

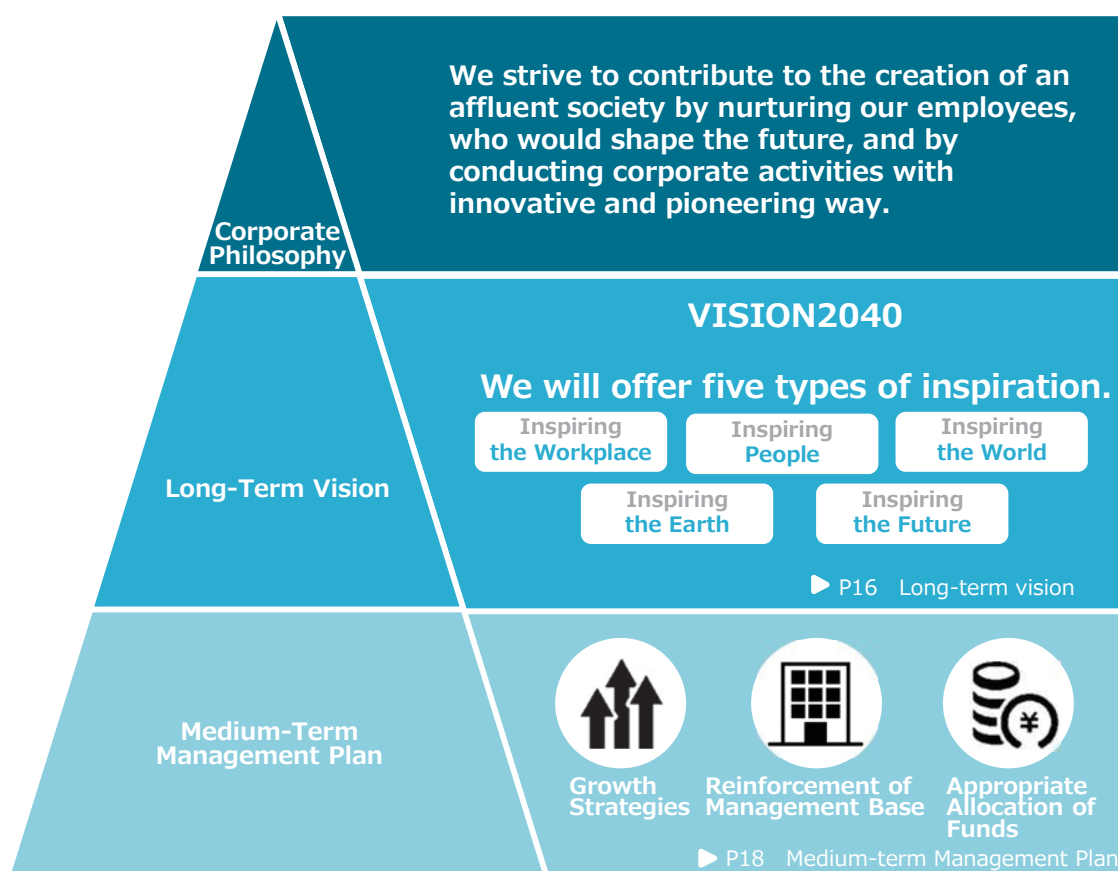


2025

KONDOTEC REPORT



Corporate Philosophy / Philosophical Framework



Editorial Policy of Integrated Report 2025

This year marks the ninth release of our Integrated Report, which we launched in 2017. Behind our launch to create an Integrated Report was the thought that, when considering our business model aimed at achieving a sustainable society, we wished to have stakeholders better understand our efforts to promote women's active participation and environmental initiatives, which are key factors improving corporate value.

To provide a full-fledged integrated report, we update the content of the report every year. Specifically, we held discussions within the Company and took up themes such as the setting of SDG items regarding our materialities and the enhancement of TCFD recommendations, all of which has led to this year's Integrated Report. This report is designed to include both financial and non-financial data to effectively convey our value creation story.

Disclosure System

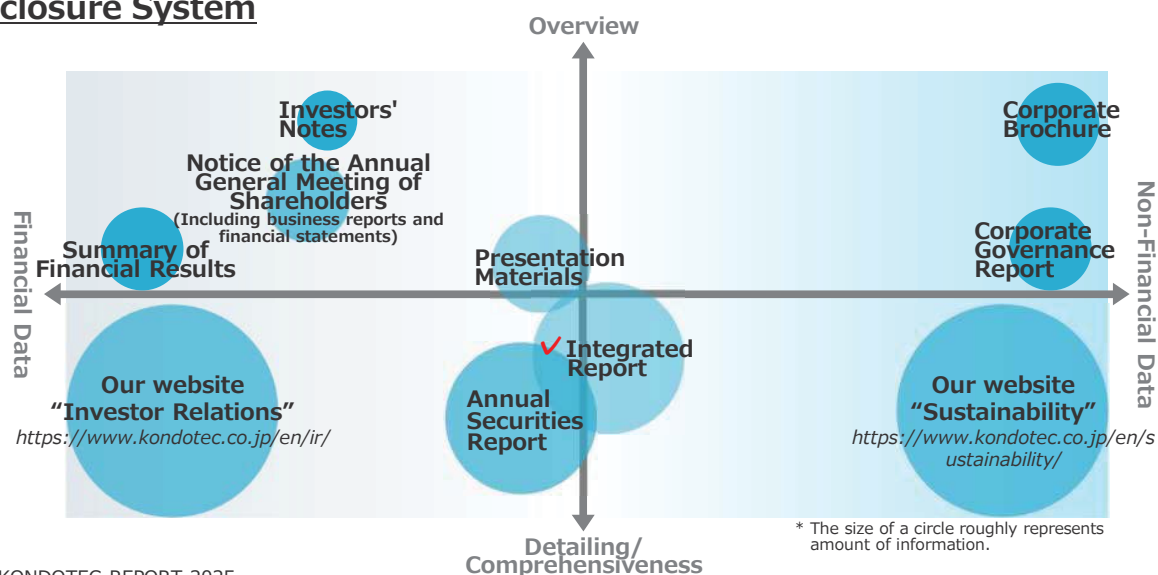


TABLE OF CONTENTS

KONDOTEC INC. Integrated Report 2025

01	Corporate Philosophy / Philosophical Framework Editorial Policy of Integrated Report 2025 Disclosure System
-----------	---

02	TABLE OF CONTENTS
-----------	-------------------

WE ARE KONDOTEC

04	Top Message
07	History
09	Value Creation Story
10	Materiality
11	Business Model

KONDOTEC STRATEGY

16	Long-Term Vision VISION 2040
17	Business Portfolio
18	Medium-Term Management Plan
19	Growth Strategies
19	Basic Structure
19	Existing Business Strategies
21	Initiatives for Enhancing Activities in Non-Existing Business
21	Toward Accelerating the Growth — M&A Strategy —
23	Business Overview
31	Functions as a Manufacturer
33	Stance for Security and Safety
35	Environmental Initiatives
39	Functional Strategies
39	Basic Structure
39	DX
40	Human Capital
43	Financial Strategies
48	Promotion of Communication with Stakeholders

CORPORATE GOVERNANCE

50	Enhancement of Corporate Governance
-----------	-------------------------------------

SUPPLEMENT

58	Non-Financial Data
59	Financial Data
67	KONDOTEC Network
67	Group Companies
68	Stock Information
69	Company Information
70	Editor's Note

WE ARE
KONDOTEC



**Chairman and
Representative Director
Katsuhiko Kondo**

**President and
Representative Director
Noboru Hamano**

*We will continue to be a company that is valued by society,
never forgetting our spirit of challenge*

Chairman and Representative Director Katsuhiko Kondo's Career Highlight

Date of Birth / November 8, 1959
 1984 Joined the Company
 1988 Manager of Saitama Office, the Company
 1991 Manager of Kitakanto Office, the Company
 1992 Director, Manager of Kitakanto Office,
 the Company
 1999 Director, Manager of Yokohama Branch,
 the Company
 2002 Director, Manager of Delivery Division,
 the Company
 2007 Director, Manager of Planning Division,
 the Company
 2010 Director, the Company
 Vice President and Representative Director,
 Sanwa Denzai Co., Ltd.
 2011 Director, the Company
 President and Representative Director,
 Sanwa Denzai Co., Ltd.
 2013 Director, In charge of Planning of the Company
 2013 President and Representative Director,
 the Company
 2024 Chairman and Representative Director,
 the Company (current position)

President and Representative Director Noboru Hamano's Career Highlight

Date of Birth / June 12, 1970
 1993 Joined the Company
 1999 Manager of Kitakanto Office, the Company
 2000 Manager of Kanagawa Office, the Company
 2003 Manager of Keiji Office, the Company
 2012 Manager of Sanyo Office, the Company
 2017 Manager of Kansai Branch, the Company
 2018 Executive Officer and Manager of Structural
 Steel Sales Division and Manager of Kansai
 Branch, the Company
 2020 Director, Manager of Structural Steel Sales
 Division, the Company
 2021 Executive Director, General Manager of Sales
 Headquarters, and Manager of Structural Steel
 Sales Division, the Company
 2023 Executive Director and General Manager of
 Sales Headquarters, the Company
 2024 President and Representative Director,
 the Company (current position)

Message from Chairman



Leveraging our accumulated experience to take on challenges in new fields

Chairman and Representative Director Katsuhiko Kondo

■ Entering New Fields

In recent years, the so-called “2024 logistics issue” has been exacerbated by personnel shortages and shorter working hours, making it necessary for companies to implement various measures. Logistics is an indispensable part of KONDOTEC's business expansion, and we have established sales offices with inventory nationwide and built a logistics network. In 2024, we established the Tokyo Metropolitan Area Logistics Center in the Tokyo metropolitan area, the region with the highest demand. Going forward, we aim to enhance our immediate delivery capabilities to provide customers with the reassurance of having necessary materials readily available.

Meanwhile, as part of the Japanese government's efforts to promote the use of renewable energy,

we took a new step forward in April 2025 by establishing an Environment & Energy Group. At the root of these initiatives is the expansion of our business areas that we have been pursuing since our founding. By offering the product and merchandise lineup we have expanded to accompany this expansion in different fields, we aim to achieve sustainable growth.

While the target industries may differ, such as the construction industry and energy-related industries, the functions required are often the same. I would like us to consider what the KONDOTEC Group can contribute in this context, and leverage our accumulated experience, product and merchandise lineup, and logistics network to create synergies in new industries as well.

Message from President



Working to remain a company that is needed by society

President and Representative Director Noboru Hamano

■ As a Company That is Essential to the Construction Industry

Thanks to the support of our customers, this year marks the 78th anniversary of our founding. Since our founding, we have been engaged in the manufacture and sale of metal fittings for ships. As the Japanese economy grew, however, we shifted our focus from marine to land-based products and merchandise, expanding our business primarily into the fields of civil engineering and construction materials. Today, we are a leading manufacturer with a high market share in JIS anchor bolts and JIS turnbuckle braces, which are seismic-resistant materials used to protect structures from large earthquakes. We also carry emergency supplies such as blue tarpaulin, container bags, and sandbags, which are essential in disaster situations. With inventory available at our sales

offices nationwide, we have established a network that enables swift supply in times of crisis. We have also expanded our field to include electrical equipment such as lighting required after building completion and scaffolding construction required for repairs, offering a comprehensive service making effective use of synergies. In this way, we are confident that our purpose lies in continuing to expand our field in the construction industry while at the same time working to remain a company that is needed by society. We have a history of growing in various fields in response to the needs of the times. Looking ahead, we will continue to take on new challenges with a proactive attitude, never forgetting our spirit of challenge.

■ Six Strengths

The KONDOTEC Group will work together as one to further strengthen the following six strengths and solidify its significance as a corporate group.

Inventory Capabilities and Logistics Capabilities

KONDOTEC and its Group company, Sanwa Denzai Co., Ltd. are primarily engaged in the wholesale of commercial products and merchandise. We strive to maintain a system that allows us to deliver the necessary products to the necessary locations when they are needed by keeping a full inventory at sales offices nationwide. We will continue to expand our bases in order to improve logistics efficiency and expand our business.

Manufacturing Capabilities and R&D Capabilities

KONDOTEC's factories and those of its Group company KURIYAMA ALUMINUM Co., Ltd., have obtained International Organization for Standardization (ISO) and Japan Industrial Standards (JIS) certification, and manufacture products that comply with various industry standards. As manufacturers, we will continue working to be the industry leaders in terms of quality, price, and delivery.

In addition, as the construction industry faces growing demands for labor-saving, efficiency improvement, and weight reduction, our manufacturing and sales divisions will work together to develop and deliver products that address these issues.

Sales Capabilities and Proposal Capabilities

Our strength lies in our ability to propose a wide range of items tailored to the specific needs of various industries and business types. We are actively expanding our sales channels and offering new products and merchandise that incorporate customer needs. We also have Group companies with diverse characteristics, such as Sanwa Denzai Co., Ltd., which specializes in electrical equipment; Scaffolding Group companies, which are expected to expand their business operations in the field of maintenance and repair; and KURIYAMA ALUMINUM Co., Ltd., which manufactures aluminum extrusions to meet the demand for lightweight materials. The KONDOTEC Group will continue to strengthen its sales and proposal capabilities to meet customer needs as a united group.

■ Towards Achieving the Long-Term Vision VISION 2040

In May 2024, we announced our long-term vision for 2040, entitled VISION 2040. Under this vision, we aim to be a company that offers inspiration, based on the five themes of inspiring the workplace, inspiring people, inspiring the world, inspiring the earth, and inspiring the future.

VISION 2040 outlines policies related to the environment, digital transformation (DX), human capital, and financial strategies, in addition to business strategies. With regard to the environment in particular, we have set a greenhouse gas (GHG*) emissions reduction target of 30%. We will work to reduce environmental impacts, and provide products, merchandise, and services that are best suited to environmental measures. As a preliminary step, we established an Environment & Energy Group in April 2025, and are seeking to expand our renewable energy-related businesses.

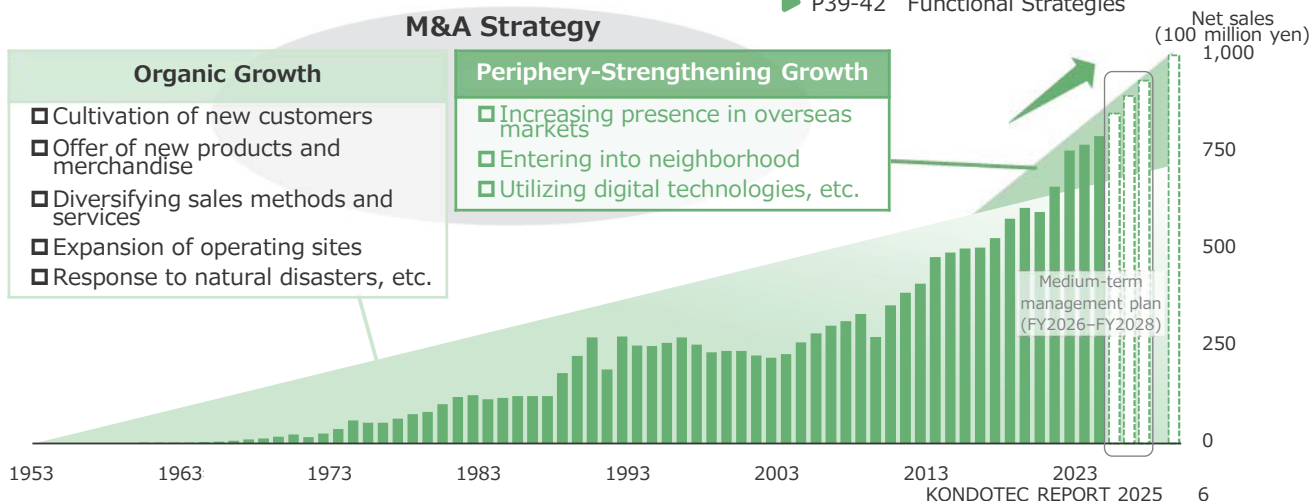
As the first step toward achieving our long-term vision, VISION 2040, we aim to achieve Group sales

of 100 billion yen during the 2020s. As for growth strategies towards attaining net sales of 100 billion yen, the Company has organic growth strategies for existing businesses and periphery-strengthening growth strategies those other than the existing businesses.

Under our current Medium-term Management Plan, we will implement growth strategies, including M&A, with the objective of attaining growth every fiscal year without fail. By doing so, we will achieve net sales of 100 billion yen and achieve our goals under VISION 2040.

We take seriously our history built on the basis of our unwavering corporate philosophy, which reads, "We strive to contribute to the creation of an affluent society by nurturing our employees, who would shape the future, and by conducting corporate activities with innovative and pioneering way." We will all seek to create a new history together with our stakeholders.

- ▶ P16 Long-Term Vision
- ▶ P18-22 Medium-Term Management Plan, Growth Strategies
- ▶ P39-42 Functional Strategies



* Refers to greenhouse gases. The same applies hereafter.

History

78 Years of the Company's History

— Challenge for Value Creation —

KONDOTEC has been striving to meet the needs of customers since the founding.

We have been able to grow as a manufacturer and wholesale company precisely because we have continued to challenge and create to meet the needs of customers, and because of the support from stakeholders.

We will continue to challenge and create facing various issues in order to contribute to the development of society going forward.

(million yen)
80,000

60,000

1967

Began production of scaffolding chains.



40,000

1965

Began sale of wire ropes.



1985

Established the New Business Division.
(Structural Steel Sales Division)



20,000

1962

Began production of turnbuckles.



1973

Began production of hardware and screws for civil engineering and construction.



0

1953

1958

1963

1968

1973

1978

1983

1988

The Oil Shocks

1947 ▶▶ 1972

Established and Gaining Ground in Tokyo, "Shifting from Sea to Land," Kyushu Factory Established

The Company started business from the ashes of the war in 1947. Began production and sale of hardware for ships. Following its expansion into Tokyo in 1957, the Company began manufacturing turnbuckles — seismic-resistant components — in 1962. Our primary product lineup shifted from ship-related materials to civil engineering and construction materials, marking a transition from sea to land. With the establishment of the Kyushu factory in 1966, the Company secured large-scale production capabilities while expanding its range of products and merchandise, thereby solidifying its business base as both a manufacturer and a wholesale company.

1973 ▶▶ 1988

From the Expansion Across Japan and Direct Sales to the Next Stage

While expanding its product and merchandise range from construction hardware to general industrial materials, the Company implemented energy-saving measures and improved working conditions (such as by replacing the heavy oil furnaces at its Kyushu factory with clean electric heating systems in 1978), and worked to improve quality. In 1985, the Company became the first manufacturer to obtain JIS standard certification for producing the bodies of turnbuckles for buildings. This certification became a major advantage, leading to the establishment of a new direct sales department targeting steel structure fabricators in the same year, and the expansion of the Company's sales network.

2025 [Consolidated]

Net Sales	79,175	million yen
Ordinary Profit	4,679	million yen
Network	103	operating sites
Number of Employees	1,423	members

■ Net sales(left axis)
■ Ordinary profit (right axis)

(million yen)
8,000

6,000

4,000

2,000

0

1989 1994 1999 2004 2009 2014 2019 2024

The Great Hanshin-Awaji Earthquake

The Burst Bubble

The Great East Japan Earthquake
The Global Financial Crisis

COVID-19 Infection

1989 ►► 2009

Reborn KONDOTEC Listed on the Stock Market and Expanded Business Domains

The Company made a fresh start by changing the company name in preparation for the Heisei era. By building factories in Ibaraki and Hokkaido, the Company established a system for the supply of small-lot, custom-made products with short lead times. As part of preparations for listing, internal systems were also revised, and in 1995 the Company listed its shares on the Second Section of the Osaka Securities Exchange. In 1999, the Company successfully listed its shares on the Second Section of the Tokyo Stock Exchange. The Company also expanded the scope of its business by developing hook bolts with square shank and entering the railway industry.

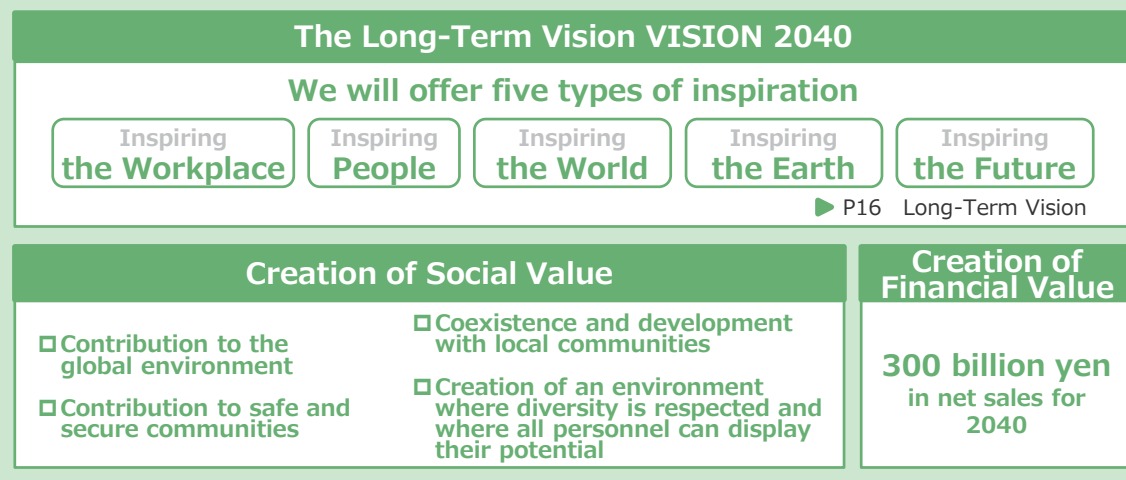
2010 ►► Present

Entering a New Stage by M&A

In 2010, the Company acquired a subsidiary engaged in the wholesale distribution of electrical equipment. Later, the Company established KONDOTEC INTERNATIONAL (THAILAND) CO., LTD., to strengthen its overseas operations, and acquired subsidiaries engaged in scaffolding construction and the manufacture and development of aluminum extrusions. By leveraging synergies between Group companies, we are actively expanding our business scope. The company listed its shares on the First Section of Tokyo Stock Exchange in 2011, and transitioned to the Prime Market in 2022. While striving for sustainable growth and enhancing corporate value, the Group as a whole aims to achieve the net sales target of 300 billion yen set under its long-term vision, VISION 2040.

Value Creation Story

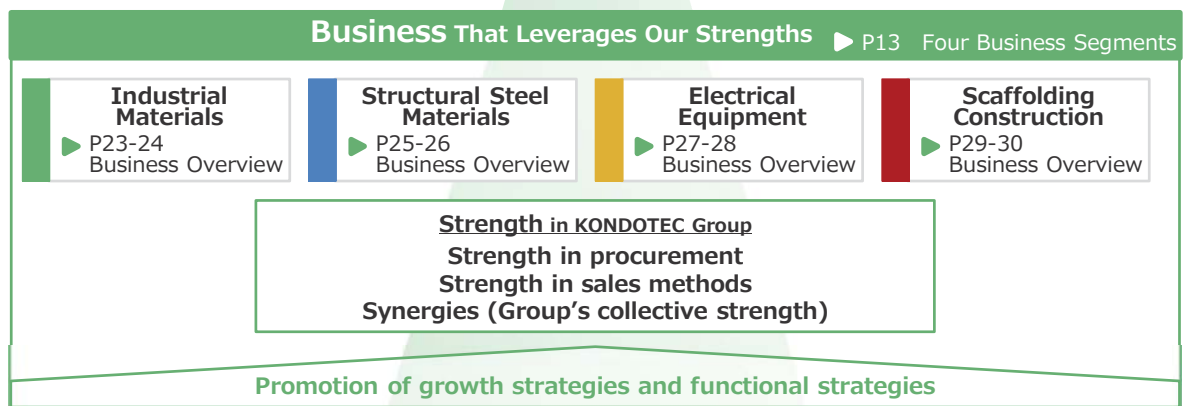
Outcome



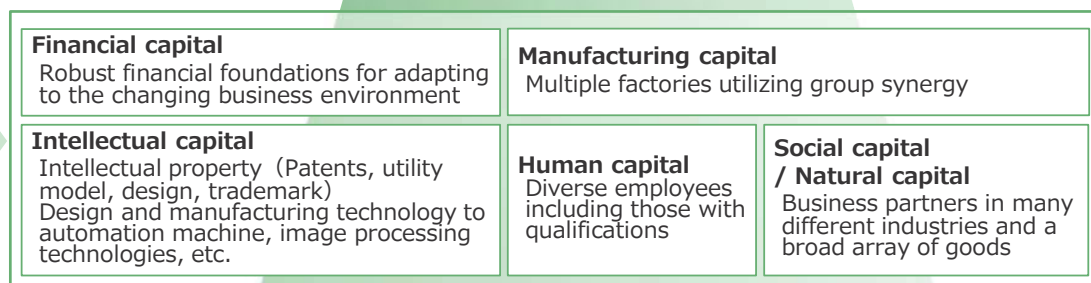
Output

Products, merchandise, services and initiatives
that will lead to solution of social issues

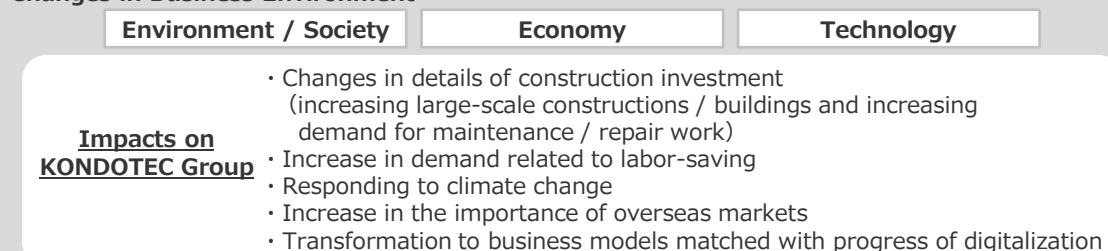
Business Activities



Input



Changes in Business Environment



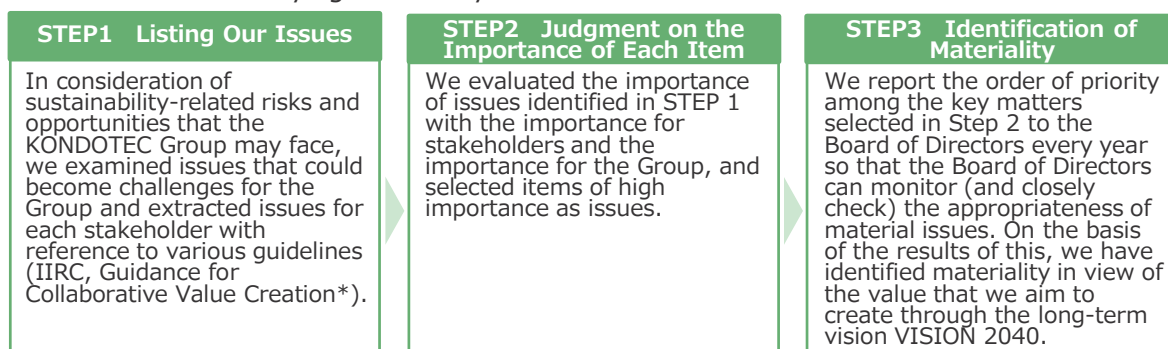
Materiality

In engaging in corporate activities, KONDOTEC recognizes that management that takes social sustainability into consideration leads to the sustainable growth of the Company. We have hence identified material issues (materiality) that we should focus on for reaching the ideal form in 2040. As an ideal form of materiality, we will work to create social value through the VISION 2040 (i.e. such as contributing to the global

environment, contributing to safe and secure communities, coexistence and development with local communities, and creating of an environment where diversity is respected and where all personnel can display their potential) and build a workplace environment ensuring employees' health, safety and security, and develop a robust management base.

