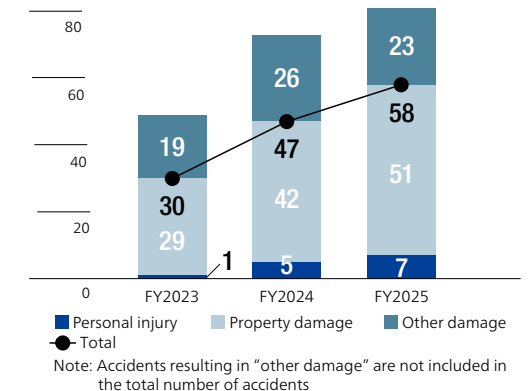
Number of Toyo Kanetsu Group Industrial Accidents (Excluding Traffic Accidents)

(Unit: Number of incidents)



Toyo Kanetsu Group Traffic Accidents

(Unit: Number of incidents)

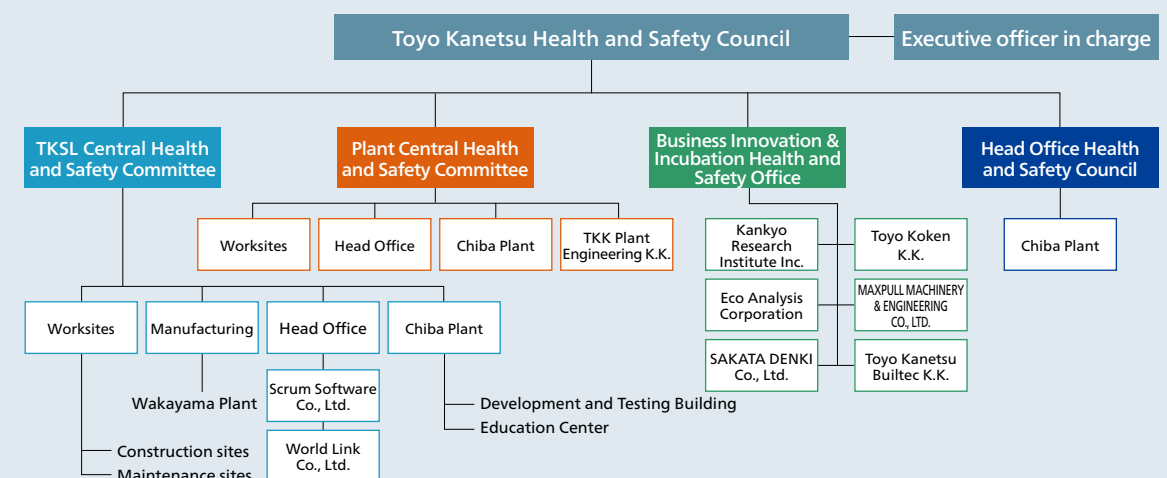


Organizational Changes from 2026

In April 2026 we reorganized the Safety, Environment & Quality Assurance Department to raise our safety and quality standards and to fit the structure to each business. Two new departments replaced it: the Logistics Safety & Quality Assurance Department under the Solutions Business Division, and the Tank Safety & Quality Assurance Department under the Plant Business Division.

We also established the Toyo Kanetsu Health and Safety Council, which gathers occupational health and safety information from across the Group and deliberates on it. The President oversees the whole as responsible officer, and the Director in charge of risk management chairs the Council. Under this structure the Group works as one to prevent serious accidents and improve continuously.

Toyo Kanetsu Group Health and Safety Management System



Board of Directors



Shuji Iwamura

Outside Director and
Audit & Supervisory
Committee Member

Kazuo Ushida

Outside Director and
Audit & Supervisory
Committee Member

Osamu Watanabe

Outside Director and
Audit & Supervisory
Committee Member

Yukari Sakai

Outside Director and
Audit & Supervisory
Committee Member

Takashi Owada

President &
Representative Director

Yasunori Kobayashi

Director,
Senior Managing Officer

Takeshi Yonehara

Director,
Senior Managing Officer

Keisuke Kodama

Director and
Audit & Supervisory
Committee Member

Governance

Director Profiles (As of June 25, 2026)