▶ P16 Long-Term Vision

■ The Process of Identifying Materiality



* IIRC: Framework within the International Integrated Reporting Council
Guidance for Collaborative Value Creation: Guidance for information disclosure and improving quality of dialogue with investors

■ Materiality

We decided on materiality as follows after the three steps. We will link this materiality to sustainable corporate growth by incorporating it in the management strategy.

What the KONDOTEC Group is currently engaged in to cope with these material issues and what we will focus on in the future as shown below.

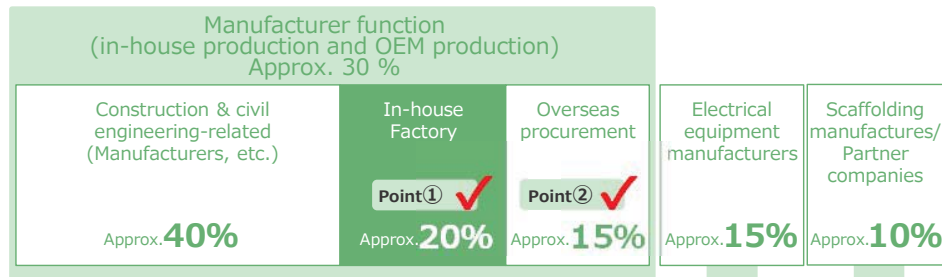
The Ideal Form	Materiality	Relevant SDGs
Contribution to the global environment	(1) Business Activities Paying Attention to the Environment ▶ P35-38 Environmental Initiatives	   
Contribution to safe and secure communities	(2) Procurement and Provision of High-Value-Added Products, Merchandise and Services ▶ P19-22 Growth Strategies ▶ P31-32 Functions as a Manufacturer ▶ P33-34 Stance for Security and Safety	   
Coexistence and development with local communities	(3) Coexisting with Local Communities ▶ P20 Growth Strategies (Expansion of Operating Sites, Response to Natural Disasters)	 
Creation of an environment where diversity is respected and where all personnel can display their potential	(4) Development of Human Resources and Encouragement of Diversity, Equity and Inclusion ▶ P40-42 Human Capital	  
Creation of a workplace environment ensuring employees' health, safety and security	(5) Promotion of Health Management and Occupational Safety and Health ▶ P40-42 Human Capital	
Building a robust management base	(6) Enhancement of Corporate Governance ▶ P50-56 Enhancement of Corporate Governance	
	(7) Promotion of Communication with Stakeholders ▶ P48 Promotion of Communication with Stakeholders	 

Business Model

■ Distribution Channels

Suppliers

(Consolidated)



Point① ✓

Manufacturer function in net sales
Approx. **30%**
* In-house manufactured products and OEM products

Point② ✓

Overseas procurement includes products manufactured in local OEM factories.

Point③ ✓

Customer breakdown by business segment

Total
Approx. **27,000** customers (FY2025)

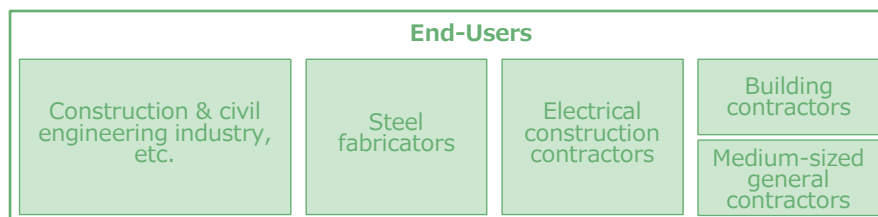
Customers

Point③ ✓



Point④ ✓

Electrical appliance stores



59% Industrial Materials

22% Structural Steel Materials

19% Electrical Equipment

* Scaffolding Construction is not included.

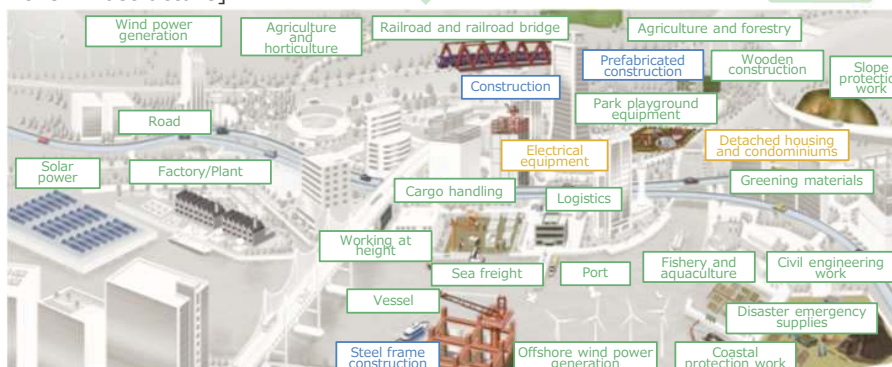
Point④ ✓

We provide direct sales to some end-users

Point⑤ ✓

Demand for products and merchandise
Public **20%**
Private **80%**

Demanders
[Entire infrastructure]





Suppliers

Number of Suppliers	Approx. 5,000
Factory	6 (Domestic)
Manufacturer Function	Approx. 30 %

(As of March 31, 2025)

- ✓ Capable of stable supply due to not depending on specific suppliers
- ✓ Capable of providing products and merchandise according to needs



Expansion of Operating Sites

Number of Operating Sites	103
Number of Items	Approx. 50,000

(As of March 31, 2025)

- ✓ Realization of the quick delivery system with all operating sites having inventories
- ✓ Capable of immediately responding to urgent demand for materials in the event of a natural disaster



Customers

Number of Customers	Approx. 27,000
Number of New Customers	Approx. 1,500

(As of March 31, 2025)

- ✓ Not prone to be affected by conditions of particular industries, by selling to various industries, it is able to generate stable earnings

What are construction sector?

Construction sector account for the largest percentage of our customers. These businesses are roughly divided into two: building and civil engineering. We supply materials related to both categories. The two categories differ as follows.

Builders' business

According to the Building Standards Act, building is to newly construct, add, rebuild, or relocate a building. It also defines a building as a place or space with a roof and columns or walls that humans can safely use. In other words, building is a business which carries on the work of constructing condominiums and other residences, schools, factories, movie theaters, restaurants, shopping malls and others we usually use in everyday life.



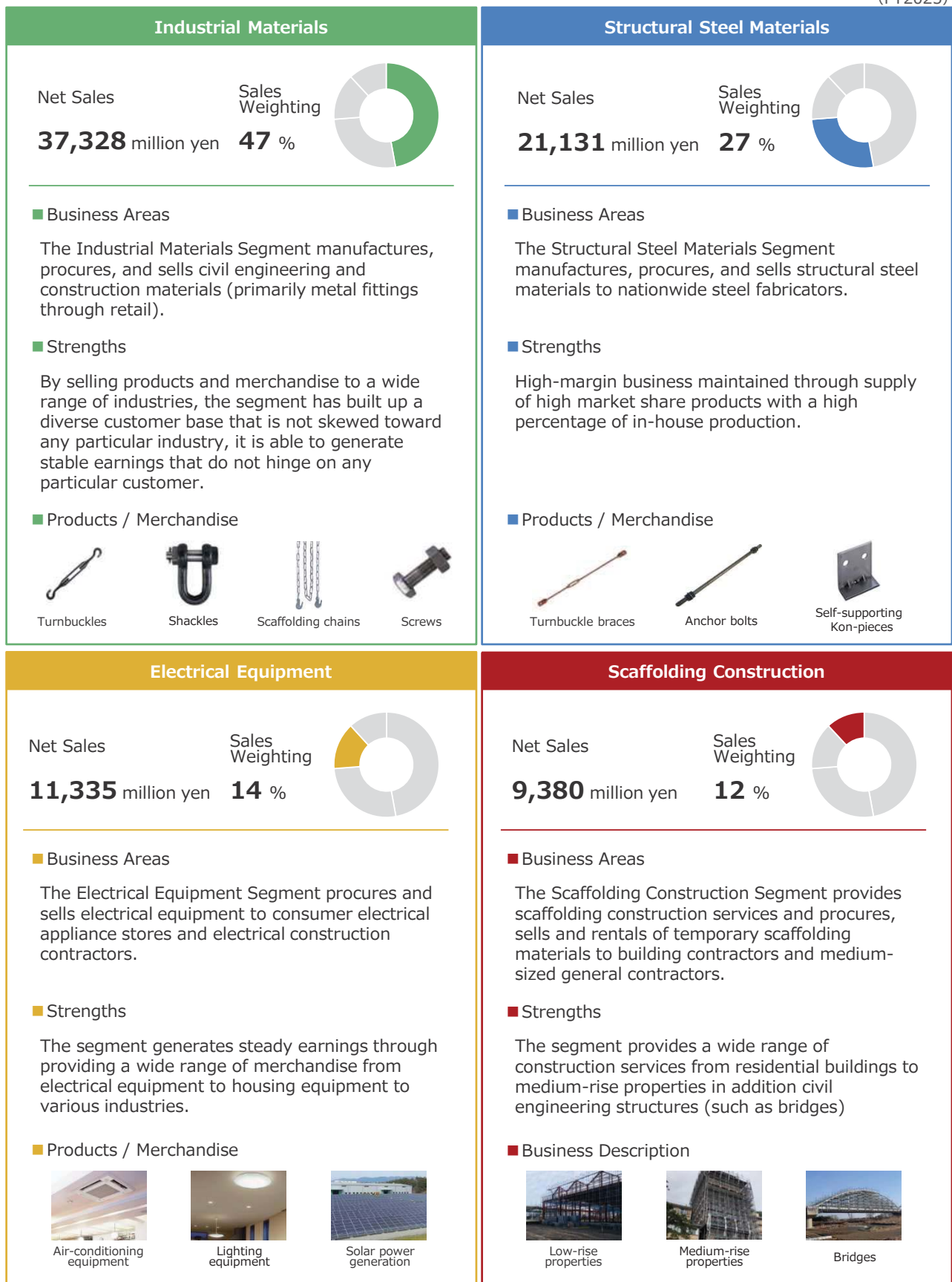
Civil engineers' business

Civil engineering works refer to works and structures other than buildings. Specifically, civil engineers create tunnels, roads, bridges, dams and other structures over mountains, forests, rivers, seas and other forms of nature for facilitating people's life. They support our convenient and safe lifestyles.



■ Four Business Segments

(FY2025)



■ Comprehensive Services Based on Synergy

We take advantage of the group energy to provide comprehensive support for all processes from the foundation work to completion in construction projects as well as subsequent maintenance and repair work.



↑ Steel frame works



Steel frame foundation →

(1) Foundation Works and Steel Frame Construction

Structural Steel Materials

We offer a wide range of steel auxiliary materials and bolts that come with H-shaped steel beams and columns used in steel frame building to steel fabricators. We not only offer anchor bolt products supporting the foundations of columns but also install them upon contract.

(2) Scaffolding Construction Services

Scaffolding Construction

In building construction projects, scaffolds are erected that support workers' safety. Scaffolds have another purpose of preventing damage to surrounding buildings and harm to people. They represent an indispensable process on any construction site.



← Scaffolding construction services

(3) Construction Work

Industrial Materials

We offer indirect materials used in construction work. We deal with an extensive lineup of items, including cargo handling materials for lifting objects, temporary scaffolding materials, covering materials such as nets and sheets, bolts for fastening, and safety items including safety belts and traffic cones.



← Construction work

(5) Maintenance and Repair Work

Scaffolding Construction

Buildings require regular maintenance of waterproofing, coating, and other works after construction. At the time of maintenance work, scaffolds are erected and dismantled. We offer many different scaffolding materials suited for various buildings.

(4) Electrical and Housing Equipment Works

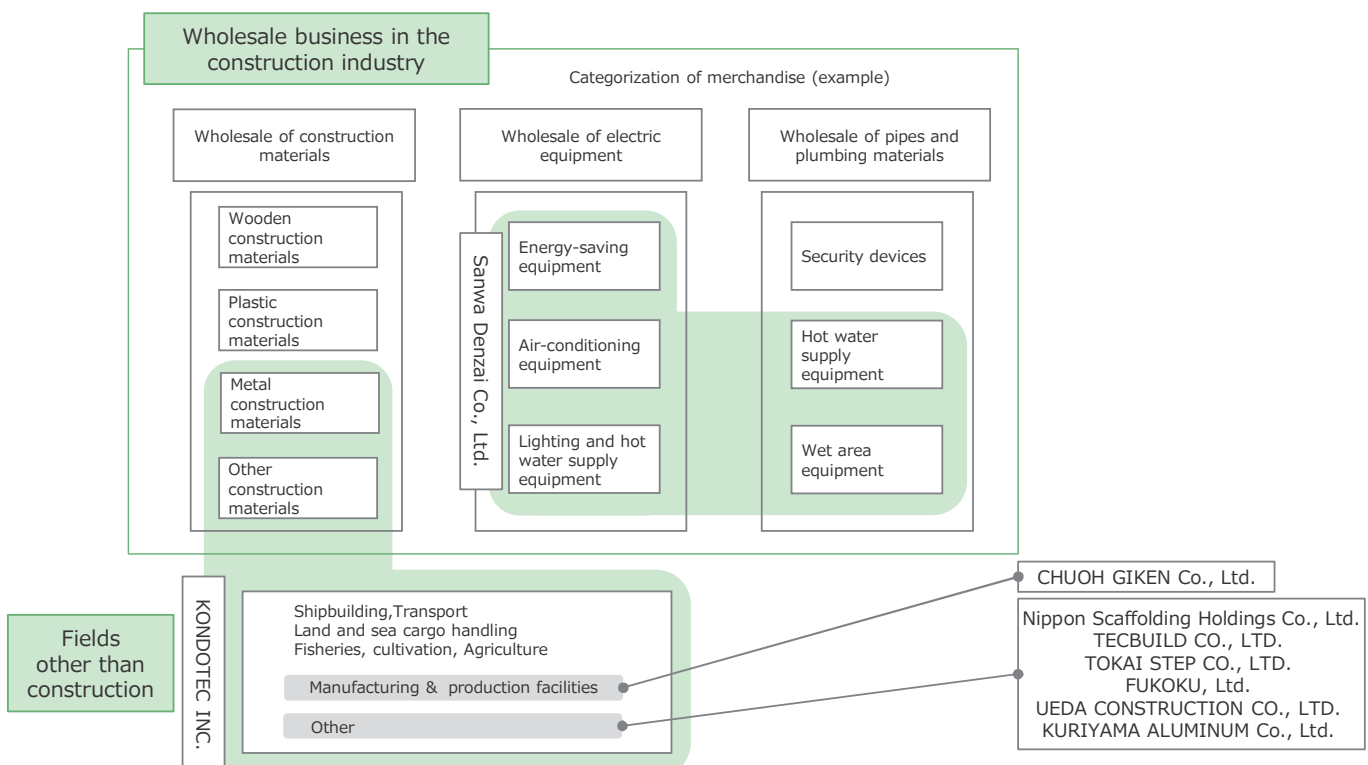
Electrical Equipment

After the exterior of the building is done by construction works, it is possible to carry in materials that are necessary inside the building. We deal in electrical equipment such as solar panels, air conditioners, and LED lighting as well as housing equipment including baths, toilets, boilers, garages, and storage sheds.



↓ Building completed

■ Business Areas



KONDOTEC STRATEGY

Long-Term Vision VISION 2040

■ Purpose of Formulating the Long-Term Vision

The business environment surrounding the KONDOTEC Group is expected to change drastically, for instance with demographic and other macroeconomic changes, climate change, inflation, and technological advancement. To achieve sustained growth and long-term

improvement in corporate value while adapting to changes in business conditions, we have determined our vision for 2040. And we have taken a backcasting approach to develop a policy for achieving that vision, in the form of VISION 2040.

■ Ideal in the Long-Term Vision VISION 2040

We have determined our ideal form as a company that inspires the workplace, people, the world, the earth, and the future. The vision states, "We will offer five types of inspiration."

As we aim to be a company that offers inspiration, we will strive for a financial target of 300 billion yen in net sales for 2040. We will also work to create social value, such as contributing to the

global environment, contributing to safe and secure communities, coexistence and development with local communities, and creating of an environment where diversity is respected and where all personnel can display their potential. The business portfolio for achieving VISION 2040 is outlined on page 17.

► P17 Business Portfolio

We will offer five types of inspiration

Inspiring the Workplace

We will value human relationships and create new value as a business partner.

Inspiring People

We will do business that delivers happiness to everyone concerned with the KONDOTEC Group.

Inspiring the World

We will deliver safety and security to the world with the use of networks and technologies.

Inspiring the Earth

We will help build a sustainable society as a responsible company.

Inspiring the Future

We will aim to be a company that can be the pride of future generations.

A Pledge for Achieving the VISION 2040

We will transform ourselves (functional enhancement and building of foundations)

- We will aim to be a company that will combine human resource with technologies to create innovative value. -

We will make a difference (growth and higher additional value)

- We will carry out business activities that will be conducive to innovation in social infrastructure. -

Creation of Social Value

□ Contribution to the global environment

[Environmental contribution target]

By 2040, reduce GHG emissions by 30%

□ Contribution to safe and secure communities

□ Coexistence and development with local communities

□ Creation of an environment where diversity is respected and where all personnel can display their potential

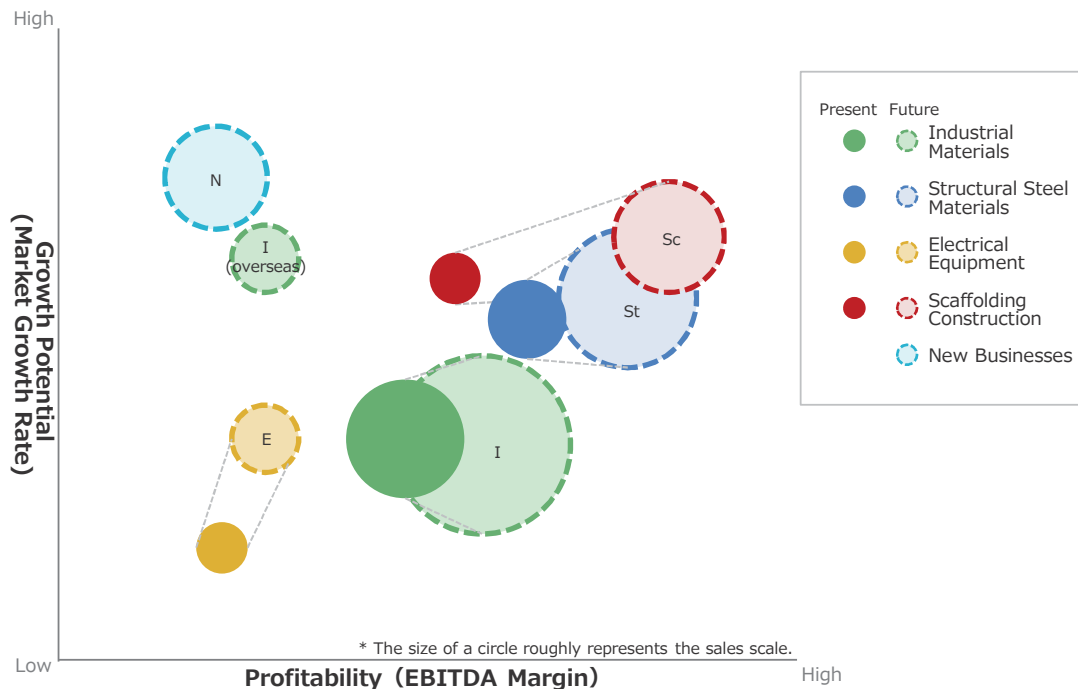
Creation of Financial Value

300 billion yen in net sales for **2040**

Business Portfolio

■ Business Portfolio for Realizing the VISION 2040

The diagram below shows the current positions of our four business segments and the business portfolio we will seek to attain to realize our long-term vision VISION 2040. In the future, we will strive to increase the profitability of our existing businesses and expand their business domains. We will also work to achieve growth of overseas businesses and new businesses in a bid to create a sustainable business portfolio with a high capacity to create cash flows.



Main Initiatives

Industrial Materials

- Broaden the lineup of products and merchandise we handle
- Enhance distribution functions and construction and manufacturing capacity
- Develop overseas sales channel

Structural Steel Materials

- Developing new products and merchandise
- Advance the design function
- Increase in construction capacity

Electrical Equipment

- Broaden the lineup of products and merchandise we handle
- Enhancement of distribution functions and construction capacity
- Cultivate distribution routes other than wholesaling in the direct demand area

Scaffolding Construction

- Expand the sales coverage regions and expand the types of construction we can perform
- Continuously invest in scaffolding materials
- Increase in construction capacity

▶ P23-30 Business Overview

New Businesses

The KONDOTEC Group will seek to operate new businesses and address social issues in a bid to offer the five types of inspiration specified in the VISION 2040.

The operating circumstances we will address

Transition to a circular economy

Spread of renewable energy

Decrease in labor force participation due to declining birthrate and aging population

Cultivate new markets and serve to resolve social issues

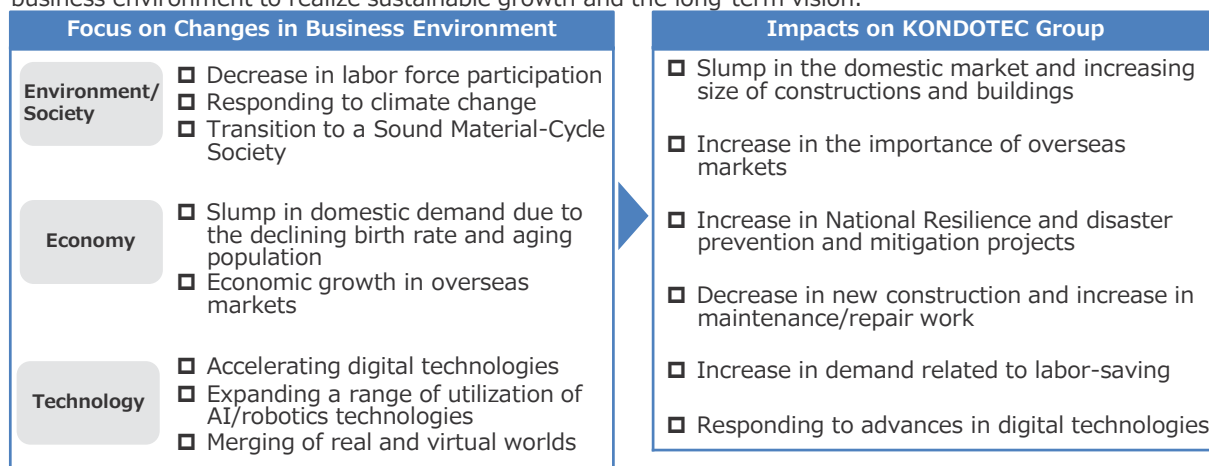
New Businesses 2040 Target

Net Sales
60 billion yen

Medium-Term Management Plan

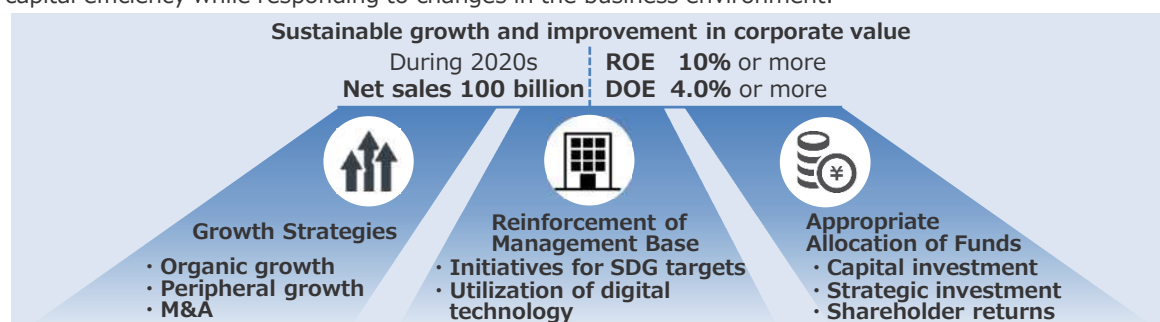
■ Recognition of the Business Environment

The business environment surrounding the KONDOTEC Group has changed and it has affected the Group in various ways. Need to deal with risks and opportunities accompanying the changes in the business environment to realize sustainable growth and the long-term vision.



■ Basic Policy

Aim for sustainable growth and improvement in corporate value by working to improve profitability and capital efficiency while responding to changes in the business environment.



■ Management Targets

Final Year's Target in the Medium-Term Management Plan				FY2028
Net Sales	Operating profit	Ordinary profit	EBITDA	ROE
93 billion yen	5 billion yen	5 billion yen	7 billion yen	10 % or more
Compared with FY2025 +18.1%	Compared with FY2025 +14.2%	Compared with FY2025 +13.3%	Compared with FY2025 +12.5%	Compared with FY2025 +0.7%

■ Financial Targets

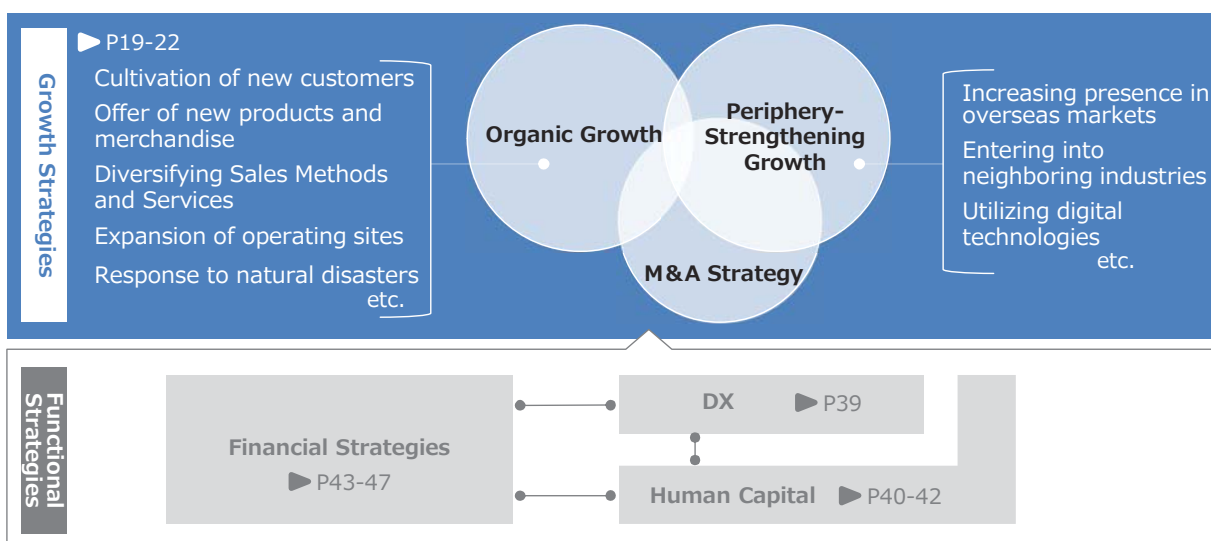
Promote growth strategies and strengthen the management base through the appropriate allocation of funds. Aim to accelerate sales and profit growth to achieve consolidated sales of JPY100.0bn in the 2020s.

Consolidated Target (Million yen)	FY2025 (Actual)	FY2026 (Plan)	FY2027 (Plan)	FY2028 (Plan)
Net Sales	79,175	85,000	89,500	93,500
Operating Profit	4,465	4,600	4,950	5,100
Ordinary Profit	4,679	4,800	5,150	5,300
Profit Attributable to Owners of Parent	3,272	3,350	3,400	3,450
EBITDA	6,580	6,600	7,200	7,400

* The Medium-term Management Plan adopts the rolling method which responds to changes in the business environment while verifying the outcome and issues every year in an effort to realize the long-term vision.

Growth Strategies

Basic Structure

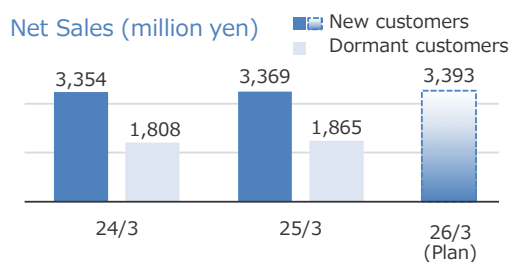


Existing Business Strategies (Organic Growth Strategies)

■ Cultivation of New Customers

Cultivation of new customers · Cultivation of dormant customers

KONDOTEC achieves a monthly average of one new customer per sales representative and a yearly average of 1,500 new customers as a company. In addition, we exploit a yearly average of 10 dormant customers per sales representative and these activities form the source for 20,000 sales customers.

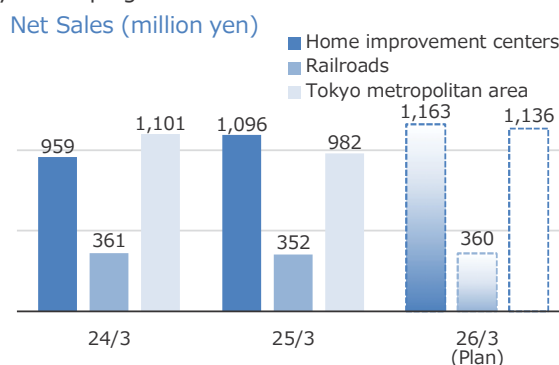


Cultivation of distribution routes

We are working to expand our business into sectors where growing demand is expected, such as Home improvement centers and railroad companies, in addition to the existing sales routes.

In addition, we are working to sell online, sell renewable energy related products and merchandise as an approach to new customers. As part of our initiatives to address the growing demand for centralized and bulk purchasing from major trading companies and general contractors in recent years, we have established dedicated teams within the Sales & marketing in Tokyo Metropolitan area. Through these teams, efforts

are being made to expand business operations by developing new sales channels.

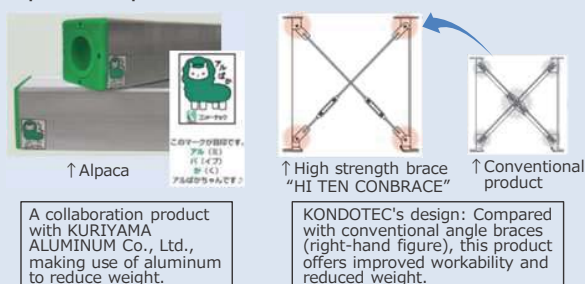


■ Offer of New Products and Merchandise

For the purpose of developing new merchandise, joint New Products and Merchandise Committee meetings are held between the sales division and the manufacturing division periodically to discuss requests from customers and proposals for improvement. As one example, we began selling aluminum square-shaped pipes "Alpaca" (manufactured by KURIYAMA ALUMINUM) in 2022. In 2023, we released the HI TEN CONBRACE manufactured by KONDOTEC. We develop products and merchandise with a focus on reducing weight and achieving labor. We will continue to develop and cultivate products and merchandise with even higher

added value in order to offer such products and merchandise.

Examples of new products and merchandise



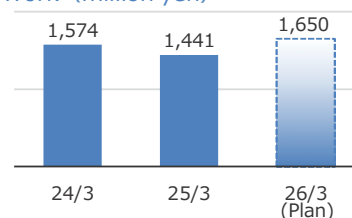
■ Diversifying Sales Methods and Services

For sales of products and merchandise, we issue specialized catalogs for specific fields and customer segments, such as lifting equipment and emergency supplies, to support targeted sales efforts. Further, in 2022, we opened an online showroom for new products and merchandise, drawings, instruction manuals, and usage videos. In line with the recent digital shift by companies and consumers, we created the online showroom to provide additional information on products and merchandise that we were unable to convey via our existing website and catalogs, further enhancing convenience.

KONDOTEC is actively undertaking provision of high-value-added services, not only sells merchandise but also maintains a structure to

enable the undertaking of anchor construction by having construction managing engineers and acquiring a construction business license. By becoming involved in the initial phase of a construction project, we are able to acquire information on necessary construction materials ahead of others and make use of such information on sales activities. In addition, we operate the TSURIKATA website for the inspection of lifting equipment for users of the equipment we handle. In terms of scaffolding construction, we not only receive orders for scaffolding works, but also provide rental services of scaffolding materials to serve a wider range of customers.

Net Sales from Anchor Construction Work (million yen)



↑ "TSURIKATA" Inspection site for lifting equipment

Examples of catalogs



■ Expansion of Operating Sites

We strive for expansion of operating sites which maintained a local-community-oriented sales structure in order to respond quickly to customer needs. As of the end of March 2025, we had 103 operating sites in Japan. Recently, we opened the Environment & Energy Group and the Hokuriku Office in April 2025.

The Company makes sure to establish warehouses to store inventory at operating sites at the time of a new operating site opening. Because we make deliveries, as for the location of operating sites, we select places near expressway ICs, or industrial parks that are unlikely to affect neighboring residents in terms of noise and traffic. As for personnel, we recruit local people at the time of a new operating site opening to help create employment in the community.

To make bulk purchases of merchandise from suppliers, KONDOTEC has logistics center at two bases in Japan (Osaka and Ibaraki) as well as one base in China. We are reducing the cost of purchase by delivering in-demand merchandise to operating sites after purchasing them in bulk from manufacturers in Japan and abroad, and storing in logistics center.

History of Operating Site Network Expansion (2020 and later)

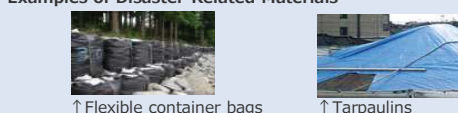
- **2021** <Relocation> Chukyo Branch
- **2022** Gunma Office
- **2023** Sanwa Denzai Co., Ltd. Nagoya-Higashi Branch
- **2024** Hokkaido Office
<Relocation> Kyushu Office
- **2025** Environment & Energy Group
Hokuriku Office

■ Response to Natural Disasters

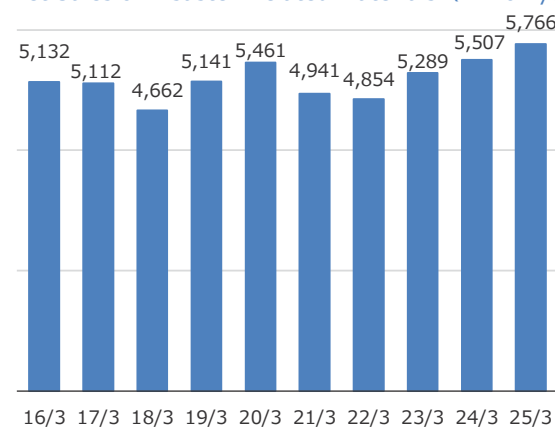
Kondotec handles disaster-related materials, such as large sandbags (flexible container bags) and tarpaulins, which are support recovery / restoration efforts from disasters and are in demand in the event of abnormal weather conditions, such as extremely heavy rainfall everywhere.

All operating sites have inventories and maintain a structure across Japan that enables us to immediately respond to such urgent demand for products and merchandise and carry out our responsibility to supply.

Examples of Disaster-Related Materials



Net Sales of Disaster-Related Materials (million yen)



Initiatives for Enhancing Activities in Non-Existing Business (Periphery-Strengthening Growth Strategies)

■ Increasing Presence in Overseas Markets

KONDOTEC's export business was active prior to the Plaza Accord in 1985 and handled exports worth approximately 2,000 million yen. However, given the currency crisis in 1997, when Asian currencies slumped, the export business became difficult and we shifted from export to import. Subsequently, we resumed exports around 2006 for the purpose of establishing a structure that was less susceptible to the yen's appreciation. To further expand into overseas markets with growth potential, we launched KONDOTEC INTERNATIONAL (THAILAND) CO., LTD. in 2012. Currently, we are moving ahead with activities to expand our business in ASEAN countries with Thailand as our base location.

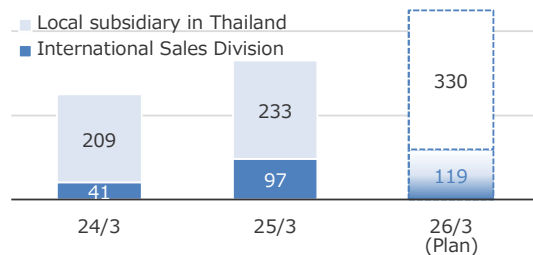
Going forward, we will further strengthen our sales & marketing capabilities by widening our sales network and reinforcing manpower with a view to increasing the ratio of net sales from our overseas business.



KONDOTEC INTERNATIONAL
(THAILAND)

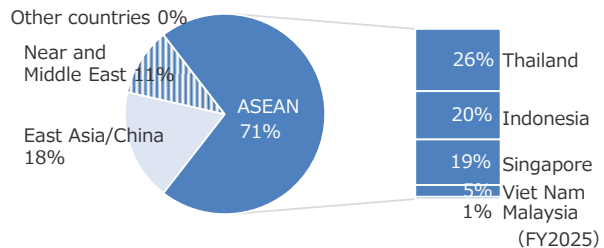


Net Sales of Overseas Business (million yen)



*Amounts of inter-company transactions are not included.

Percentage of Net Sales By Country



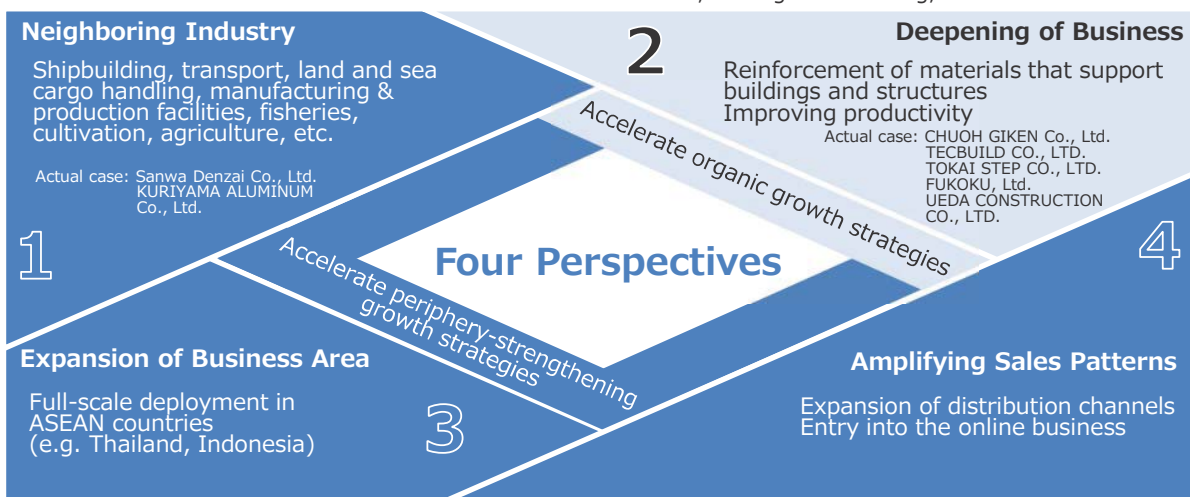
Toward Accelerating the Growth of the Present's KONDOTEC (Organic) and the Future's KONDOTEC (Periphery-Strengthening)

■ M&A Strategy

We view that pursuing corporate acquisitions and capital/business tie-ups is an important strategy to strengthen our business platform. We actively review potential acquisition and tie-up opportunities by analyzing and discussing the growth potential of the relevant business, while taking capital cost into consideration. Going forward, we will continue endeavoring to improve corporate value over medium to long term while taking into account M&A strategies, such as entering into neighboring industries to drive the periphery-strengthening growth.

Four perspectives in pursuing M&A

- 1. Neighboring industry**
Pursue M&A with companies associated with industries other than the construction industry and promote business expansion
- 2. Deepening the business**
Pursue M&A with material manufacturers, etc.
- 3. Expansion of business area**
Pursue M&A with companies that maintain overseas sites to promote business area expansion
- 4. Amplifying sales patterns**
Pursue M&A with companies that operates different sales patterns from those of KONDOTEC, such as retail, catalog-based selling, and online sales.



Actual case of M&A

KONDOTEC is actively undertaking entry into new fields in which it expects growth. As the actual case, to expand our business in the field of maintenance and repair of aging social infrastructure, the company has acquired four companies engaged in scaffolding construction (see table below). The company established Nippon Scaffolding Holdings Co., Ltd. as an intermediate holding company to oversee them. Working around this core, we will expand the areas we handle by sharing the know-how of the companies, which differ in their business areas and the construction properties in which they specialize, and will otherwise aim to achieve

synergies among them.

At the same time, there is a tendency in the construction industry to replace the main material of iron with aluminum, which is suitable for weight saving. Therefore, the demand for aluminum is expected to rise. Given this condition, the Company has acquired KURIYAMA ALUMINUM Co., Ltd., which is involved in the manufacturing and development of aluminum extrusions, in aiming to expand our product and merchandise line up with new materials. Going forward, we will continue striving to enter new fields by utilizing our wide range of business fields as the KONDOTEC Group.

▶ P32 Functions as a Manufacturer
(Initiatives Utilizing Group Synergy)

Group companies assumed the maintenance/repair field

	TECBUILD CO., LTD.	TOKAI STEP CO., LTD.	FUKOKU, Ltd.	UEDA CONSTRUCTION CO., LTD.
Location	(Head office) Ota-ku, Tokyo (Business area) Kanto, Hokuriku, Kansai, Chugoku, Kyushu	(Head office) Fujieda-shi, Shizuoka (Business area) Kanto, Tokai	(Head office) Sendai-shi, Miyagi (Business area) Tohoku	(Head office) Tomakomai-shi, Hokkaido (Business area) Hokkaido
Specialty	• Low to mid-rise buildings • Rental of scaffolding equipment  Detached housing construction	• Mid to high-rise buildings • Low-rise buildings  Accommodation construction	• Bridge • Mid to high-rise buildings  Aqueduct bridge repair	• Plants • Mid to high-rise buildings  Biomass power plant construction
(Intermediate Holding Company) Nippon Scaffolding Holdings Co., Ltd.				
Location	(Head office) Koto-ku, Tokyo			
Business Areas	Management of subsidiaries that provide scaffolding construction services			

Strengthening of collaboration

- Expanding businesses further in the maintenance/repair field
- Sustainable growth and improvement in medium to long term corporate value

Response to the Risks Related to Growth Strategies

- Credit risk of customers
If bad debt expenses arise due to the bankruptcy of a customer, this may have an impact on operating performance and financial position of the KONDOTEC Group. To mitigate the risk of any impact, we set credit limits for individual customers according to their credit levels in an effort to prevent any unrecoverable receivables from arising.
- Risk of impairment on fixed assets
A substantial change in economic conditions or business circumstances may result in an impairment loss on fixed assets, or otherwise have a serious impact on the earnings and the financial position of the KONDOTEC Group. To mitigate the risk of any impact, we carefully consider the financial standing and business plans of targets for M&As when conducting M&As.
- Dependence on imported merchandise and FX fluctuation ▶ P24

Business Overview

■ Industrial Materials



From the left

KONDOTEC INC. Manager of Eastern Japan Sales Division	Kazuyuki Asakawa
Manager of Western Japan Sales Division and Development Sales Division	Tatsuya Takahashi
Manager of International Sales Division / Managing Director, KONDOTEC INTERNATIONAL (THAILAND) Co.,LTD.	Soichi Furuta
President and Representative Director, KURIYAMA ALUMINUM Co., Ltd.	Motoshi Amagishi
President and Representative Director, CHUOH GIKEN Co., Ltd.	Shinichi Tsuji

Aiming to expand our business beyond the scope of construction and civil engineering based on our extensive sales fields

This business segment deals with a broad range of merchandise used in construction and civil engineering, with a primary focus on wholesale sales. We are currently expanding our field of operations and focusing on upstream and downstream sales, engaging in sales activities directly with users or close to users in order to build a sales network that further leverages our sales and proposal capabilities.

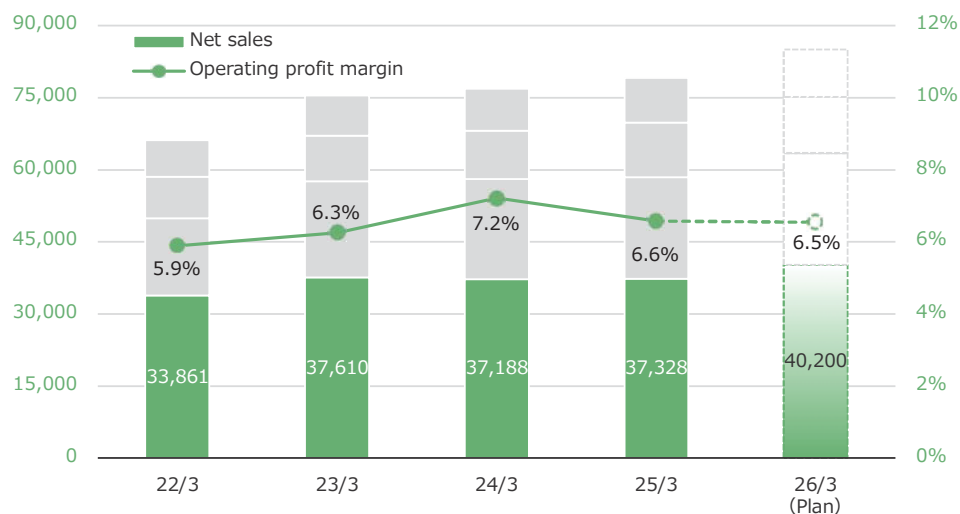
In addition, in this segment, we have been working to develop sales channels that go beyond the scope of construction and civil engineering, such as home improvement stores and railway companies. We will continue to challenge ourselves in new fields such as products for renewable energy facilities,

including offshore wind power. KONDOTEC is well recognized as a brand of lifting equipment not only in Japan but in ASEAN countries as well. In these markets, we will expand sales of Japanese-made products in regions where infrastructure development is progressing, while working to expand our business.

To incorporate aluminum, which enables weight reductions in construction materials that have traditionally been made mostly of iron, we have acquired an aluminum extrusions manufacturer and are working to offer lightweight alternatives. Going forward, the Group will work as one team to develop new products, aiming for continued growth.

Distribution Channels		
Ratio of Segment Sales	Procurement source (consolidated) 	Customers by industry (parent)
Number of Operating Sites	KONDOTEC INC. 30 operating sites (Subsidiaries) KONDOTEC INTERNATIONAL(THAILAND) CO.,LTD. CHUOH GIKEN Co., Ltd. KURIYAMA ALUMINUM Co., Ltd. 2 operating sites (As of March 31, 2025)	
Number of Customers	Approximately 16,000 companies	
Number of Employees	362 (As of March 31, 2025)	

Changes in Net Sales (million yen)



Towards VISION2040

Opportunities and Risks	Focus Fields	Initiatives
- Decrease in labor force participation due to the declining birthrate and aging population - Increase in investment related to national resilience after a rise in the frequency of natural disasters - Increase in investment for replacement following an increase in aged buildings and in investment in infrastructure in adaptation to changes in the environment - Increase in investment in infrastructure outside Japan	Labor-saving, weight reduction Repair, rental sales Overseas markets, mainly ASEAN	- Development of new products and merchandise that leverage the Group's strengths - Expand products and merchandise lineup - Enhancement of distribution functions and construction and manufacturing capacity - Sales activities that combine digital and analog approaches - Develop overseas sales channel

Overview of the year ended March 31, 2025

As a result of steady progress in large-scale property such as urban redevelopment construction and public investments, sales in this segment amounted to 37,328 million yen (up 0.4% year on year).

In terms of profits, while gross profit margin remained flat, selling, general, and administrative expenses increased chiefly due to freight costs and depreciation, resulting in segment profit of 2,454 million yen (down 8.5% year on year).