									
Name Position		Takashi Owada President & Representative Director	Yasunori Kobayashi Director, Senior Managing Officer	Takeshi Yonehara Director, Senior Managing Officer	Keisuke Kodama Director and Audit & Supervisory Committee Member	Kazuo Ushida Outside Director and Audit & Supervisory Committee Member	Shuji Iwamura Outside Director and Audit & Supervisory Committee Member	Yukari Sakai Outside Director and Audit & Supervisory Committee Member	Osamu Watanabe Outside Director and Audit & Supervisory Committee Member
Years on the Board		7	2	1	11	5	3	4	1
Company Shares Held		26,026	12,284	9,861	26,365	1,924	874	1,372	220
Career History		1985 Joined the Company 2019 Director, Managing Executive Officer 2022 President and Representative Director (current position)	1990 Joined the Company 2022 Senior Managing Officer, Division Manager of Logistics Solutions Division 2024 Director, Senior Managing Officer (current position)	1986 Joined the Company 2017 Managing Director of Toyo Kanetsu (Malaysia) Sdn. Bhd. (current position) 2022 Senior Managing Officer, Division Manager of Corporate Division, Komisaris (Auditor) of PT Toyo Kanetsu Indonesia (current position) 2025 Director, Senior Managing Officer (current position)	1982 Joined the Company 2015 Director, Managing Executive Officer 2020 Director, Executive Vice President, Executive Officer 2025 Director, Audit & Supervisory Committee Member (current position)	2017 Representative Director, President and CEO of Nikon Corporation 2021 Outside Director and Audit & Supervisory Committee Member of the Company (current position) 2024 Senior Counselor of Nikon Corporation (current position)	2011 Superintending Prosecutor of the Nagoya High Public Prosecutors Office 2012 Registered as an attorney at law 2015 Outside Auditor of The Hokkaido Bank, Ltd. (current position) 2021 T&K Partners (current position) 2023 Outside Director and Audit & Supervisory Committee Member of the Company (current position) Outside Director (Audit & Supervisory Committee member) of Hayashikane Sangyo Co., Ltd. (current position)	1991 Joined Nomura Securities Co., Ltd. 2021 Outside Director of PACIFIC METALS CO., LTD. (current position) 2022 Outside Director of the Company 2025 Outside Director and Audit & Supervisory Committee Member of the Company (current position) 2026 Outside Director of Ichiyoshi Securities Co., Ltd. (current position) Outside Director of SATO CORPORATION (current position)	1999 Representative Director and President of Shoppers Hirotsaki Co., Ltd. 2018 Representative Director, President and Chief Executive Officer of ARCLANDS CORPORATION 2021 Management consultant, Management Academy for Enterprise Successors (current position) 2025 Outside Director of the Company 2026 Outside Director and Audit & Supervisory Committee Member of the Company (current position)
Fiscal 2025 Attendance	Board of Directors	Chair 13/13	13/13	11/11	13/13	13/13	13/13	13/13	11/11
	Audit & Supervisory Committee				Chair 10/10	12/12	12/12	10/10	—
	Nomination Advisory Committee	3/3				Chair 3/3	3/3		
	Compensation Advisory Committee	4/4				Chair 4/4		4/4	
Main Areas of Expertise	Overall management	●		●		●			●
	Human capital	●	●			●	●		
	Legal, risk management			●	●		●	●	
	Finance, accounting			●	●			●	
	International experience		●	●	●	●			●
	DX, IT		●					●	●
	ESG, SDGs	●		●	●		●	●	
	Business management	●	●			●			●
	Engineering, quality, safety	●	●			●			

Notes:

1. Mr. Takeshi Yonehara and Mr. Osamu Watanabe were appointed to their positions at the General Meeting of Shareholders held on June 26, 2025, thus the number of Board of Directors meetings they were eligible to attend differs from that of the other directors.
2. Mr. Keisuke Kodama and Ms. Yukari Sakai were appointed to their positions at the General Meeting of Shareholders held on June 26, 2025, thus the number of Audit & Supervisory Committee meetings they were eligible to attend differs from that of the other committee members.
3. Mr. Osamu Watanabe was appointed as an Outside Director and Audit & Supervisory Committee Member at the General Meeting of Shareholders held on June 25, 2026.