New customers

Numbers	Net Sales
1,744	1,295 million yen

(As of end March 2025)

* The number of new customers and of net sales represent the number and net sales of customers exploited this fiscal year and in the previous fiscal year, and for which actual sales were made this fiscal year (non-consolidated).

Response to the risks

- Dependence on public investments and private capital investments
Since sales associated with public investments and private capital investments account for a considerable percentage of the segment's sales, stagnation in the conditions of the construction industry and a decline in demand caused by such conditions may have a significant impact on the operating performance and financial position of the segment.
To mitigate the risk of any impact, we are conducting growth strategies including the cultivation of new customers, offering of new products and merchandise, expansion into overseas markets and M&A strategies to operate our business in promising fields.
- Dependence on imported merchandise and FX fluctuation
While having been increasing the procurement of imported merchandise from overseas, such as China, for the purpose of selling competitive

merchandise, the segment is currently procuring about 85% of them from China. Accordingly, there is a possibility that securing merchandise will become difficult, because the pursuit of business by the suppliers is greatly influenced by U.S.-China trade friction, changes in statutory regulations in China and others.
In addition, major volatility in the foreign exchange market may have a significant impact on the operating performance and financial position of the segment.

To mitigate the risk of any impact, we strive to cultivate new suppliers and to conclude forward exchange contracts.

- Credit risk of customers ▶ P22
- Price competition ▶ P26
- Impact of market fluctuations for raw materials, etc. ▶ P26
- Impact of communicable diseases on business activities ▶ P26

■ Structural Steel Materials



From the left

KONDOTEC INC.
Manager of Eastern Japan Structural Steel Sales
Division

Hiroshi
Murakami

Manager of Western Japan Structural Steel Sales
Division

Shinya
Takahashi

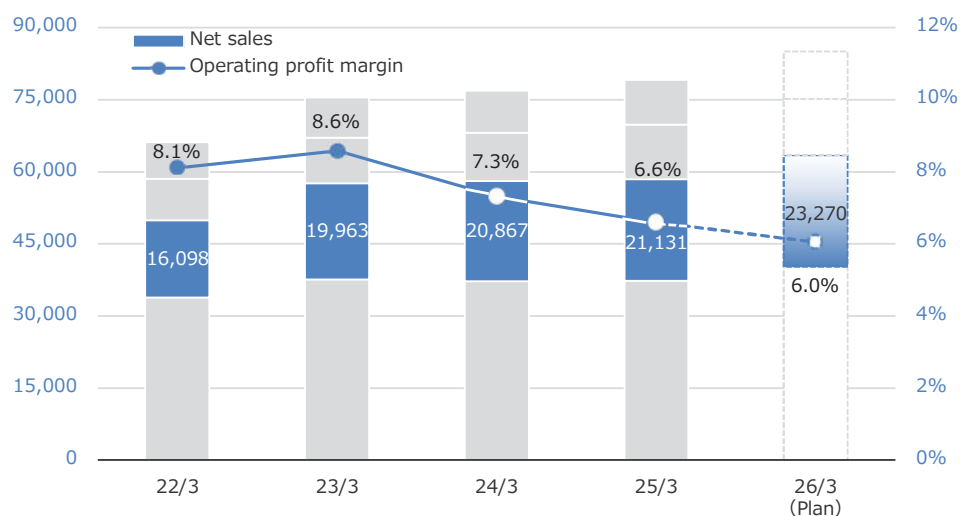
We will leverage a logistics network, centered on our nationwide sales offices, to expand sales of high-share products, new products and merchandise.

This segment strives to expand sales of products and merchandise essential to steel frame buildings. They center on products with large market shares that constitute part of the strengths that we have nurtured. Our mainstay products, JIS standard turnbuckle braces, are widely used in logistics warehouses and system-based construction. Demand for logistics warehouse construction remains strong due to the recent expansion of the e-commerce industry. In this segment, we will strive to further expand our business by leveraging our advantage of being able to deliver products and merchandise immediately, through a logistics

network centered on our nationwide sales offices. However, there are some regions where we do not have sales offices, so we will continue working to launch offices and expand our sales coverage areas. In addition, we focus on offering new products and merchandise geared to the times, such as products with labor-saving and lightweight characteristics. In 2023, we released the HI TEN CONBRACE, with lower weight and higher efficiency compared with conventional equivalent products, and are seeking to expand sales of our products. We will pursue these initiatives with the aim of achieving sustained growth.

Distribution Channels	Suppliers Manufacturers, etc. related construction & Civil engineering / Factories / Overseas procurement KONDOTEC Structural Steel Materials Material sales / Construction services Customers End-users (Steel fabricators)
Ratio of Segment Sales	Procurement source Domestically-sourced 58% In-house 32% Imported 10% Customers by industry Manufacturing 5% Wholesale 10% Construction 80% Others 5% (FY2025)
Number of Operating Sites	KONDOTEC INC. 19 operating sites (As of March 31, 2025)
Number of Customers	Approximately 6,000 companies
Number of Employees	154 (As of March 31, 2025)

Changes in Net Sales (million yen)



Towards VISION2040

Opportunities and Risks	Focus Fields	Initiatives
- Shift to larger private properties and acceleration of concentration in urban areas - Decrease in steel fabricators - Decrease in labor force participation due to the declining birthrate and aging population - Spread of DX in construction	- Upstream areas of the supply chain - Acquisition of orders including construction works - Labor-saving, weight reduction	- Cultivation of sales channel in the field of steel trading companies and neighboring fields - Developing new products and merchandise - Advancement of design functions (support for three-dimensional models) - Increase in construction capacity

Overview of the year ended March 31, 2025

Although sales volume growth was sluggish due to stagnation in small and medium-sized properties, segment sales increased to 21,131 million yen (up 1.3% year on year) as a result of an increase in sales prices due to an increase in the share of large-scale properties in high demand, as well as the contribution of sales at the Hokkaido office opened in 2024.

New customers

Numbers	730	Net Sales	1,253 million yen
---------	-----	-----------	-------------------

(As of end March 2025)

* The number of new customers and of net sales represent the number and net sales of customers exploited this fiscal year and in the previous fiscal year, and for which actual sales were made this fiscal year.

In terms of profits, although the gross profit margin improved slightly, segment profit stood at 1,394 million yen (down 8.7% year on year). This was due to an increase in selling, general and administrative expenses, mainly due to personnel expenses, freight costs, and depreciation, which could not be fully absorbed by the increase in sales.

Response to the risks

- Price competition**
If price competition with competitors continues to intensify in each of the product markets and local markets to which the segment belongs and it becomes difficult to maintain fair prices, this may have a significant impact on the operating performance and financial position of the segment.
To mitigate the risk of any impact, we are working to improve productivity to increase price competitiveness and to develop and provide high value-added products and merchandise precisely tailored to user needs.
- Impact of market fluctuations for raw materials, etc.**
Procurement prices of main raw materials for the products and merchandise of the segment tend to fluctuate depending on the global demand & supply trends of steel materials, copper and aluminum. Major volatility in the market may have a significant impact on the operating performance and financial position of the segment. To mitigate the risk of any impact, we

are endeavoring to swiftly pass on the cost to selling prices, to work with multiple suppliers and to cut costs related to production technologies to boost profitability.

- Impact of infectious diseases on business activities**
In cases of the spread of communicable diseases without established cures, accompanied by prolonged turmoil in global supply chains, delays in the progress of property projects, and restraints on private capital investments, or in cases of events that affect the continuation of business activities, significant impacts on operating performance and financial position of this segment may arise. To mitigate the risk of any impact, we have created a manual in preparation for the occurrence of the risk, so that we can take the necessary measures and steps for business continuity.
- Credit risk of customers ▶ P22
- Dependence on public investments and private capital investments ▶ P24

■ Electrical Equipment



President and Representative Director,
Sanwa Denzai Co., Ltd.

Akihisa
Yamamoto

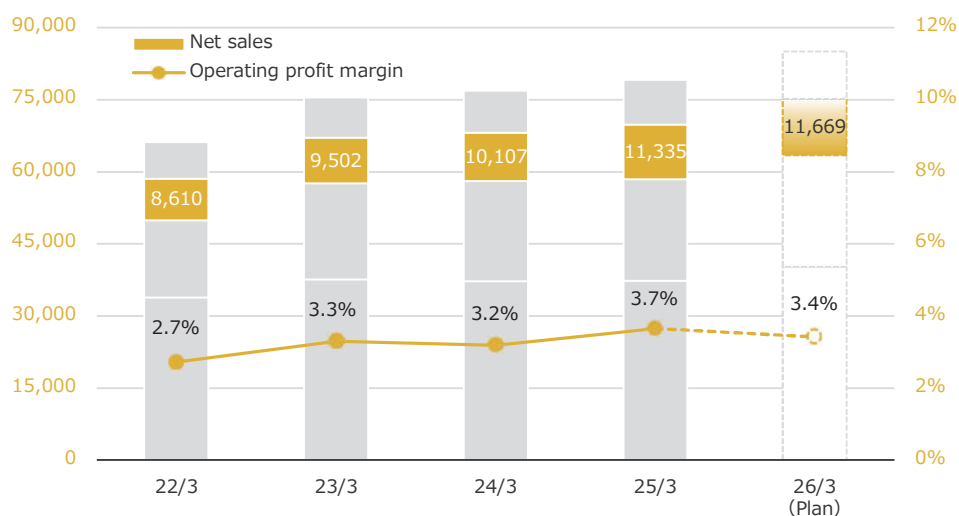
Seeking to expand business into factory automation-related and housing equipment markets and to win orders including construction works while centering on wholesaling to electrical construction contractors

This segment deals mainly with electrical equipment and wholesales it to electrical construction contractors to achieve customer satisfaction for a long time. In sales to electrical construction contractors, in addition to capturing the demand for air conditioning equipment due to the recent extreme heat, we will strive to expand our business by broadening our horizons to include other industries, and actively cultivating new customers and dormant existing customers.

We will also focus on full-scale development of FA-related business, development of sales channels for housing products, and expansion of sales channels to the non-housing sector. In addition to merchandise sales, we will also focus on entering new fields by accepting orders for construction work such as pipe work and weak current electrical construction, to provide value-added merchandise and services, and work toward further growth.

Distribution Channels	Suppliers Electrical equipment manufacturers KONDOTEC Electrical Equipment Material sales / Electrical Construction services Material sales Electrical appliance stores Customers End-users (Electrical construction contractors)
Ratio of Segment Sales	Procurement source Domestically-sourced 100% Merchandise category Others 28% Electrical wires 19% Lighting fixtures 18% Air conditioners / ventilation fans 18% (FY2025) Piping equipment 9% Circuit breakers/wiring devices 8%
Number of Operating Sites	(Subsidiary) Sanwa Denzai Co., Ltd. 12 operating sites (As of March 31, 2025)
Number of Customers	Approximately 5,000 companies
Number of Employees	144 (As of March 31, 2025)

Changes in Net Sales (million yen)



Towards VISION2040

Opportunities and Risks	Focus Fields	Initiatives
□ Growing demand for renovation due to increasing building ages □ Increasing demand for energy-saving and other environmental products and merchandise □ Shrinkage in housing investment mainly in new construction of detached houses	Factory automation-related fields Housing equipment Acquisition of orders including construction works Carbon neutral	□ Expand our sales coverage areas □ Expand merchandise lineup □ Enhancement of distribution functions and construction capacity □ Cultivate distribution routes other than wholesaling in the direct demand area

Overview of the year ended March 31, 2025

In addition to an increase in solar power generation equipment, electrical wiring and piping for large properties, and air-conditioning equipment (room air conditioners) to combat the extreme heat, an increase in sales and unit prices due to price increases made by supplier manufacturers contributed to a significant increase in sales of lighting fixtures, electrical wires, and air conditioners, resulting in sales of 11,335 million yen (up 12.1% year on year).

In terms of profit, despite an increase in personnel and logistics expenses, segment profit stood at 413 million yen (up 28.4% year on year) as a result of sales development with an awareness of gross profit margin and company-wide efforts to reduce expenses, such as passing on the effect of increased sales and the increase in purchase prices to selling prices, diligent negotiations to lower purchase prices, and capturing demand for construction projects with high profit margins.

New customers

Numbers	398	Net Sales	821 million yen
----------------	-----	------------------	-----------------

(As of end March 2025)

* The number of new customers and of net sales represent the number and net sales of customers exploited this fiscal year and in the previous fiscal year, and for which actual sales were made this fiscal year.

Response to the risks

- Credit risk of customers ▶ P22
- Dependence on public investments and private capital investments (in Tokai area) ▶ P24
- Price competition ▶ P26
- Impact of market fluctuations for raw materials, etc. ▶ P26
- Impact of communicable diseases on business activities ▶ P26

■ Scaffolding Construction



From the left

President and Representative Director, Nippon Scaffolding Holdings Co., Ltd. and FUKOKU, Ltd.	Tomoyuki Ejiri
President and Representative Director, TECBUILD CO., LTD.	Chikahiro Mochizuki
President and Representative Director, TOKAI STEP CO., LTD.	Junya Ishino
President and Representative Director, UEDA CONSTRUCTION CO., LTD.	Naoto Ueda

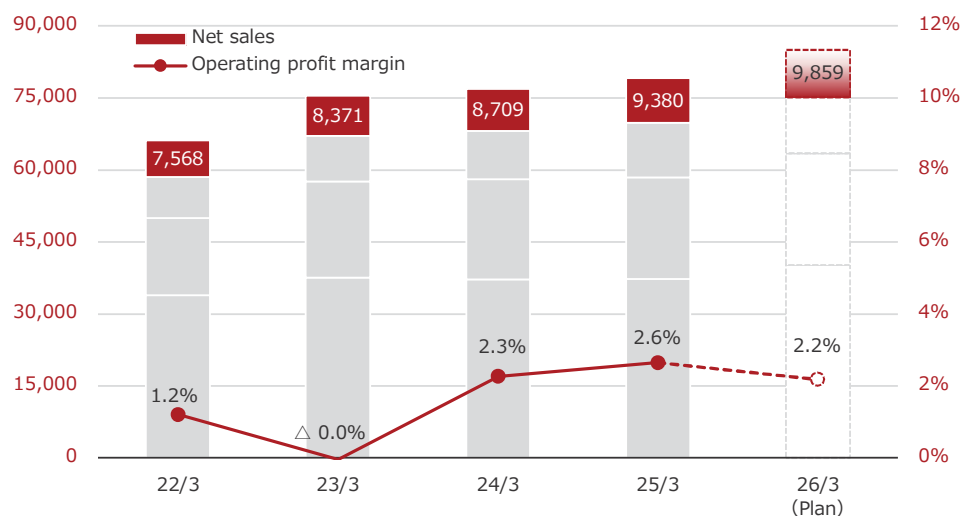
Making efforts to expand our construction business by leveraging Group synergies

Unlike other segments engaged mainly in material sales, the Scaffolding Construction segment has mainly conducted scaffolding construction and dismantling work in an effort to expand its business. These works are required not only at the time of constructing new buildings but also for large-scale repairs of condominiums and other buildings and for bridges and civil engineering domains. Demand in these areas is expected to grow in the future. In 2024, we welcomed UEDA CONSTRUCTION CO., LTD. to the Group, newly added plants to the housing, mid-to-high-rise building, bridges, and civil engineering domains that are covered by existing

business of the other group companies, and made use of group synergies such as passing on technologies and knowledge and sharing construction personnel and scaffolding equipment between Group companies to meet the needs of various fields. In this way, we will work to further expand the construction business. We will also focus on non-construction businesses, including the rental of scaffolding materials and material sales. We will strive for continued growth by making effective use of our strengths in operating construction and non-construction businesses.

Distribution Channels	Suppliers Scaffolding manufactures / Partner companies ↓ KONDOTEC Scaffolding Construction Construction services / Rental sales / Material sales ↓ Customers End-users (Building contractors / Medium-sized general contractors)
Ratio of Segment Sales	Service type Material sales 8% Rental sales 8% Construction services 84% Detached houses / renovations 34% Bridges / civil engineering 5% Large properties 61% (FY2025)
Number of Operating Sites	(Subsidiaries) Nippon Scaffolding Holdings Co., Ltd. TECBUILD CO., LTD. 17 operating sites TOKAI STEP CO., LTD. 14 operating sites FUKOKU, Ltd. 5 operating sites UEDA CONSTRUCTION CO., LTD. 1 operating sites (As of March 31, 2025)
Number of Employees	387 (construction workers: 173) (As of March 31, 2025)

Changes in Net Sales (million yen)



Towards VISION2040

Opportunities and Risks	Focus Fields	Initiatives
□ Increase in investment for replacement following an increase in aged buildings and in investment in infrastructure in adaptation to changes in the environment □ Increase in investment related to national resilience after a rise in the frequency of natural disasters □ Shrinkage in housing investment mainly in new construction of detached houses □ Decrease in labor force participation due to the declining birthrate and aging population	Rental sales Civil engineering / Bridges Medium- and high-rise buildings	□ Expand the sales coverage regions and expand the types of construction we can perform □ Continuously invest in scaffolding materials □ Increase in construction capacity □ Use digital technologies to increase productivity

Overview of the year ended March 31, 2025

Although material sales decreased due to the rise in scaffolding equipment prices, segment sales stood at 9,380 million yen (up 7.7% year on year) as a result of strong sales for large-scale properties due to strong public and private construction investment, and the contributions of UEDA CONSTRUCTION CO., LTD., which became a subsidiary in 2024.

In terms of profits, in addition to the improved gross profit margin, segment profit reached 248 million yen (up 25.7% year on year) as a result of the increase in sales absorbing increases in personnel expenses and selling, general and administrative expenses (due to the conversion of UEDA CONSTRUCTION CO., LTD. to a subsidiary).

Scaffolding materials

Capex

564 million yen

Book Value

1,022 million yen

(As of end March 2025)

Response to the risks

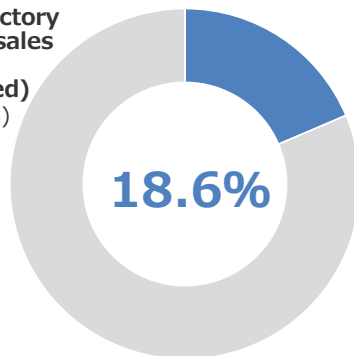
- Credit risk of customers ▶ P22
- Dependence on public investments and private capital investments ▶ P24
- Impact of communicable diseases on business activities ▶ P26

Functions as a Manufacturer

■ Roles of Factories

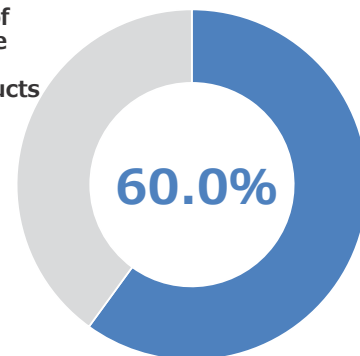
With a view to promoting a local community-oriented sales structure, KONDOTEC, as a wholesale company with a manufacturing function, maintains four factories in Japan (non-consolidated) and makes an effort to pay careful attention to customer feedback in distributing products.

Percentage of factory products to net sales of KONDOTEC (non-consolidated)
(FY2025)



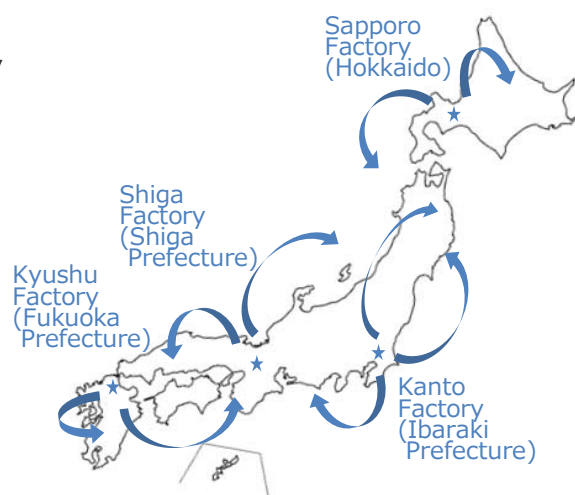
The majority of the Company's products are **custom-made products** that require high-level precision and short-term delivery. This prevents encroachment from overseas and leads to achieving a high profitability.

Percentage of custom-made products to factory products



■ Local Community-Oriented Structure

KONDOTEC maintains four factories in Hokkaido, Ibaraki, Shiga and Fukuoka (non-consolidated). All factories manufacture turnbuckle braces and anchor bolts, which are our core products. By having these four factories supply products to our sales network across the country, we are able to realize quick delivery and operate a local community-oriented sales structure. Setting our first priority on responding to customer needs with speed, we have a production structure in place that makes the best of our comprehensively capability that integrates production and sales.



Why are KONDOTEC factory products selected?

While there are differences in size and other specifications for turnbuckle braces, which are our core products, we take in their demand by using our sales and marketing capabilities and engaging in custom-made products at factories and short-term delivery. Moreover, for turnbuckle braces, we manufacture a majority of the component parts at Company factories, and by not using outsourced parts, we are expanding our product lineup in an aim to differentiate from other companies.

In terms of deliveries, turnbuckle braces and anchor bolts are often long and heavy, incurring high transportation costs. Therefore, we established four factories spread out across Japan to have each factory supply products to the operating sites in their respective regions for addressing the need for prompt delivery in order to reduce costs and risks associated with delivery and reduce GHG emissions.

Pursuing the safety of products

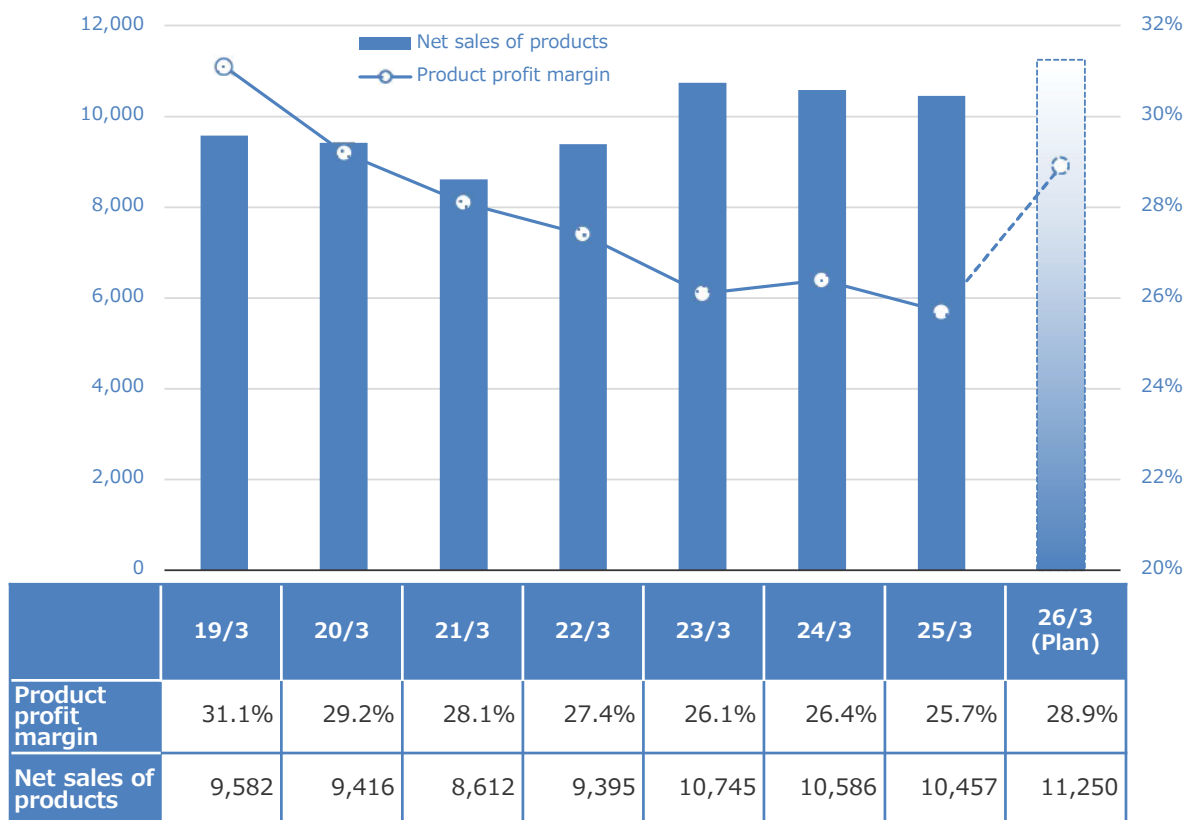
The Company is a brace manufacturer that our factories has acquired JIS from the production of turnbuckle bodies to brace products.

Moreover, we are actively acquiring ISO (International Organization for Standardization) certification.

► P33 Stance for Security and Safety

Changes in Product Profit Margin (non-consolidated)

(million yen)



Initiative to Improve Productivity and Increase our Production Capacity

We invest in production facilities based on the annual plan to improve quality and productivity at factories.

To improve productivity, we actively introduce labor saving solutions and optimize the manufacturing process, including digital transformation of production and process management and utilization of robotics at No. 2 Factory on the premises of our Shiga Factory we started operating in 2019. We also set up a third plant on the premises of our Sapporo Factory in April 2024 in order to meet growing construction demand in Japan. We are thus working to increase our production capacity.