► For further details on the directors' careers, please see the securities report.
<https://www.toyokanetsu.co.jp/ir/securities.html> (Japanese)

Consolidated Financial Highlights (Fiscal years ended March 31)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	(Reference) FY2025
	(Millions of yen)								(Thousands of U.S. dollars)*2	
Net sales	¥41,758	¥45,188	¥46,518	¥43,617	¥59,177	¥47,351	¥53,787	¥60,474	¥59,617	\$372,839
Operating profit	2,265	1,406	2,591	2,623	2,808	2,497	3,090	4,131	3,581	22,399
Ordinary profit	2,646	1,771	2,970	3,053	3,474	2,896	3,579	4,403	3,897	24,372
Profit attributable to owners of parent	2,362	1,025	1,717	1,777	2,334	2,378	3,554	3,638	2,556	15,986
Total assets	55,818	64,756	60,985	58,764	64,290	64,001	67,891	67,436	69,521	434,778
Total net assets	36,666	35,234	34,602	36,484	36,477	38,087	37,752	38,909	40,301	252,039
Total shareholders' equity	34,207	33,324	32,722	33,068	34,450	34,789	35,871	37,414	37,901	237,032
	(Yen)								(U.S. dollars)*2	
Basic earnings per share*1	251.26	112.80	195.87	212.41	285.43	293.63	456.13	471.62	164.52	1.02
Dividends per share*1	100.00	100.00	100.00	115.00	145.00	147.00	229.00	236.00	—	—
Net assets per share*1	3,941.68	3,897.68	4,095.51	4,461.06	4,460.55	4,708.95	4,894.51	5,028.98	2,585.25	16.16
	(%)									
Equity ratio	65.7	54.4	56.7	62.1	56.7	59.5	55.6	57.7	58.0	—
Dividend payout ratio	39.8	88.7	51.1	54.1	50.8	50.1	50.2	50.0	62.6	—
Return on equity (ROE)	6.5	2.9	4.9	5.0	6.4	6.4	9.4	9.5	6.5	—
Return on assets (ROA)	4.8	2.9	4.7	5.1	5.6	4.5	5.4	6.5	5.7	—
	(Millions of yen)								(Thousands of U.S. dollars)*2	
Net cash provided by (used in) operating activities	3,726	(6,698)	6,955	1,482	(1,097)	1,105	(739)	5,300	6,567	41,070
Net cash provided by (used in) investing activities	(85)	(1,315)	(812)	(338)	(830)	826	(1,045)	(1,762)	(2,072)	(12,963)
Net cash provided by (used in) financing activities	2,032	3,249	(2,351)	(5,176)	3,208	(3,719)	3,120	(5,422)	(3,877)	(24,250)

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 1:2 stock split for ordinary shares effective on January 1, 2026.

Pre-split figures are presented for annual dividends per share for fiscal 2024. Furthermore, because the split rendered the calculation of a simple aggregate sum impossible, figures for annual dividends per share for fiscal 2025 are not presented. However, it can be estimated that, if adjusted to reflect the impact of the split, annual dividends per share would be ¥103.00 for fiscal 2025 and ¥118.00 for fiscal 2024.

*2 Figures denominated in U.S. dollars were converted at a rate of ¥159.90 = \$1, referring to the prevailing rate on March 31, 2026.

Domestic and Overseas Offices

(As of July 31, 2026)

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	5th Floor Keihan Yokohama Building, 2-22, 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
Customer Support Development Department	Kagoshima Satellite	5-1-8, Kokubuchuo, Kirishima-shi, Kagoshima 899-4332, Japan
	Technical Center Haneda Satellite	7th Floor, Kamata K-1 Building, 5-8-7, Kamata, Ota-ku, Tokyo 144-0052, Japan
	Yamanashi Parts Center	301, Miyazawa, Minami-Alps-shi, Yamanashi, 400-0415, Japan

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.
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
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 devices, etc.
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
Toyo Kanetsu Builtec 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)
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)
World Link Co., Ltd.	No. 8 Fujishima Building, 3rd Floor, 4-149-3 Miyacho, Omiya-ku, Saitama-shi, Saitama 330-0802, Japan	System consulting, system development, and maintenance
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, 2026)