Initiatives Utilizing Group Synergy

We are engaged in development of labor-saving lines by adding the image processing technologies of Digitizing Production Promotion Section to CHUOH GIKEN Co., Ltd. which develops manufacturing lines. Furthermore, KURIYAMA ALUMINUM Co., Ltd. is conducting manufacturing development of aluminum extrusions that are garnering attention from the construction industry as a lightweight material. We strive to improve productivity of our products by utilizing the know-how of each Group company and provide high value-added products using excellent technologies.

Business areas of the Group Company manufacturing-related organization

CHUOH GIKEN Co., Ltd.	Design and manufacture of various machine devices, labor-saving equipment and transport, including industrial machinery and electronic parts for automobiles and household appliances
Digitizing Production Promotion Section	Design and manufacturing of labor-saving, image processing equipment, various inspection equipment, and inspection tools ↑ Image processing equipment
KURIYAMA ALUMINUM Co., Ltd.	Development and manufacture of aluminum extrusions Aluminum extrusions→

Stance for Security and Safety

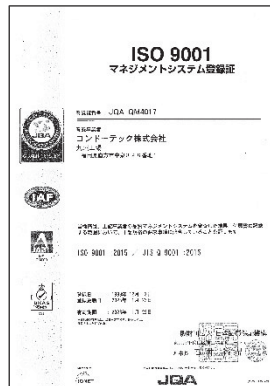
Quality Control of Products and Merchandise

From the perspective of providing safe, quality products, all of our factories and KURIYAMA ALUMINUM Co., Ltd. have achieved ISO9001. In addition, to further enhance the quality of products we handle, the Quality Control Section has been established in our factory and the section performs strength testing and inspections on a day-to-day basis in an effort to increase safety of products.

Further, the SDGs Promotion Department, acting under the direct supervision of the President, is engaged in auditing quality assurance matters.



Use this code to access information on the scope of application at factories of KONDOTEC.



↑ ISO9001 certification



↑ Break testing machine in Manufacturing Headquarters

Acquisition of certification of JIS and industry group

Regarding external standards for products manufactured in-house, we are producing products in compliance with the standards of various industries, including the acquisition of the Japanese Industrial Standard (JIS) certification (see table on the right). Scaffolding chains was awarded the first certification from the Scaffolding and Construction Equipment Association of Japan.

KURIYAMA ALUMINUM Co., Ltd. has also obtained JIS standard certification for extrusions of aluminum and aluminum alloys (JIS H 4100). Regarding products other than those from KONDOTEC's directly operated factories (OEM products), the Company's technology service staff or procurement section staff visits OEM contractors in Japan and abroad to give technical instruction.

Moreover, the Company's Directors serve as committee members of industry groups such as the Construction Turnbuckle Council of Japan and Anchor Bolt Manufacturer Association, etc., indicating their responsibility to comply with product standards by participating as committee members.

Standard certification list for products manufactured in-house

JIS no.	Product name
JIS A 5540	Turnbuckle for building
JIS A 5541	Body of turnbuckle for building
JIS B 1220	Set of anchor bolt for structures
JIS B 2809	Wire ropes-Grips for rope or wire strand
JIS H 4100	Extrusions of aluminum and aluminum alloys
Standardization body name	Product name
Scaffolding and Construction Equipment Association of Japan	Suspension chain
Scaffolding and Construction Equipment Association of Japan	Suspension chain clamp
Japan Housing and Wood Technology Center	χ mark compound screw bolt set
Minister of Land, Infrastructure, Transport and Tourism	High strength brace "HI TEN CONBRACE"

Voluntary quality control activities (QC activities)

We engage in quality control activities (QC activities) at every manufacturing division of factories for the purpose of improving quality control systems. We strive to develop an understanding about quality control throughout the whole factory by hosting presentations of activity results annually, to award divisions which make excellent presentations and share proposals for improvement through presentations among others.



↑ Presentations of QC activities in Kyushu Factory

Response to complaints

In the event that a complaint is raised, KONDOTEC first has the sales representative meet with the customer and prepare a report. When there is a need to investigate the cause, if the case pertains to a product manufactured in-house, the Quality Control Section in our factory takes the necessary steps, while if the case

pertains to procured merchandise, we take steps jointly with the supplier.

We have also sent out warning notices to the Company through a meeting on complaints to share details of complaint cases, and KURIYAMA ALUMINUM Co., Ltd. holds monthly quality control meetings.

■ Initiatives to Provide Secure and Safe Products, Merchandise and Services

KONDOTEC believes that by providing knowledge about handling when the Company provides products and merchandise to customers, they can use them more securely and safely. For that purpose, we clearly describe the handling methods, the matters to note and the standards for disposal in the comprehensive catalogue and pamphlets, etc., issued by the Company. Moreover, for our employees to obtain the correct knowledge about products and merchandise, we offer many opportunities to learn by: conducting training on our core products of lifting equipment and temporary construction materials, steel related materials, and products manufactured in-house, and by holding study groups for new products by inviting suppliers (manufacturers), etc., among others.



↑ Examples of pages on usage method described ("Lifting equipment catalogue" issued by the Company)



↑ Demonstration of assembly at the temporary construction materials training



↑ Welding practice at steel material training

Implementing study groups for customers

In order for products and merchandise of KONDOTEC to be used safely, we host study groups across Japan responding to requests from various industry groups including customers. Technical service staff of the Company become lecturers to provide information about safe lifting operations at study groups. We would like to contribute to our customers' efforts to create safe environments by letting as many people as possible understand about safety.



↑ Study groups

Supporting employees in obtaining qualifications

For the purpose of public relations for its corporate image as a lifting equipment manufacturer and improvement in employee knowledge of products and merchandise and abilities to propose and sell, KONDOTEC introduced the "Lifting equipment advisor" system as an internally certified qualification in 2015. Through this system, we are not only supplying lifting equipment at our sales offices nationwide, but also providing knowledge. Until now, technical service personnel at our Osaka head office had been responsible for running lifting equipment training sessions for external participants. With

the creation of the Lifting equipment advisor system, it is now possible to hold lifting equipment training sessions nationwide. In addition, our Group company Sanwa Denzai Co., Ltd. encourages sales representatives to acquire qualifications (as electricians, etc.) in order to improve their sales capabilities by improving their merchandise knowledge. At Group companies that handle scaffolding construction, we support the acquisition of licenses and qualifications required for the construction division, to develop human resources with high levels of skills, safety knowledge, and professionalism.

Initiatives for security and safety during scaffolding construction

To maintain the peace of mind and safety with regard to scaffolding and provide reliable construction services, Group companies responsible for scaffolding construction have obtained certification from the Scaffolding and Construction Equipment Association of Japan at

major scaffolding equipment centers, and appropriately manage scaffolding equipment. In the process of providing construction services, each company is engaged in various efforts as follows.

Examples of Initiatives	Description
Risk Assessment	Before entering a new site, we check onsite rules and precautions to improve work efficiency and prevent accidents at the site. In addition, in cases of accidents that have occurred within existing customers or at Group companies at committee meetings, we also disseminate information to construction personnel and provide guidance aimed at increasing their sensitivity regarding safety and related behaviors.
Worksite Patrol	To improve scaffolding quality and prevent accidents, we conduct patrols at construction worksite and give guidance to maintain quality on a site-by-site basis.
Education of Construction Personnel and Management of Qualifications, etc.	In addition to having construction personnel acquire qualifications and take technical training required for each site as necessary, we also require the construction personnel of partner companies to submit qualification and training completion certificates, and have a dedicated person conduct inspections. We strive to ensure safe construction by checking the experience of construction personnel to be appointed, and adjusting the placement and numbers of personnel.

Environmental Initiatives

■ Environmental Contribution Target in VISION 2040

In the long-term vision, VISION 2040, the KONDOTEC Group aims to contribute to the global environment and has set an environmental contribution target of reducing Scope 1 and Scope 2 GHG emissions (market-based method) by 30% by 2040, compared with the level in the fiscal year ended March 31, 2024.

Based on our environmental policy, we will operate our business with consideration given to creating future environmental value, coexistence and harmony with the environment. We will thus aim to be a company that inspires our earth planet.

2040 Environmental Contribution Target
GHG Emissions to be Reduced by 30%
 (From the level in the fiscal year ended March 31, 2024, Scope1・2)

Environmental Policy

Since its foundation in 1953, KONDOTEC has created and co-existed with future environmental value and engaged in business activities paying due consideration to the environment for the realization of a sustainable society, while contributing to the creation of an affluent society through the enhancement of social infrastructure by providing products and merchandise to various industries over a half century.

1. We will comply with legal regulations and matters agreed on by the Company for the environment regarding business activities, products and services.
2. We will endeavor to reduce environmental burdens, reduce environmental pollution risks, and protect biological diversity and ecological systems by saving energy and resources, promoting recycling, reducing waste, reducing the consumption of chemical substances and engaging in green procurement.
3. We will continue to improve our activities by utilizing the environmental management system, setting environmental targets to achieve the Environmental Policy, conducting evaluations on environmental performance, and reviewing them regularly.
4. We will thoroughly inform all employees of the Environmental Policy and endeavor to conduct necessary education and enlightenment activities to engage in environment conservation activities.

Main Initiatives

- ❑ Information disclosures based on TCFD Recommendations
- ❑ Provision of products, merchandise and services best suited for environmental measures
- ❑ Reduction of environmental impacts by introducing and replacing internal equipment
- ❑ Reducing the environmental impact in the supply chains

Becoming a company that inspires our earth planet

■ Response to Climate Change and Information Disclosure Based on TCFD Recommendations

At KONDOTEC, in considering a path for sustainable growth, we do take into account the significant impact issues associated with climate change will have on future business activities. We are currently taking steps to recognize the impact our business activities have on the environment by management of emissions, and other measures.

We view the shift to a low-carbon society as a key opportunity for us, and looking ahead we will look to pursue information disclosure based on TCFD recommendations, while implementing measures addressing climate change.

▶ P38 Management of Emissions

Risk management system

In collaboration with all divisions Company-wide, SDGs Promotion Department compile, assess, and identify risks and opportunities facing KONDOTEC in relation to climate change.

Climate-related risks and opportunities that have been assessed and identified are reported to the Board of Directors for further supervision.

Main risks and opportunities associated with climate change

Based on discussions with internal divisions, we conducted a scenario analysis(*) to identify the Company's current climate-related risks and opportunities, as shown in the table below. The

level of financial impact is assumed at the maximum value under scenarios ranging from 1.5/2°C to 4°C.

	Category	Description	Financial impact (*)	Planned Actions
Transition Risks	Political policy and laws and regulations	Introduction of a carbon tax	Large	Introduction of and transition to renewable energy
		Tightening of regulations concerning low carbon initiatives	Large	Reduction of energy consumption and introduction of energy-saving facilities and equipment at factories
	Market	Promotion of renewable energy	Large	Inspect low carbon initiatives at partner factories and suppliers
Transition Opportunities	Political policy and laws and regulations	Business expansion related to renewable energy	Large	Bolster procurement capabilities and production system for increased demand for products used in renewable energy facilities
		Reduction of CO ₂ emissions and transportation costs by developing local suppliers to promote local production and consumption	Large	
		Increased possibilities for product ideas and development related to eco and environment through a wide range of commercial channels	Large	Strengthen synergies with Group companies (promoting sales of solar power generation facilities and LED lighting, enhanced facility development capacity)
	Market	Promotion of renewable energy	Large	Environment & Energy Group, established in April 2025, is expanding sales of renewable energy-related products and merchandise.
Physical Risks	Acute	Increase frequency of extreme weather events	Small	Ensure multiple avenues for purchasing
			Small	Prepare logistics simulations and plans for emergencies
			Small	Utilization of the logistics network between operating sites
	Chronic	Rising in the average temperature	Medium	Installing spot coolers Switching to energy-efficient air conditioning
Physical Opportunities	Acute	Increase frequency of extreme weather events	Large	Expand the lineup and inventory of disaster preparation products and merchandise
		Increased demand for repair and reinforcement work on rivers and banks	Large	Expand sales channels for products and merchandise used in civil engineering works
	Chronic	Extreme variability in weather patterns	Large	Expansion of the seasonal merchandise lineup

* Scenario analysis was conducted with reference to multiple climate scenarios, including the Intergovernmental Panel on Climate Change (IPCC) RCP2.6 (2°C scenario) and RCP8.5 (4°C scenario), as well as the International Energy Agency (IEA) World Energy Outlook 2024 (WEO).

* The financial impacts, if realized, are classified as follows under the 1.5°C/ 2°C-4°C scenarios.

Large: 100 million yen or more, Medium: 10 million yen or more but less than 100 million yen, Small: Less than 10 million yen

■ Products and Merchandise Addressing Climate-Related Risks and Opportunities

Boxwall



To address physical risks and opportunities such as the increasing frequency of extreme weather events and annual flood damage, this flood protection system provides strong protective performance and mobility. It is highly cost-effective, reusable, and has been widely adopted by local governments to safeguard structures, including buildings and household contents.

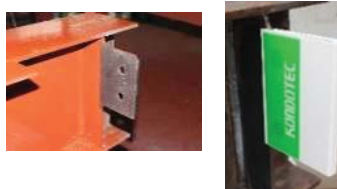
Weed control fabric



In response to physical risks and opportunities, such as the increasing frequency of extreme weather events, we anticipate a growing demand for renovation and reinforcement work on rivers and slopes. To address this, we offer weed control fabrics for civil engineering applications. These sheets feature a strong four-layer structure that allows water, air, and liquid fertilizer to pass through while suppressing weed growth.

Mash up cover

In response to transition risks and opportunities, such as the introduction of a carbon tax, we anticipate proposing eco- and environment-related products and merchandise that leverage a wide range of commercial channels. As an example, we offer the "Mash up cover," which contributes to waste reduction. In building materials, joints are intentionally allowed to rust so that the materials can be secured to each other through friction bonding. To prevent paint from covering these joints, surfaces were previously protected using masking tape or similar methods. With the development of the mash-up cover, it is now possible to provide this protection without generating any waste.



TOPICS

Offshore wind power-related products and merchandise

To address transition risks and opportunities related to the promotion of renewable energy, we established Environment & Energy Group in April 2025 to expand sales of renewable energy-related products and merchandise. One of the related merchandise is the Shirai Multi-Sling, which can lift, install, and transport ultra-heavy objects such as bridges and monopiles for offshore wind power projects. It has been used in domestic offshore wind construction projects.

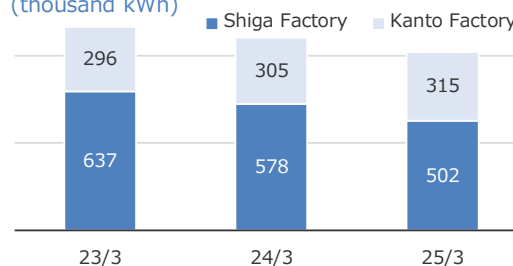


■ Initiatives for Reducing of Environmental Impacts

Installation solar power generation

Our two factories, Sanwa Denzai Co., Ltd. and TOKAI STEP CO., LTD. operate the solar power generation system in our power sales business. In Electrical Equipment and Structural Steel Materials segments, we handle materials related to solar power generation systems and frames respectively, and focus on sales through synergies within the KONDOTEC Group.

Transition of annual power generation (thousand kWh)



Quick delivery by four-factory structure and inventories at each operating site

KONDOTEC established factories at four locations in Japan (Hokkaido, Ibaraki, Shiga and Fukuoka), with custom-made products such as braces and anchor bolts produced at and shipped from the nearest factory to the customer. Thanks to the four-factory structure, we reduce costs and risks associated with delivery and GHG emissions and enable to realize quick delivery.

For products and merchandise which can be stored as inventories, in addition to inventories at logistics centers, we keep a certain amount at warehouses established at individual operating sites so that we can respond to abrupt demand while realizing environmental burdens and cost reduction, and quick delivery.

Acquisition of ISO14001

KONDOTEC obtained ISO14001, international standards for environmental management, at all four factories, engaging in environment-friendly operations for factories.



Use this code to access information on the scope of application.

Environmental conservation activities

As part of efforts to reduce GHG emissions, KONDOTEC has begun plans to replace Company cars with EVs, and to switch to renewable energy sources to power Company facilities. Such moves to EVs and renewable energy power sources have already gotten underway at our Head Office in 2021.

In addition, as a component of our initiatives to reduce waste, in the transport of materials from factories and logistics center to operating sites, we are operating a model by which wooden pallets, previously discarded at sites, are gathered at sites and returned to nearby factories or logistics center for reuse.

■ Management of Emissions (Material Balance)

To achieve its GHG emissions reduction target, KONDOTEC began calculating Scope 1 and 2 emissions for its domestic group companies and Scope 3 emissions for KONDOTEC INC. in the

fiscal year ended March 31, 2024. The Company calculates GHG emissions in accordance with the GHG Protocol, an international GHG accounting standard.

GHG emissions (t-CO₂)

	2024	2025
Scope1	3,693	3,725
Scope2	4,601	4,274
Scope3	435,749	439,200

* Scope 1 and 2 emissions are Consolidated figures and do not include overseas group companies.
 * Scope 2 figures are calculated in accordance with the market-based method.
 * Scope 3 emissions are for KONDOTEC only (non-consolidated). Of these, Category 8 (Upstream Leased Assets), Category 13 (Downstream Leased Assets), Category 14 (Franchises), and Category 15 (Investments) are not subject to calculation because the Company has no corresponding activities.
 * Scope 3 Category 11 (Use of Sold Products) is limited to generators (HPG3000i and HPG3000is) with estimated lifetime gasoline consumption.

Breakdown of Scope 3 emissions

Category	2024	2025
1 Purchased goods and services	391,087	397,849
2 Capital goods	5,393	1,146
3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	697	713
4 Upstream transportation and distribution	20,329	20,855
5 Waste generated in operations	218	193
6 Business travel	91	111
7 Employee commuting	341	352
9 Downstream transportation and distribution	7,014	7,200
10 Processing of sold products	98	117
11 Use of sold products	704	638
12 End-of-life treatment of sold products	9,777	10,026

Material balance

The following illustrates the overall input-output balance and expenditures and revenues during the course from research and development to

manufacturing within the business activities of KONDOTEC. Actual results of four factories of the Company are used.

INPUT

Raw Materials	Iron and Steel	24,660t
	Coating Material	90m ³
Energy	Electricity	5,302 thousand kWh
	Natural Gas	0m ³ ·N or PJ
	LPG	61t
	Diesel Fuel	0.3kℓ
	Kerosene	10kℓ
	Heavy Oil	0.6kℓ
Irrigation Water	Water	4,750m ³

OUTPUT

Production	Iron and Steel Products	24,157t
Air Emission	CO ₂	2,450 t-CO ₂
Industrial Waste / Byproduct	Recycled Volume	2,552t
	Amount of Outsourced Disposal	182t
Drainage	Water	4,750m ³

(FY2025)

<Main expenditure relating to environmental protection>

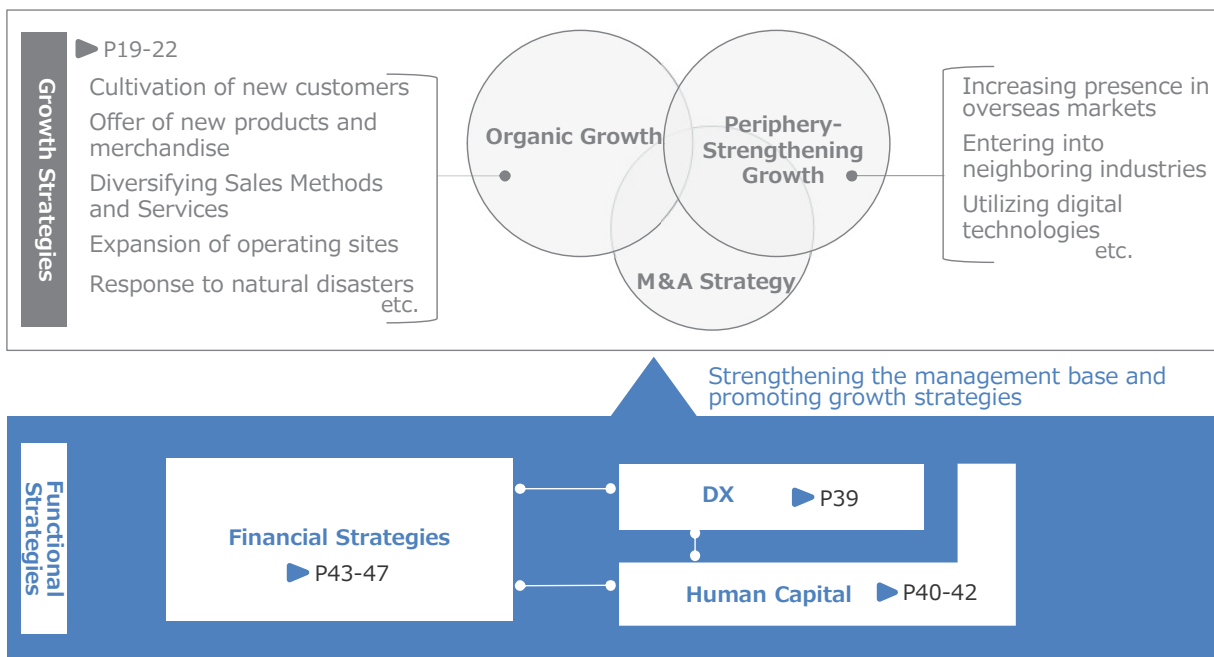
Shiga Factory : Solvent recovery equipment / Paint thinner recycling equipment (1 million yen)
 Sapporo Factory : Paint thinner recycling equipment (1 million yen)

<Main revenues relating to environmental protection>

Revenues in business for recycling waste (e.g. steel scraps) generated from major business activities or recycling used products, etc. (95 million yen)

Functional Strategies

Basic Structure



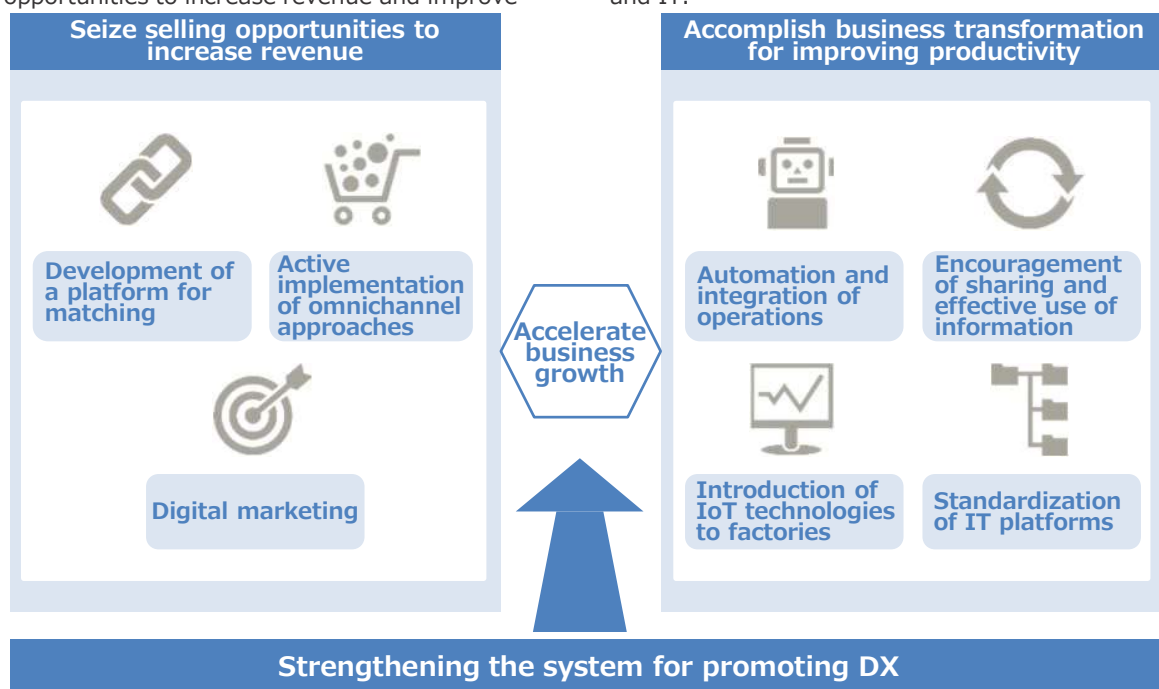
DX

Strengthening the System for Promoting DX

We are working on digital transformation (DX), starting with the DX Promotion Project Team, which includes the President and Representative Director and heads of each department. The team takes the initiative in combining our know-how we have cultivated with digital technologies in, for example, development using digital technologies and the introduction of Internet of Things (IoT) technologies to the manufacturing department. These efforts are aimed at seizing selling opportunities to increase revenue and improve

productivity through business transformation. We are thus working to develop a new business model in which we will more closely serve customers.

To strengthen our DX promotion system, we have also established the DX Subcommittee Business DX Project Team. We hold regular meetings to establish continuous and organized improvement activities and drive business reforms while bridging the gap between frontline workplaces and IT.



Human Capital

■ Enhancing Human Capital — Aiming to be a group in which employees create inspiration —

We understand that it is important to ensure the diversity of managerial positions who play central roles in management for the purposes of personnel development, including ensuring their

diversity and improving the workplace environment. We strive to create a diversity conscious talent developmental organization.

Indicators	Actual (As of March 31, 2025)	Target	Achievement Period
Ratio of Mid-Career Hires in Managerial Positions	55.7%	Maintaining a range of 30%-50%	March 31, 2030
Ratio of Women in Managerial Positions	2.0%	5% or higher	March 31, 2030
Ratio of Female Employees with Job Titles (Excluding Managerial Positions)	16.1%	15% or higher	March 31, 2030
Number of Foreign Nationals in Managerial Positions	1 person	Maintaining of the status quo or higher	March 31, 2030

■ Securing Diverse Human Resources

KONDOTEC regards the securing and development of diverse human resources as a key pillar in promoting human capital management. For sustainable corporate growth, it is essential that individuals with diverse values, experiences, and skills stimulate one another and create new value. Accordingly, we actively

recruit diverse human resources regardless of age, gender, nationality, career background, or life stage. We focus, on both new graduate and mid-career hires while also promoting the active participation of women, hiring of foreign nationals, and supporting athlete employees.

	2023	2024	2025
Number of Mid-Career Hires	63 persons	78 persons	51 persons
Number of New Graduate Hires (University Graduates)	13 persons	19 persons	18 persons
Of these, Number of Women	5 persons	6 persons	8 persons

Appointment of a female executive members

3 out of 14

(As of June 25, 2025)



Athlete employees active in KONDOTEC

The KONDOTEC Track & Field Club, which was established in 2016, currently has four members who are active athletes.



Name	Mika Yamamoto	Yuki Noshi	Sara Fujimoto	Mio Tujii
Competition Category	Discus Throw	Pole Vault	Hammer Throw	400m Hurdles
Personal Best	50m51	3m90	64m83	58"10



The track & field club's activities and blogs by athletes

URL ► <https://www.kondotec.co.jp/corporate/track.html>

■ Development of Human Resources

KONDOTEC has established a step-based training system and a career support system to ensure that our employees can fully leverage their abilities and achieve long-term personal and professional growth. By providing training aligned with role expectations and flexible learning opportunities — such as e-learning and optional courses — we are creating an

environment where everyone has access to growth opportunities and can experience tangible development.

By fostering a culture that respects diversity and leverages each individual's strengths, we aim to build an organization capable of adapting to a rapidly changing environment.

TOPICS 「KONDOTEC CAREER GUIDEBOOK」

As stated at the beginning of our corporate philosophy, “we strive to contribute to the creation of an affluent society by nurturing our employees, who would shape the future,” we have long invested in human resources development. The company we are today is the result of each employee approaching their work with “innovative and pioneering way” efforts. Now, with ten Group companies and the launch of the long-term vision, VISION 2040, we recognize the need to further enhance and clearly transform our educational support system in order to address the following challenges:

- **Develop human resources to realize the Company's strategy**
- **Train future Group management leaders**
- **Establish a training system that enables employees to design career plans and experience tangible growth**



← Specific role expectations defined by grade

In response to this, we have published a new KONDOTEC CAREER GUIDEBOOK. This is our guideline for human resources development and career development. It is not only an explanation of our education system, but is linked to all aspects of our personnel system, including evaluation, treatment, and promotions, and is designed to show clearly what kind of human resources we aim to develop, how we evaluate them, and how we support them. Specifically, knowing what is expected of all employees (based on specific role expectations defined by grade and the seven skills categories that support them) enables employees to visualize, learn, and shape their careers autonomously. Through this, we aim to support the development of the skills of each employee and create a system that maximizes the results of the entire organization through dialogues on growth in frontline workplaces. The KONDOTEC CAREER GUIDEBOOK will serve as a common language that brings growth and value enhancement to both employees and the organization alike, and will be used as a key pillar for future human resources development.

■ Working Environment Development

Creating a supportive working environment for childcare

KONDOTEC is working to create an environment where employees and their spouses can focus on childbirth and childcare with assurance. As part of this effort, we have created a Childcare Support Handbook that covers childcare-related laws and internal policies. The handbook is freely accessible to employees via the Company's internal portal. We have introduced flexible

working arrangements, including shorter working hours, available until children graduate from elementary school, to accommodate individual needs. Consultation channels for childbirth and childcare have been clarified, ensuring employees can quickly access necessary support. This helps employees continue their careers with confidence while balancing work and family responsibilities.

	Those Who Newly Took Childcare Leave During the Period	Return to Work Rate After Childcare Leave During the Period	Rate of Those Currently on Childcare Leave Who Started Childcare Leave During the Period
2025	17 persons	47%	53%
2024	5 persons	80%	20%
2023	13 persons	100%	—

Employee health, occupational hygiene, and safety measures

We are taking the following initiatives to ensure the safety and health of employees. Representative matters in need of safety measures in conducting business activities

include receiving and shipping operations in warehouses, marketing activities, delivery of products and merchandise, and production activities in factories.

Category	Description	
Marketing/ Delivery	Implementation of safety driving training	Upon the increase in traffic accidents involving new employees who were not accustomed to driving company cars, we implemented safety driving training at the time of new employee training, reducing accidents involving young employees.
Marketing/ Delivery	Implementation of no accident campaign	Sending warning notice to all operating sites when an accident occurs at other sites. Notifying monthly the cumulative number of accidents at all operating sites in the past year even if there was no accident.
Marketing/ Delivery	Introduction of safety driving device (Telematics) Installation of the drive recorder	When dangerous driving (sudden braking, speeding, etc.) is detected by G Sensor/GPS, immediately give a warning notice by voice guidance to the driver each time while sending a notifying e-mail of dangerous driving to the head office.
Factory/ warehouse	Implementation of safety and health committee Implementation of safety patrol	Holding a safety and health committee at head office and factories monthly. / Implementing safety patrols by employees to prevent industrial accidents.

Work-Life Balance

We are reviewing our working environments and work styles to enable employees to balance rewarding, high-quality work with a fulfilling personal life. Beginning with operational efficiency training for all branch managers in 2014, we have continued to reduce overtime and improve productivity. We also promote the use of paid vacation, creating a healthy work environment where employees can maintain a sound work-life balance. In 2024, we conducted Human Capital Integration Training for managers and managerial candidates to enhance

understanding of human capital management. The training aimed to improve engagement, clarify role expectations, and encourage participants to address human resource challenges within their departments. These initiatives are also reflected in the KONDOTEC CAREER GUIDEBOOK. Believing that human capital management cannot be achieved by the management division alone, we will continue to carefully listen to frontline employees and implement effective initiatives.

Paid vacation
utilization rate

2023	2024	2025
81.7%	80.5%	79.9%



NEWS

We are rebuilding our head office with sustainability in mind !

We are rebuilding the KONDOTEC head office, approximately 50 years old, with completion scheduled for fall 2025. This section introduces the sustainable features of the new head office building.

The new head office building →
(artist's impression)



First Use of Green-Steel Torcia Bolts (S10T)

The new head office building uses torcia bolts (S10T) for steel connections. It is the first steel-framed building in Japan to use torcia (S10T) bolts (manufactured by Nippon Fastener Corporation) made with JFE Steel Corporation's green-steel, JGreeX®(*1). KONDOTEC also markets this torcia bolt.

▶ P35-38 Environmental Initiatives

*1 Steel products whose CO₂ emissions in the manufacturing process are significantly reduced by allocating the reductions achieved using JFE Steel Corporation's CO₂ reduction technologies to specific steel products.

ZEB Ready Standard Building

Based on the ZEB Ready (*2) standard, the building is designed to reduce energy consumption by over 50%, with high-efficiency air conditioning and LED lighting, as well as solar power generation systems, aiming to realize an advanced, energy-efficient office model. Part of the construction funds were also raised through green loans (*3).

*2 ZEB-compliant buildings aim to achieve net zero annual primary energy consumption while providing a comfortable indoor environment. They are equipped with highly insulated building envelopes and highly efficient energy-saving systems, which reduce standard primary energy consumption by more than 50%, excluding renewable energy.

*3 Loans used by companies, local governments, etc., to raise funds for green (i.e., environmentally friendly) projects both in Japan and overseas. Green projects aim to address major environmental issues such as climate change, depletion of natural resources, biodiversity loss, and air, water, and soil pollution.

Improve Work Engagement

As part of our efforts to strengthen human capital, we are committed to creating a workplace where diverse human resources can thrive. To support this, we provide a comfortable and environment that fosters organizational vitality, such as work areas where employees can choose their setting based on focus and tasks, rooftop gardens for lunch and breaks, and refreshment spaces.

▶ P40-42 Human Capital

Financial Strategies

■ Message from Director in Charge of Finance



VISION2040, Long-term Vision *Investing in endeavors to reach the ideal*

We recently drew a future blueprint of the company using a bottom-up approach to reflect employees' views about what they want KONDOTEC to be like in 2040.

We will work hard to allocate management resources in full consideration of capital costs and efficiency with a view to continuous advancement.

Roles of the Medium-term Management Plan and the long-term vision

The Medium-term Management Plan and the long-term vision VISION 2040 are our corporate stories. They are messages that communicate what the KONDOTEC Group should be like or aspires to be like to our workforce, from veteran employees to younger staff, and to all the personnel in the Group. I also see it as one of the communication tool for dialogues with the capital market and with investors. That is why I believe that they must visualize our business strategies related to our growth potential and profitability, appropriate allocation of funds for this purpose, and strengthen the management

foundations that support continuous growth, shareholder returns and other initiatives in a way that is as plain as possible. I like the phrase of "Promise for achieving the VISION 2040: We will transform ourselves. We will make a difference" in our long-term vision VISION 2040. We will transform ourselves into a company that creates innovative value. As a result, we will operate our business that will help innovate the social infrastructure with the Group's strengths. The Group will work as one to fulfill this promise.

- ▶ P16 Long-term vision
- ▶ P18 Medium-term Management Plan

Management strategy in consideration of business portfolio

In the long-term vision VISION 2040, it demonstrates a business portfolio scheme in a diagram showing the relationship between growth potential (market growth rate) and profitability (ratio of EBITDA to net sales). This scheme represents an improvement in the profitability of existing businesses and an expansion of their business domains, including new businesses.

We will build up our skills to identify opportunities and risks that may occur in separate segments. We will execute our strategy and make effective investment in personnel development and assignments that are suited to expected business growth, expanding our business domain through further M&A, and capital investments.

- ▶ P17 Business Portfolio

Management that unites the Group's strengths

We are undertaking the reconstruction of our head office building in a bid to have it completed by the fall of 2025. The current head office building is more than 50 years old. While it has a long history, it fails to meet recent demands for accessibility and environmental performance. We aspire to create a workplace where a wide range of personnel, including those with disabilities, will gather and where employee engagement will improve.

The new building engages in energy conservation efforts, including the adoption of renewable energy such as solar power generation systems,

and has obtained "ZEB Ready" certification (a performance evaluation based on the Building Energy Efficiency Act).

The new building has another purpose of integrating the bases of Group companies in Osaka. The concentration of Group companies in one place will facilitate closer communication and information sharing and will enable faster decision-making. It will improve Group synergy. The entire Group is united in its determination to meet the efficient and ambitious strategy targets and strive to constantly increase its corporate value.

- ▶ P42 NEWS (Rebuilding our head office and sustainability)

Hiroyuki Yada's Career Highlight **Senior Executive Director, General Manager of Management Headquarters and** **Manager of SDGs Promotion Department**

He joined the Company in 1985. He served as Manager of Yokohama Branch in 2006, Executive Officer, Manager of Delivery Division in 2011, Executive Officer, Manager of Western Japan Sales Division in 2013, Director, Manager of Western Japan Sales Division in 2016, Director, General Manager of Sales Headquarters, Manager of Western Japan Sales Division and Manager of Business Strategy Department in 2019, Executive Director, General Manager of Sales Headquarters, Manager of Western Japan Sales Division and Manager of Business Strategy Department in 2020, Senior Executive Director and General Manager of Management Headquarters, Manager of General Affairs Division and Manager of Business Strategy Department in 2021 of the Company before assuming his current position.

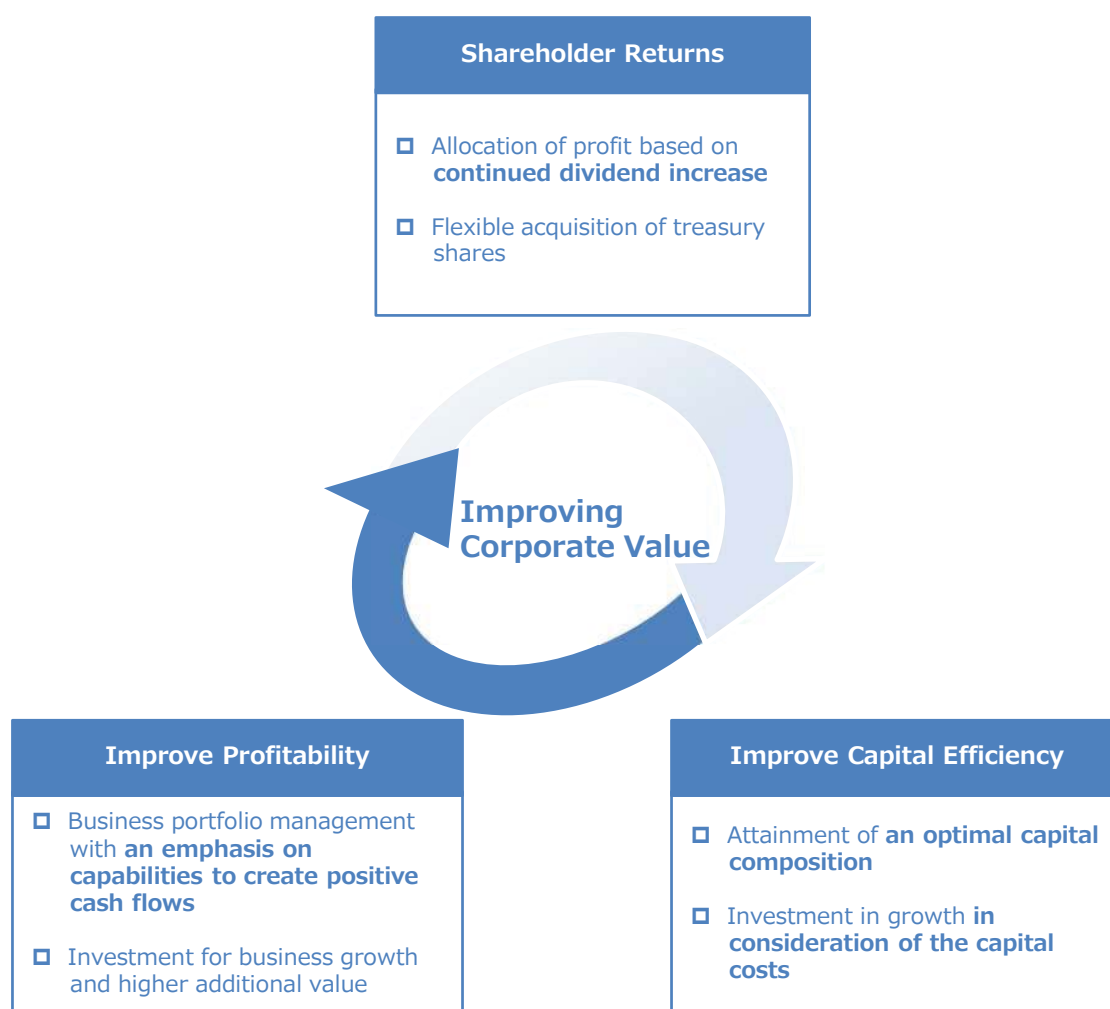
He engages in management by which he integrates sales measures and financial strategies through a thorough understanding of the front lines of sales work.

■ Financial Strategy in the Long-Term Vision VISION 2040

KONDOTEC has a financial strategy of seeking improvement in corporate value while keeping the balance between boosting profitability and capital efficiency and the pursuit of shareholder returns, as part of its commitment to achieving the long-term vision VISION 2040. With respect to shareholder returns, we will strive to continually increase dividends and to acquire treasury shares. To improve profitability, we will emphasize our ability to generate positive cash flows in view of the business portfolio we seek

under VISION 2040 in an effort for growth. For improving capital efficiency, we will focus our attention on attainment of an optimal capital composition and investment in growth in consideration of the capital costs.

In this light, we will firmly carry out the financial strategy under the Medium-term Management Plan, which will be explained in the next section, in an endeavor to realize the long-term vision VISION 2040.



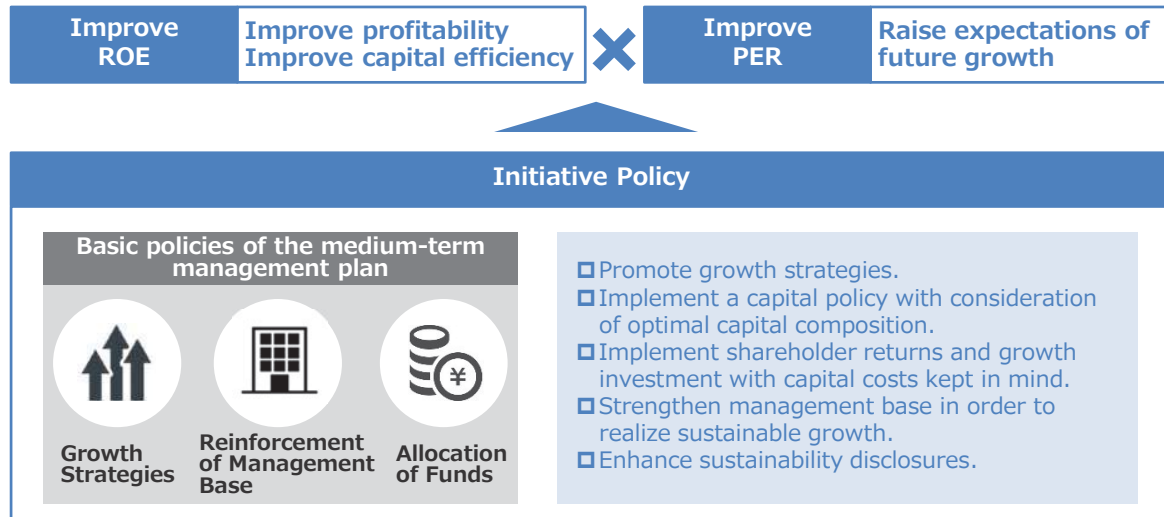
■ Financial Strategy in the Medium-Term Management Plan

The medium-term management plan states a policy for taking initiatives based on the growth strategy, reinforcement of management base and fund allocation, as well as efforts to improve return on equity (ROE) and price earnings ratio (PER), in order to realize management that is aware of the cost of capital and share price. Specifically, we will work to raise profitability and capital efficiency to increase ROE. In addition, we will take steps to improve PER by sustainable growth over the medium and long term and promoting understanding of the KONDOTEC Group.

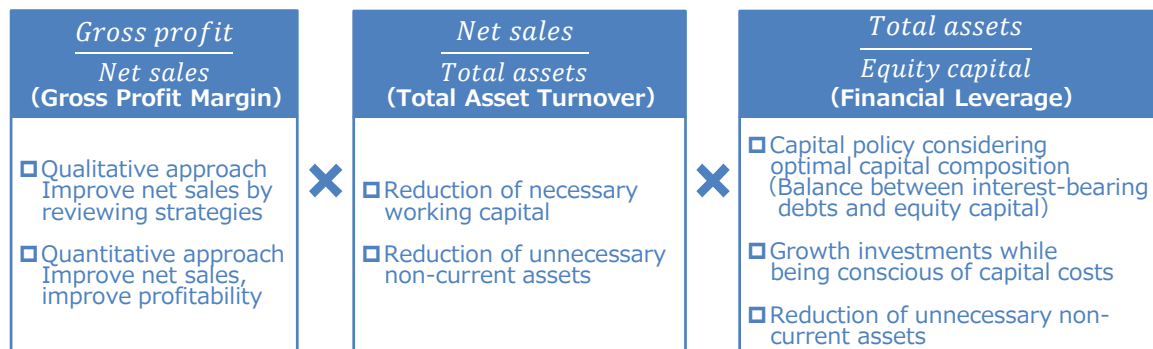
(P45 Figure 1)

It sets an ROE target of 10% or higher. With the perspective reflected in Figure 2 of page 45, which portrays the structural breakdown of ROE, we will work to achieve higher profitability and higher capital efficiency through appropriate fund allocation. Please refer to P45 Figure 3 for the allocation of funds. We will invest in growth by giving consideration to capital costs. Concurrently, we will also attach importance to shareholder returns. We will thus aim to increase both profitability and capital efficiency. In the event of making any new investment, we pay close attention to the point that it surpasses capital costs. The most recent capital cost was 5.9% as of the fiscal year ended March 31, 2025.

(Figure 1 : Initiative policy in the Medium-term Management Plan)



(Figure 2 : Structural breaking down of ROE)



(Figure 3 : Allocation of funds)

3-year		Description	2028 (Plan)
Cash In	Cash Out		
Operating CF 16,000 million yen	Capital investment 10,000 million yen	Capital investment □ Opening new locations/ expanding, relocating, rebuilding, and operating sites □ Update and expand production facilities and scaffolding materials	Operating profit 5,100 million yen EBITDA 7,400 million yen ROE 10% or more
New borrowing (as necessary)	Strategic investment 3,000 million yen Shareholder returns 4,500 million yen +a		
Funds on hand 15,500 million yen	Funds on hand 12,000-15,000 million yen	Strategic investment □ Execution of M&A (take place if certain conditions are fulfilled) □ Digital transformation-related investment Shareholder returns □ Dividends(continuous increase in dividends) □ Acquisition of treasury stock (on a flexible basis)	

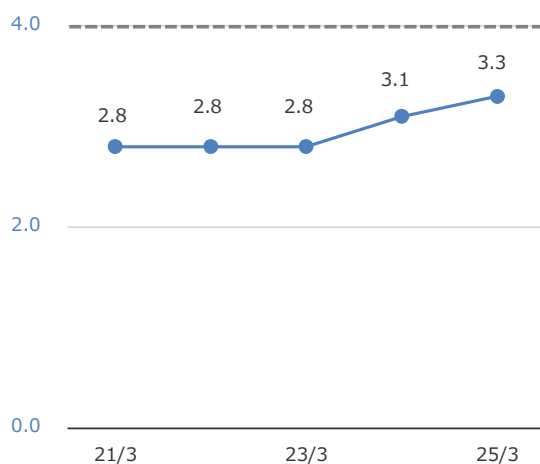
■ Shareholder Return Target and Capital Efficiency Target

In terms of shareholder returns, while fully taking into account both consolidated operating results and the consolidated dividend payout ratio, KONDOTEC has the basic policy of distributing dividends to shareholders continuously and increasingly (progressive dividend), targeting a dividend on equity (DOE) ratio of 4.0% or more. DOE represents the ratio of dividend payment to net assets. This indicator allows for the payment of stable dividends without being swayed by temporary fluctuations in profit. The Company has never reduced

dividends since our listing. While we could have reduced dividends at the time of the Lehman Shock, since our profit was stable, we decided not to reduce but to distribute dividends continuously, using DOE as the indicator. In addition to DOE target, we have a capital efficiency target ROE of 10% or more. As a result of increasing net assets, which are the bases to determine dividends by recording above a certain level of profits every fiscal year, we will be able to distribute dividends continuously and increase them constantly.