Corporate Profile

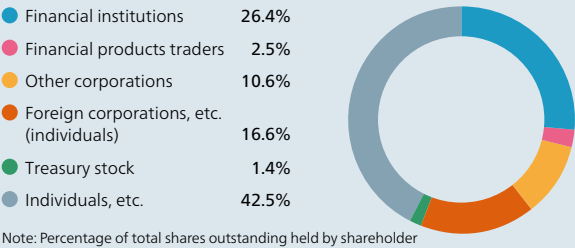
Corporate name	TOYO KANETSU K.K.
Headquarters	2-11-1, Minamisuna, Koto-ku, Tokyo 136-8666, Japan
Established	May 16, 1941
Capital	¥18.58 billion
Number of issued shares	16,046,148
Share unit	100
Number of employees	1,419 (on a consolidated basis)
Ticker code	6369
Share registrar	Mitsubishi UFJ Trust 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

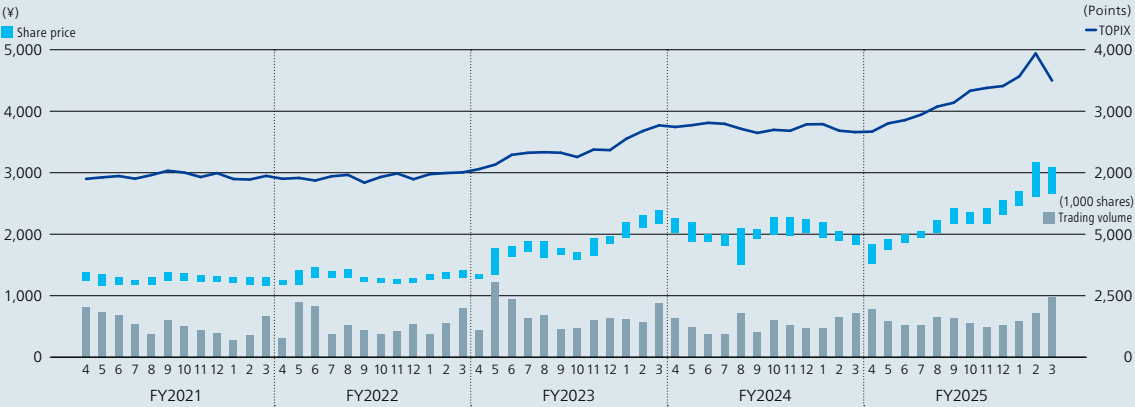
Name	Number of shares (Thousands)	Shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	1,995	12.60
Custody Bank of Japan, Ltd. (Trust account)	1,002	6.33
Nippon Life Insurance Company	414	2.61
Resona Bank, Limited	368	2.32
THE BANK OF NEW YORK MELLON 140044	329	2.07
Toyo Kanetsu Employee Stock Ownership Plan	304	1.92
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	288	1.82
SUMITOMO LIFE INSURANCE COMPANY	231	1.45
Daiei Real Estate & Development Co., Ltd.	225	1.42
Sato Kogyo Co., Ltd.	222	1.40

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

Shareholders and Distribution of Shares



Share Price and Trading Volume



Note: The Company conducted a two-for-one split of its common stock with an effective date of January 1, 2026, and results from April 2021 onward are shown with figures retroactively converted to the post-split standard.



Takeshi Yonehara

Director and Senior Managing Officer
Chief Financial Officer
Responsible for Business Innovation & Incubation Division, Finance, IR, Risk Management, ESG

Thank you for reading the *TKK Report 2026*. This report was created with the intent of conveying the Group's efforts to create value over the medium to long term, from both the financial and non-financial perspectives. This report was formulated and edited with reference to the changing social environment, including the rise of AI, and feedback we have received through dialogue with investors both in Japan and overseas. Our purpose in doing so is to disseminate our business strategy, human resource strategy, and ESG management in an integrated narrative format. We hope that the content and presentation clearly communicates the Group's vision and ACTION towards solving social issues. We will continue striving to improve the value of our dialogues to enhance the disclosure of information and improve corporate value.

TOYO KANETSU K.K.

Contact Information

Toyo Kanetsu K.K.

Corporate Business Department

Corporate Division

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