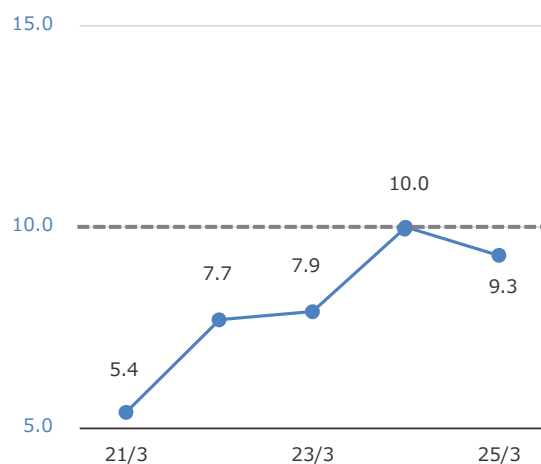
Actual DOE (%)

Target: **4.0% or more**

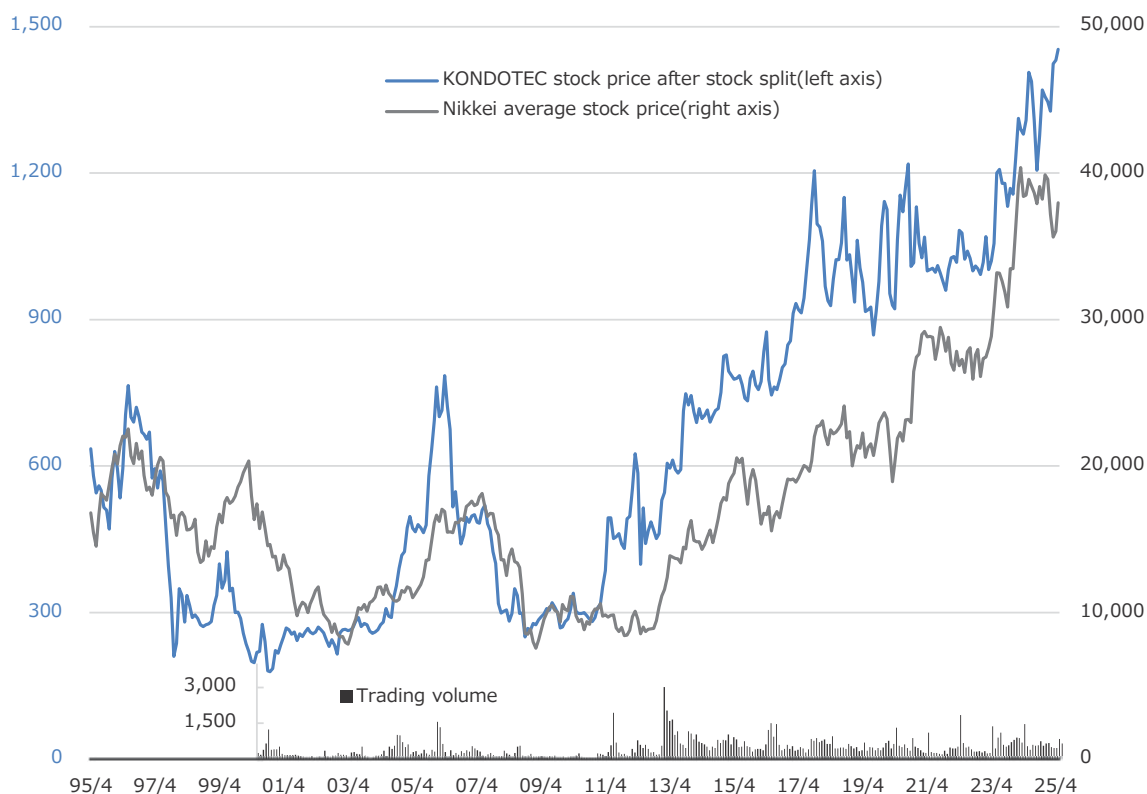


Actual ROE (%)

Target: **10% or more**

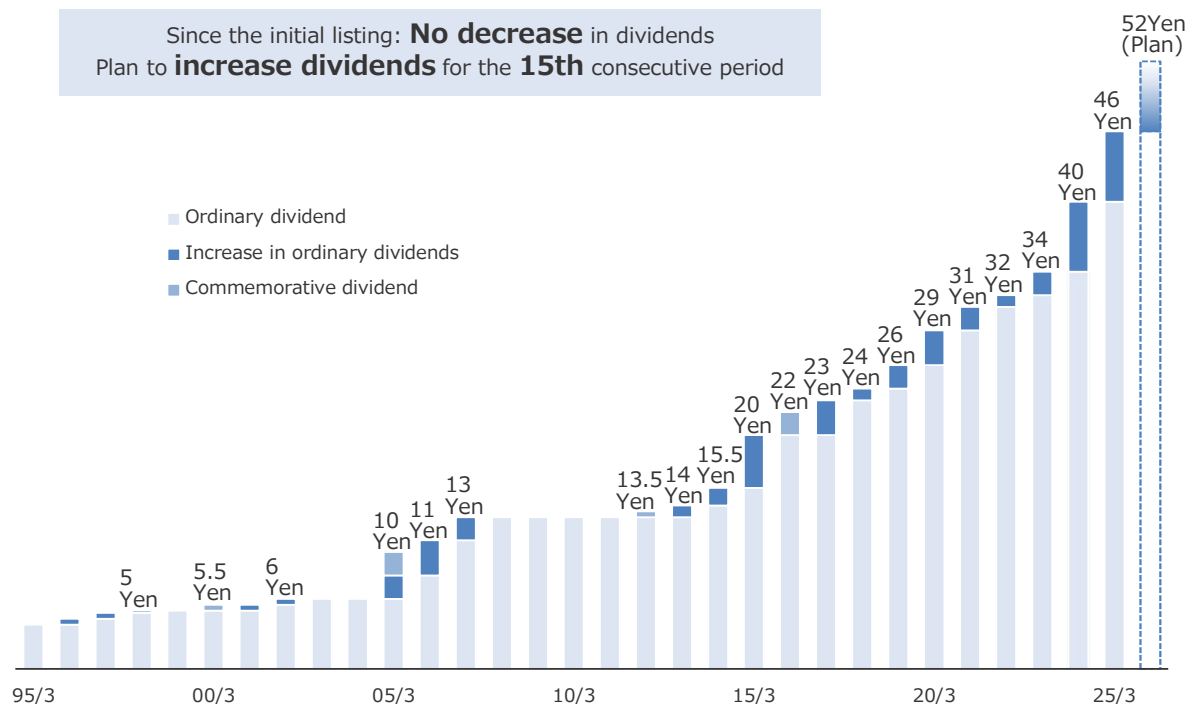


Transition of stock price (Yen)



Transition in dividends

Since the initial listing: **No decrease** in dividends
 Plan to **increase dividends** for the **15th** consecutive period



■ Acquisition of Treasury Stocks

KONDOTEC acquires treasury stocks to implement flexible capital measures in response to changes in the management environment, and considers the cancellation of treasury stocks as necessary to increase shareholders' profit. Recently, the Company has been acquiring treasury stock since January 2022 until July 2022.

Latest acquisition of Treasury Stocks

Acquired Number of Shares	859 thousand shares
Acquisition Price	899 million yen
Acquisition Period	January 4, 2022 through July 7, 2022

■ Dividend Yield

Calculated based on closing price on March 31, 2025, **1,424 yen**

Dividend Yield	3.7%
Dividend Yield Including Shareholder Incentives	4.1%~

■ Shareholder Incentive Plan

Reward points are awarded, which can be redeemed for food, electronics, travel, experiences, and more from around 4,000 merchandise from the shareholders-only website based on the number of points required.

Shareholder benefit criteria

The benefit is intended for shareholders who hold at least 5 units (500 shares) of the company's shares, listed or recorded in the shareholder registry as of the end of March each year.

Number of Shares Held	Reward Points
500 to less than 600	3,000 points
600 to less than 700	4,000 points
700 to less than 800	5,000 points
800 to less than 900	6,000 points
900 to less than 1,000	7,000 points
1,000 or more	10,000 points

* 1 point is worth 1 yen.

Promotion of Communication with Stakeholders

■ Constructive Dialogues with Shareholders and Investors

KONDOTEC recognizes the importance of having stakeholders gain an understanding of the KONDOTEC Group. The Company therefore organizes General Meeting of Shareholders, participates actively in IR events for individual investors, and discloses IR materials via the Company's website as a way to enhance dialogues with shareholders and investors. The

Company endeavors to give careful explanations to stakeholders and to disclose information quickly in consideration of fairness, accuracy, and timeliness. Comments, etc. obtained through dialogue with institutional investors and analysts are shared with the President and General Manager of Management Headquarters and reported to the Board of Directors as necessary.

Track records of dialogue with institutional investors and analysts

Event	Frequency
Individual meetings	22 (total)
Company briefings for analysts	2
Main Themes of Dialogue	Topics for the fiscal year, business environment, Medium-term Management Plan, etc. (FY2025)

Actual participation in IR events for individual investors

Name	Visitors to Our Booth
Nikkei IR/Investment Fair 2024 (Held in August 23rd through August 24th, 2024)	344
Nomura IR Fair 2025 (Held in January 9th through January 28th, 2025)	8,554



(FY2025)

Actual coverage

IwaiCosmo Securities	Rating : A (June 2025)
----------------------	------------------------

IR Site Awards

Gomez IR website ranking 2024, hosted by BroadBand Security, Inc.	"Excellent Company Bronze Award"
All Japanese Listed Companies' Website Rankings 2024, hosted by Nikko Investor Relations Co., Ltd.	"AA Website"



■ Invigoration of the General Meeting of Shareholders

KONDOTEC regards the General Meeting of Shareholders as an important opportunity to communicate with shareholders. In order to invigorate the General Meeting of Shareholders, we strive to have as many shareholders as

possible participate the General Meeting of Shareholders, understand us, and secure a sufficient period for examining proposals for the Meeting.

Earlier Dispatch of Convocation Notice of the General Meeting of Shareholders	Notice is dispatched 22 days before the Meeting (FY2025) *Date of dispatching : June 3, 2025 Date of the meeting : June 25, 2025
Setting of the General Meeting of Shareholders by Avoiding Concentrated Dates	We schedule our General Meeting of Shareholders by avoiding dates when other companies' equivalent meetings are concentrated in order to enable more shareholders to attend our meeting.
Voting by Electromagnetic Means	We have adopted a system allowing the exercise of voting rights over the Internet, or through other electromagnetic means. As part of initiatives to facilitate the exercise of voting rights by institutional investors, we participate in the electronic voting platform for institutional investors maintained by ICJ, Inc.
Provision of the Notice of Convocation (Summary) in English	The English version of the Notice of Convocation of the Annual General Meeting of Shareholders and Reference Documents for the General Meeting of Shareholders is published on our website, and the homepage of the Japan Exchange Group.
Other	For our Company to be fully understood, we visualize the reporting items on power points in the explanation. We also publish a notice of convocation on an early date. FY2025, we disclosed it on our website on May 28, six days earlier than the date of dispatch.

CORPORATE GOVERNANCE

Enhancement of Corporate Governance

■ Basic Concept to Corporate Governance

KONDOTEC recognizes that strengthening and enhancing corporate governance through increasing soundness, transparency and efficiency of management and maximizing corporate value is one of the most important management objectives. To realize this objective, our basic concept of corporate governance calls

for reinforcing our compliance and internal audit systems, conducting timely disclosure of management information, operating results and other pieces of information via our website and other means, and strengthening functions for speedy decision-making and management supervision.

■ Corporate Governance Structure Summary Table

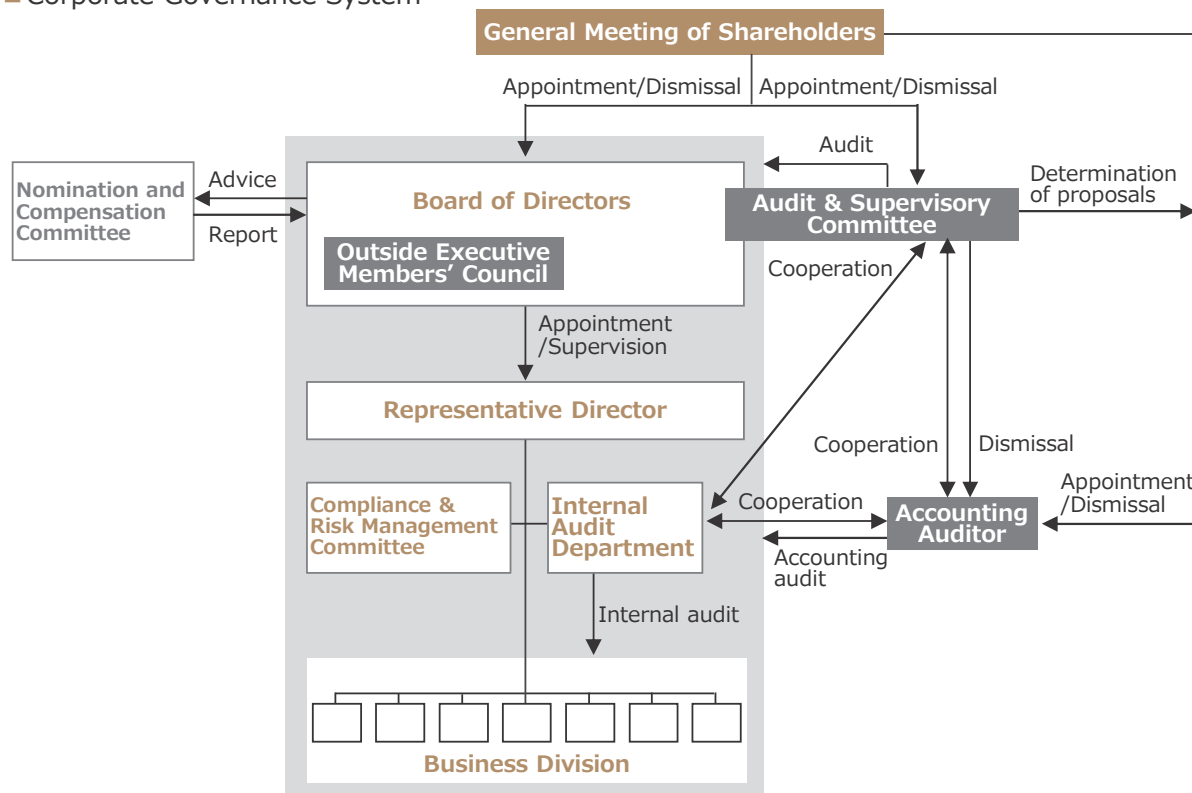
Type of Organizational Design	Company with an Audit & Supervisory Committee
Number of Directors * Excluding Directors Who Are Audit and Supervisory Committee Members (Including the Number of Outside Directors)	10 (2)
Number of Directors Who Are Audit and Supervisory Committee Members (Including the Number of Outside Directors)	4 (3)
Term of Office of Directors * Excluding Directors Who Are Audit and Supervisory Committee Members	1 year
Adoption of Executive Officer System	Yes

■ Reasons for Adopting the Current Corporate Governance System

KONDOTEC believes that putting in place an Audit & Supervisory Committee and having an audit system where Directors who are Audit & Supervisory Committee Members supervise management is effective and hence operates as a company with an Audit & Supervisory Committee system. The Audit & Supervisory Committee comprises four Directors who are Audit & Supervisory Committee Members, including one full-time Director, and three part-time Outside Directors

with specialist knowledge on finance, accounting and laws, as well as experience in corporate management at other companies, and carries out supervision from an objective and fair point of view. The Board of Directors holds a regular monthly meeting as well as an extraordinary meeting whenever necessary, promotes efficiency of decision-making for the execution of important business activities and reinforcement of the supervision function.

■ Corporate Governance System



■ KONDOTEC's Managing Organ

Board of Directors

KONDOTEC holds a meeting of the Board of Directors at least once a month and complies with the policy of addressing all matters provided in the Board of Directors' Regulations and those corresponding to agenda items to the Board of Directors in making decisions on important matters.

In addition, the Board of Directors receives reports on the status of business execution of the Company and its subsidiaries from each of the respective directors on a periodic basis and carries out supervision, etc. on the reasonableness and efficiency of business execution.

The Company conducts the Board of Directors assessment questionnaire based on self-assessments made by all Directors once a year. The Board of Directors deliberates on and considers the results of the questionnaire and makes necessary improvements to secure effectiveness and increase the quality of the Board of Directors as a whole. The Company adopts an executive officer system and Executive Officers and Directors in charge of business operations promote speedy business execution.

Outside Directors (excluding Directors who are Audit & Supervisory Committee Members)

KONDOTEC appoints two Outside Directors (one lawyer, one Director with experience in management), who supervise management and offer advice from an objective point of view in consideration of the corporate business community on the whole, including laws and regulations, in an effort to increase the transparency and efficiency of the Board of Directors.

Audit & Supervisory Committee / Outside Directors who are Audit & Supervisory Committee Members

KONDOTEC adopts the Audit & Supervisory Committee system. The Audit & Supervisory Committee comprises four members, three of whom are Outside Directors (one CPA, one attorney-at-law and one Director with experience in management). The Audit & Supervisory Committee members exchange opinions on audit methods and audit standards from their professional points of view at the meeting of the Audit & Supervisory Committee, which is held at least once a month in order to improve the appropriateness and efficiency of audits. In this manner, we strive to enhance and reinforce our audit system.

Furthermore, the Members receive a report on the results of the accounting audit from the Accounting Auditor at each financial closing. If needed, Directors who are Audit & Supervisory Committee Members accompany the Accounting Auditor in the audit of an office, exchange information and opinions. Moreover, Audit & Supervisory Committee Members receive reports on financial results for every quarter from internal control sections, as well as reports on other matters related to internal control as necessary.

Internal Audit Department

Our Internal Audit Department is placed as a unit directly under the President. There are three full-time staff members to bolster internal audit operations. These internal auditors audit the status of compliance with laws, regulations and internal rules and the

appropriateness and efficiency of business processes, etc. of each division, provide guidance for improvement and perform follow-ups.

In addition, they conduct audits to continuously verify whether the system to ensure the reliability of financial reporting functions appropriately and makes corrections where necessary.

Further, internal Audit Department holds reporting sessions on the findings of internal audits. These are attended by the Representative Director, Directors in charge of content in the reports, and full-time Audit and Supervisory Committee Members.

In addition, the accounting auditor views the audit results report concerning the internal audit performed by the Internal Audit Department and minutes of the meeting mentioned above to exchange information and opinions as needed. We will facilitate closer collaboration between the accounting auditor and the Internal Audit Department in an effort to heighten soundness and efficiency of audits.

Accounting Auditor, lawyers and tax accountants

KONDOTEC has appointed Deloitte Touche Tohmatsu LLC as the Accounting Auditor and establishes an environment in which the Accounting Auditor is able to perform audits from a fair and unbiased perspective, by providing the auditor accurate management information in a timely manner.

The Accounting Auditor receives quarterly briefings from the internal control sections on the financial results and standing of the Company, and exchange opinions on accounting-related matters.

We also receive advice from our lawyers and tax accountants as necessary.

Compliance & Risk Management Committee

The Compliance & Risk Management Committee is in place.

The Compliance & Risk Management Committee promotes the dissemination of awareness to comply with relevant laws, regulations, corporate ethical standards and internal regulations among all employees and creates a structure to prevent scandals and other problems by developing plans and measures on compliance, including education and guidance for practicing compliance. The Committee also collects information on various risks surrounding KONDOTEC and its subsidiaries and analyzes the information to develop specific preventive measures. It also puts in place a structure to minimize the impact of risks should any such risk becomes apparent, in an effort to reinforce the corporate platform.

Nomination and Compensation Committee

KONDOTEC has established the Nomination and Compensation Committee as a voluntary advisory organization, composed of Independent Outside Directors (excluding Outside Directors who are Audit & Supervisory Committee Members) and the President & Representative Director to strengthen the transparency and objectiveness of the decision-making process for appointment and remuneration of Directors.

Outside Executive members' Council

The Outside Executive members' Council comprising Outside Directors has been established. The Council meets periodically to promote the exchange of opinions among outside Executive members.

■ Descriptions Based on the Corporate Governance Code

Analysis and assessment of effectiveness of the Board of Directors as a whole

KONDOTEC makes decisions on important matters at the regular meeting of the Board of Directors held every month based on discussions by attendees, including Outside Directors who state their opinions. In this way, we make an effort to heighten the effectiveness of the Board of Directors.

Once a year, the Company conducts an analysis and assessment of the effectiveness of the Board of Directors as a whole.

In April 2025, we made an assessment of the effectiveness of the Board of Directors. We discussed and made considerations on the results of the assessment at the meeting of the Board of Directors in May 2025.

1. Period: April 2025 to May 2025
2. Method: Anonymous self-assessment by all Directors
(Including Outside Directors)
3. Assessment items :
Structure and operation of the Board of Directors, deliberation, governance system, promotion digital transformation, sustainability, general assessment of the Board of Directors
4. Summary of results
While all directors believe that the effectiveness of the Board of Directors as a whole is secured, some also expressed the view that they should take the initiative in involving themselves in succession planning for representative director(s) and exercise appropriate supervision.
We would like to continue to make improvements based on these opinions.

Training policy for Directors

KONDOTEC offers opportunities for Directors to participate in various training programs, including training sessions and lectures by internal and external instructors, external seminars, and web-based seminars, in an effort to have Executive members gain necessary knowledge and understand/promote duties and responsibilities.

Policy concerning cross-held shares

1. Policy on cross-shareholding
KONDOTEC maintains cross-held shares for the purpose of contributing to the improvement of corporate value in the medium to long term by maintaining and reinforcing relationships with important business partners.
The Company will reduce issues deemed to have insufficient grounds to hold after the verification of cross-held shares.
2. Verification on cross-held shares
Each year, KONDOTEC's Board of Directors scrutinizes and verifies the purpose of holdings, benefits from transactions, etc., of individual cross-held shares.
As of March 31, 2025, we held 3 issues of cross-held shares worth 32 million yen in book value and 240 million yen in market value. These are equivalent to 0.1% and 0.6% respectively of net assets of 38,350 million yen, 0.0% and 0.4% respectively of total assets of 65,247 million yen.
For the fiscal year ended March 31, 2025, we reduced cross-held shares by one issue and by book value of 1 million yen.
3. Exercise of voting rights on cross-held shares
KONDOTEC respects the management policies, strategies, etc., of investee companies, judges individual proposals based on whether shareholding contributes to sustainable growth and medium to long term corporate value of the Company and investee companies, and exercises voting rights.

■ Risk Management

The Compliance & Risk Management Committee, for which the General Affairs Division acts as an administrative office, monitors risks that the Group may face. It also interviews members of the committee including the president and representative director of KONDOTEC INC. and

representative directors of group companies to identify and review such risks once every fiscal year. Severity of the risks identified by this committee is assessed by the level of impact and by the likelihood of their occurrence.

Information Security Measures

KONDOTEC manages the security situation and the status, etc., of system operations for business on a daily basis, and reports to the General Manager of Management Headquarters.

Moreover, we have decided on the internal regulation "Information System Risk Management Manual" organizing information system operations, and review it when appropriate.

■ Executive Members

(As of June 25, 2025)

Title	Name	Area of Responsibility and Important Concurrent Positions	Independent Members	Number of Shares Held (Thousand Shares)
Chairman and Representative Director	Katsuhiko Kondo	Representative Director of Towa Kosan Corp. Representative Director of Toto Kosan INC. Representative Director of Tosho Kosan INC.		179
President and Representative Director	Noboru Hamano			36
Senior Executive Director	Hiroyuki Yada	General Manager of Management Headquarters and Manager of SDGs Promotion Department Director, Nippon Scaffolding Holdings Co., Ltd. Director, TECBUILD CO., LTD. Director, TOKAI STEP CO., LTD. Director, FUKOKU, Ltd. Director, UEDA CONSTRUCTION CO., LTD.		51
Executive Director	Kazuhiro Ishino	General Manager of Sales Headquarters Director, Sanwa Denzai Co., Ltd. Director, CHUOH GIKEN Co., Ltd. Director, KURIYAMA ALUMINUM Co., Ltd.		23
Director	Kazuyuki Asakawa	Manager of Eastern Japan Sales Division and Manager of Tokyo Branch		27
	Soichi Furuta	Manager of International Sales Division Managing Director, KONDOTEC INTERNATIONAL (THAILAND) Co., LTD.		13
	Yasushi Ishibashi	General Manager of Manufacturing Headquarters and Manager of Kyushu Factory		27
	Tomoyuki Ejiri	President and Representative Director, Nippon Scaffolding Holdings Co., Ltd. Representative Director and Chairman, TOKAI STEP CO., LTD. President and Representative Director, FUKOKU, Ltd.		30
Outside Director	Michiko Kanai	Attorney-at-law (Oh-Ebashi LPC & Partners partner) Outside Director, IDEC CORPORATION (Audit and Supervisory Committee Member) Outside Director, AS ONE CORPORATION (Audit and Supervisory Committee Member)	○	7
	Yaichiro Fukui		○	1
Director (Full-time Audit & Supervisory Committee Member)	Norio Nishida	Audit & Supervisory Board Member, Sanwa Denzai Co., Ltd. Audit & Supervisory Board Member, CHUOH GIKEN Co., Ltd. Audit & Supervisory Board Member, Nippon Scaffolding Holdings Co., Ltd. Audit & Supervisory Board Member, TECBUILD CO., LTD. Audit & Supervisory Board Member, TOKAI STEP CO., LTD. Audit & Supervisory Board Member, FUKOKU, Ltd. Audit & Supervisory Board Member, UEDA CONSTRUCTION CO., LTD. Audit & Supervisory Board Member, KURIYAMA ALUMINUM Co., Ltd.		23
Outside Director (Audit & Supervisory Committee Member)	Kana Yasuda	Certified Public Accountant, Tax Accountant (Yasuda Accounting Firm Representative) Outside Audit & Supervisory Board Member, SUGI HOLDINGS Co., Ltd. Outside Director, GEO HOLDINGS CORPORATION Outside Director, CHUO SPRING CO., LTD. Outside Director, The Monogatari Corporation	○	5
	Taku Tokuda	Attorney-at-law (Managing Principal Lawyer, TOKUDA LAW OFFICE)	○	4
	Minako Yamaoka	Outside Director, NICCA CHEMICAL CO., LTD. Outside Director, St.Cousair CO., LTD.	○	1

■ Directors and Audit & Supervisory Board Members

Terms of Executive members

KONDOTEC appoints candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) by considering individuals who fulfill respective statutory requirements, who are excellent both in terms of personality and insight, who can carry out their professional responsibilities, and who are capable of making accurate and timely decisions and of cooperating and working with and covering each function and division of the Company. Such individuals are deliberated on by the Nomination and Compensation Committee — a voluntary advisory organization composed of mainly Independent Outside Directors — based on whose report the Board of Directors determines a proposal for the General Meeting of Shareholders.

The Company appoints candidates for Directors who are the Audit & Supervisory Committee Members by considering individuals who have expertise in legal, financial and accounting matters, who hold knowledge on the business activities of the Company, and who maintain diverse perspectives concerning corporate management in a comprehensive manner. Such individuals are deliberated on by the Nomination and Compensation Committee, based on whose report the Board of Directors determines, with prior the consent of the Audit & Supervisory Committee, a proposal for the General Meeting of Shareholders.

Further, based on the recognition that diverse values and points of view are essential in

business management going forward, the Company appoints a female director and audit & supervisory board members. When in violation of professional duties of Directors or Directors as Audit & Supervisory Committee Members, or if deemed not suitable for Directors or Directors as Audit & Supervisory Committee Members of the Company due to negligence of their duties, such individuals are deliberated on by the Nomination and Compensation Committee, based on whose report the Board of Directors determines their treatment, and in the case of dismissal it should be resolved by the General Meeting of Shareholders.

The independence standards for Outside Directors

KONDOTEC appoints Outside Directors and Outside Directors as Audit & Supervisory Committee Members who fulfill the requirements under the Companies Act, and the independence standards set forth by the Tokyo Stock Exchange. The former is required to provide advice and proposal for management, and the later is required to offer advice for management and perform management audits.

The Company has designated all Outside Directors and Outside Directors who are Audit & Supervisory Committee Members as independent Executive members based on the rules of the Tokyo Stock Exchange with the said exchange.

Skills Matrix for the Board of Directors and the Audit & Supervisory Committee

Position	Name	Gender	Managerial Experience	Sales & Marketing	Manufacturing & Procurement	Finance & Accounting	Legal Affairs & Risk Management
Directors	Katsuhiko Kondo	Male	○	○	○		
	Noboru Hamano	Male	○	○			
	Hiroyuki Yada	Male		○	○	○	○
	Kazuhiro Ishino	Male		○	○		
	Kazuyuki Asakawa	Male		○			
	Soichi Furuta	Male	○	○			
	Yasushi Ishibashi	Male	○	○	○		
	Tomoyuki Ejiri	Male	○	○	○		
	Michiko Kanai	Outside Female					○
	Yaichiro Fukui	Outside Male	○	○		○	○
Directors (Audit & Supervisory Committee Members)	Norio Nishida	Male				○	
	Kana Yasuda	Outside Female				○	
	Taku Tokuda	Outside Male					○
	Minako Yamaoka	Outside Female	○	○			

* It does not represent all of the expertise and experience possessed by each Director and each Director who is Audit & Supervisory Committee Member.

Status of attendance by Outside Directors/Outside Audit & Supervisory Board Members (FY2025)

Position	Name	Board of Directors (12 board meetings)	Audit & Supervisory Committee (18 board meetings)
Outside Directors	Michiko Kanai	Attended 12 meetings (100%)	—
	Yaichiro Fukui	Attended all 10 meetings since taking office as of June 25, 2024	—
Outside Directors (Audit & Supervisory Committee Members)	Kana Yasuda	Attended 12 meetings (100%)	Attended 18 meetings (100%)
	Taku Tokuda	Attended 12 meetings (100%)	Attended 18 meetings (100%)
	Minako Yamaoka	Attended 12 meetings (100%)	Attended 18 meetings (100%)

■ Whistle-Blowing System

KONDOTEC has formulated internal regulations on whistle-blowing and put in place two points of contact for whistle-blowing inside and outside the company. The Company's whistle-blowing system is such that when whistle-blowing occurs, the Manager of General Affairs Division, which is the internal point of contact for whistle-blowing, reports the matter to the President, General Manager of Management Headquarters, Outside Directors and full-time Directors who are Audit & Supervisory Committee Members, requests that the responsible department investigates the matter; and proposes and notifies the measure for response.

The status of operation for whistle-blowing is reported at the Compliance & Risk Management Committee and the Board of Directors once a year, and the Board of Directors supervises the status of operation.

We also maintain internal regulations and a system to ensure that whistle-blowers are not treated unfairly.

The number reported was one case in FY2025. When cases were filed, we dealt with them appropriately by conducting internal investigations, while paying due consideration to privacy.

■ Remuneration

(FY2025)

Position	Number of Persons Paid	Total Amount by Type of Remuneration (Million yen)			Amount of Payment (Million yen)
		Base Remuneration	Stock-Based Remuneration	Performance- Linked Stock-Based Remuneration	
Directors (Excluding Audit & Supervisory Committee Members)	11 persons	187	28	—	216
Directors (Audit & Supervisory Committee Members)	4 persons	32	—	—	32
Total	15 persons	220	28	—	249

■ Policy for Determining the Details of Remuneration for Executive Members

The Board of Directors reviewed KONDOTEC's Executive member remuneration system at its meeting. At the meeting, the policy for determining the details of remuneration for individual directors was resolved (excluding Directors serving as members of the Audit & Supervisory Committee; hereafter, "Directors"). In addition, at the Board of Directors meeting, it was confirmed that the method of determining the details of remuneration and approved remuneration of individual Directors for the current fiscal year are consistent with this policy, while reports from the Nomination and Remuneration Committee was respected, which was deemed to be in line with the policy of determination.

The policy for determining the details of remuneration for Directors are as follows.

(1) Basic policy for determining the remuneration of Directors

The Company's basic approach is as follows, which aims to achieve the Medium-term Management Plan in realizing the management vision of the Group.

- Continued development of the Group and medium- to long-term corporate value enhancement
- Remuneration system that enables a shared awareness of profit with shareholders
- Ensure objectivity and transparency in the process of determining remuneration

Remuneration for Directors comprises fixed remuneration, stock-based remuneration and performance-linked stock-based remuneration offered upon reaching the targets of the Medium-term Management Plan as an incentive reward. The determination of remuneration for each Director is based on the appropriate standard in conjunction with their individual responsibilities.

(2) Policy for determining the amount of fixed remuneration (monetary remuneration) for each individual

The fixed remuneration for Directors of the Company is monthly fixed remuneration that is determined based on comprehensive consideration of the Director's position, duties, length in office relative to the standards at other companies, the Company's performance, and standards of employee compensation.

(3) Policy for determining the details, amount, and numerical calculation method for performance-linked remuneration and Non-monetary remuneration

(i) Stock-based remuneration

The Company offers Directors with stock-based remuneration that clearly highlights the connections between business performance and share value, which not only benefits the Director as the share price rises, but also enables the Director to share the risk with shareholders if the share price falls, in aiming to encourage Directors to contribute to improving medium- to long-term performance and enhance corporate value. The Company's stock-based remuneration is offered in accordance with position and duties. Restrictions on the transfer of restricted stock are generally lifted upon retirement from the position of Director.

(ii) Performance-linked stock-based remuneration

The Company's performance-linked remuneration is provided as performance-linked stock-based compensation that reflects the performance indicators as an incentive reward to encourage awareness towards improving business performance each fiscal year. Shares will be granted at a certain time each year based on the achievement of the consolidated ordinary profit target for each business year. Restrictions on the transfer of restricted stock are generally lifted upon retirement from the position of Director.

(4) Policy for determining the ratio of monetary remuneration amount and performance-linked remuneration amount to the amount of remuneration for each Director

The ratio of remuneration composition is based on the remuneration standard in companies of similar size, industry type and format as the Company used as a benchmark, in which the weight of stock-based remuneration is higher for higher ranked positions, while the ratio of stock-based remuneration to the total remuneration amount is set to be approximately 10-15% of the target for consolidated ordinary profit for each fiscal year as it is achieved.

(5) Matters concerning decisions regarding the content of individual Director remuneration

Individual Director remuneration is determined by resolution of the Board of Directors based on results of the review by the voluntary Nomination and Remuneration Committee, which consists primarily of independent outside directors, in order to ensure objectivity and transparency as well as enhance accountability for the level and appropriateness of remuneration and the determination process.

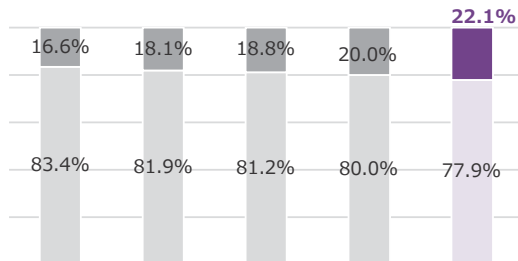
SUPPLEMENT

Non-Financial Data

(Non-consolidated)

Ratio of Female and Male Employees (%)

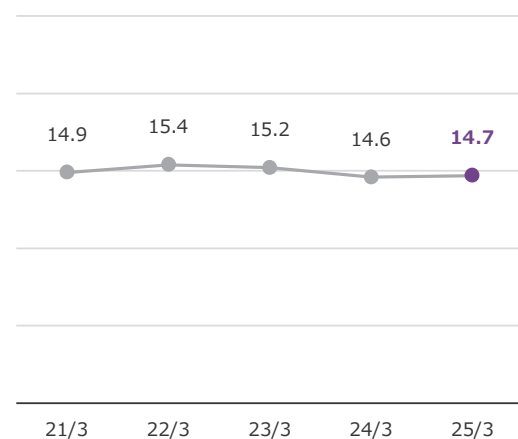
Ratio of women **22.1%**



	21/3	22/3	23/3	24/3	25/3
Female employees (Persons)	120	133	142	160	180
Male employees (Persons)	601	600	612	641	635

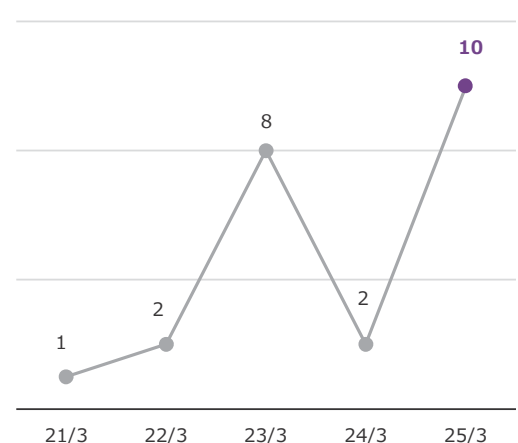
Average Length of Employment of Men (Years)

14.7 Years



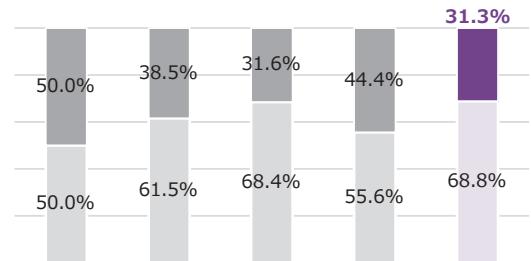
Number of Male Employees Taking Childcare and Similar Leave (Persons)

10 Persons



Ratio of New Graduate Hires (University Graduates) (%)

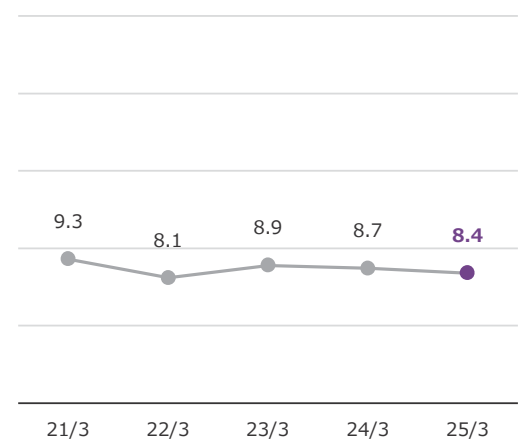
Ratio of women **31.3%**



	22/3	23/3	24/3	25/3	26/3
Female hires (Persons)	10	5	6	8	5
Male hires (Persons)	10	8	13	10	11

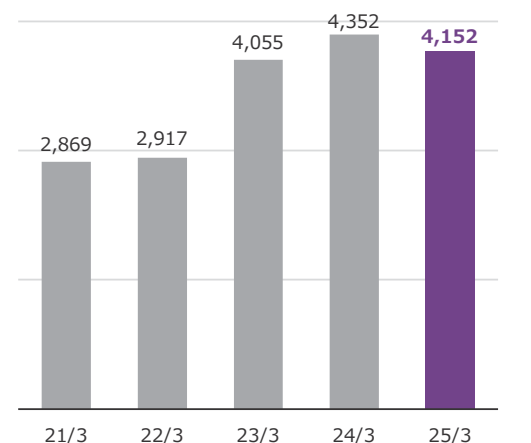
Average Length of Employment of Women (Years)

8.4 Years



GHG Emissions (t-CO₂)

4,152 t-CO₂



* Total of Scope 1 & 2 emissions
 * Figures for FY2022 and earlier exclude direct emissions from the use of company cars.
 * Figures for FY2023 and later are calculated in accordance with the GHG Protocol.
 Scope 2 figures are calculated in accordance with market standards.

Financial Data

■ Consolidated Balance Sheet

	2024 (Million yen)	2025 (Million yen)	2025 (Thousand U.S. dollars)
Assets			
Current assets			
Cash and deposits	11,836	15,476	103,507
Notes receivable — trade	3,254	1,578	10,560
Accounts receivable — trade	10,206	9,892	66,163
Contract assets	180	107	715
Electronically recorded monetary claims operating	4,993	4,828	32,296
Merchandise and finished goods	6,051	6,312	42,216
Work in process	789	853	5,705
Raw materials and supplies	918	1,062	7,103
Other	545	639	4,277
Allowance for doubtful accounts	(11)	(10)	(73)
Total current assets	38,766	40,740	272,473
Non-current assets			
Property, plant and equipment			
Buildings and structures (net)	4,214	4,097	27,406
Machinery, equipment and vehicles (net)	1,461	1,378	9,218
Land	9,737	9,813	65,635
Leased assets (net)	444	741	4,959
Construction in progress	175	2,220	14,849
Other (net)	758	739	4,946
Total property, plant and equipment	16,792	18,991	127,014
Intangible assets			
Goodwill	2,550	2,490	16,657
Customer-related assets	1,203	1,119	7,489
Other	249	251	1,679
Total intangible assets	4,003	3,861	25,826
Investments and other assets			
Investment securities	352	280	1,874
Deferred tax assets	342	219	1,465
Retirement benefit asset	410	801	5,361
Other	347	415	2,780
Allowance for doubtful accounts	(38)	(62)	(419)
Total investments and other assets	1,413	1,654	11,063
Total non-current assets	22,208	24,507	163,905
Total assets	60,975	65,247	436,378

* All financial information presented in Japanese yen has been rounded down to the nearest million.

The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of exchange at March 31, 2025. U.S. dollar amounts are rounded down to the nearest thousand.

	2024 (Million yen)	2025 (Million yen)	2025 (Thousand U.S. dollars)
Liabilities			
Current liabilities			
Notes and accounts payable – trade	4,769	4,685	31,335
Electronically recorded obligations — operating	9,618	9,648	64,529
Short-term loans payable	3,610	3,605	24,110
Current portion of long-term borrowings	240	417	2,794
Income taxes payable	1,079	763	5,105
Provision for bonuses	983	946	6,328
Provision for stocks payment	20	—	—
Other	2,188	3,335	22,307
Total current liabilities	22,509	23,401	156,510
Non-current liabilities			
Long-term borrowings	464	1,137	7,609
Lease liabilities	442	683	4,573
Deferred tax liabilities	903	914	6,113
Deferred tax liabilities for land revaluation	178	184	1,230
Retirement benefit liability	336	365	2,447
Other	219	209	1,399
Total non-current liabilities	2,545	3,494	23,374
Total liabilities	25,054	26,896	179,885
Net assets			
Shareholders' equity			
Capital stock	2,666	2,666	17,833
Capital surplus	2,440	2,460	16,455
Retained earnings	30,794	32,968	220,496
Treasury stock	(837)	(778)	(5,207)
Total shareholders' equity	35,063	37,316	249,578
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	141	145	972
Deferred gains or losses on hedges	10	(12)	(84)
Revaluation reserve for land	(1,510)	(1,516)	(10,139)
Foreign currency translation adjustment	95	122	816
Remeasurements of defined benefit plans	97	272	1,825
Total accumulated other comprehensive income	(1,166)	(988)	(6,610)
Non-controlling interests	2,022	2,022	13,525
Total net assets	35,920	38,350	256,493
Total liabilities and net assets	60,975	65,247	436,378

■ Consolidated Income Statement

	2024 (Million yen)	2025 (Million yen)	2025 (Thousand U.S. dollars)
Net sales	76,873	79,175	529,534
Cost of sales	59,837	61,658	412,378
Gross profit	17,035	17,517	117,156
Selling, general and administrative expenses	12,362	13,051	87,291
Operating profit	4,673	4,465	29,864
Non-operating income			
Interest income	4	6	45
Dividends income	5	5	38
Purchase discounts	140	150	1,003
Miscellaneous income	75	96	642
Total non-operating income	226	258	1,730
Non-operating expenses			
Interest expenses	14	26	180
Miscellaneous loss	11	17	119
Total non-operating expenses	26	44	299
Ordinary profit	4,872	4,679	31,295
Extraordinary income			
Gain on sales of non-current assets	84	22	151
Gain on sale of investment securities	36	192	1,286
Total extraordinary income	121	215	1,437
Extraordinary loss			
Loss on sales of non-current assets	2	1	10
Loss on disposal of non-current assets	18	2	13
Total extraordinary loss	21	3	24
Profit before income taxes	4,973	4,890	32,708
Income taxes — current	1,773	1,557	10,414
Income taxes — deferred	(89)	57	386
Total income taxes payable	1,683	1,615	10,801
Profit	3,289	3,275	21,907
Profit attributable to non-controlling interests	23	2	17
Profit attributable to owners of parent	3,265	3,272	21,889

■ Consolidated Statement of Comprehensive Income

	2024 (Million yen)	2025 (Million yen)	2025 (Thousand U.S. dollars)
Profit	3,289	3,275	21,907
Other comprehensive income			
Valuation difference on available-for-sale securities	17	4	26
Deferred gains or losses on hedges	21	(23)	(154)
Revaluation reserve for land	—	(5)	(35)
Foreign currency translation adjustment	26	26	175
Remeasurements of defined benefit plans	164	175	1,175
Total other comprehensive income	230	177	1,187
Comprehensive income	3,519	3,453	23,095
(Breakdown)			
Comprehensive income attributable to owners of parent	3,495	3,450	23,078
Comprehensive income attributable to non-controlling interests	24	2	16

* All financial information presented in Japanese yen has been rounded down to the nearest million.
The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of exchange at March 31, 2025. U.S. dollar amounts are rounded down to the nearest thousand.

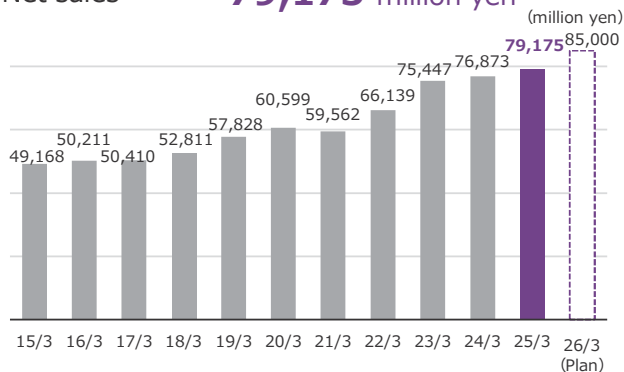
■ Consolidated Statement of Cash Flows

	2024 (Million yen)	2025 (Million yen)	2025 (Thousand U.S. dollars)
Cash flows from operating activities			
Profit before income taxes	4,973	4,890	32,708
Depreciation	1,181	1,310	8,767
Amortization of goodwill	333	351	2,353
Share-based compensation expenses	32	44	300
Increase (decrease) in allowance for doubtful accounts	15	7	52
Increase (decrease) in provision for bonuses	104	(37)	(249)
Increase (decrease) in provision for stocks payment	2	(20)	(134)
Decrease (increase) in retirement benefit asset	(63)	(133)	(893)
Increase (decrease) in retirement benefit liability	20	29	196
Interest and dividends income	(9)	(12)	(83)
Interest expenses	14	26	180
Loss (gain) on sale of investment securities	(36)	(192)	(1,286)
Loss (gain) on sale of non-current assets	(82)	(21)	(140)
Loss on disposal of non-current assets	18	2	13
Decrease (increase) in notes and accounts receivable — trade	(670)	2,313	15,474
Decrease (increase) in inventories	374	(464)	(3,107)
Increase (decrease) in notes and accounts payable — trade	(367)	(54)	(364)
Increase (decrease) in accrued consumption taxes	(100)	(76)	(511)
Other	123	(235)	(1,572)
Sub-total	5,865	7,730	51,702
Interest and dividends income received	9	12	83
Interest expenses paid	(15)	(29)	(195)
Income taxes paid	(1,645)	(1,873)	(12,529)
Cash flows from operating activities	4,214	5,840	39,061
Cash flows from investing activities			
Purchase of property, plant and equipment	(2,172)	(1,588)	(10,623)
Proceeds from sale of investment securities	42	273	1,828
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(314)	(2,105)
Other	75	(64)	(429)
Cash flows from investing activities	(2,054)	(1,693)	(11,329)
Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	—	(5)	(33)
Proceeds from long-term borrowings	215	1,070	7,156
Repayments of long-term borrowings	(247)	(321)	(2,151)
Purchase of treasury stock	(0)	(0)	(0)
Cash dividends paid	(943)	(1,098)	(7,349)
Dividends paid to non-controlling interests	(2)	(2)	(18)
Other	(105)	(173)	(1,159)
Cash flows from financing activities	(1,083)	(531)	(3,555)
Effect of exchange rate change on cash and cash equivalents	26	24	164
Net increase (decrease) in cash and cash equivalents	1,103	3,639	24,341
Cash and cash equivalents, beginning of year	10,733	11,836	79,166
Cash and cash equivalents, end of year	11,836	15,476	103,507

Consolidated Financial Highlights

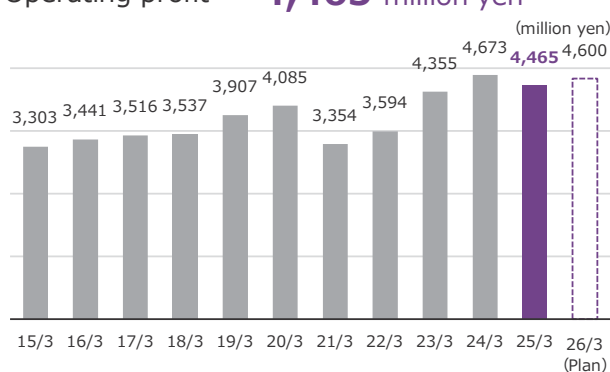
Net sales

79,175 million yen



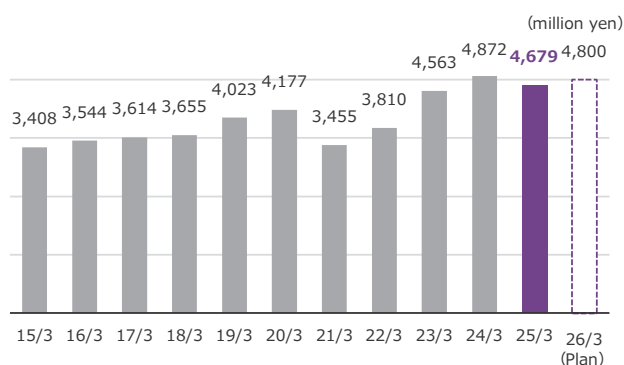
Operating profit

4,465 million yen



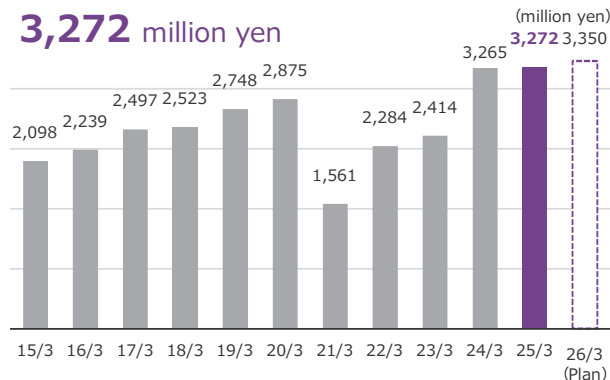
Ordinary profit

4,679 million yen



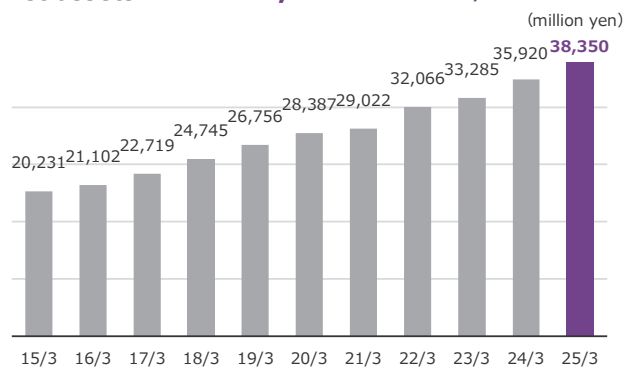
Profit attributable to owners of parent

3,272 million yen



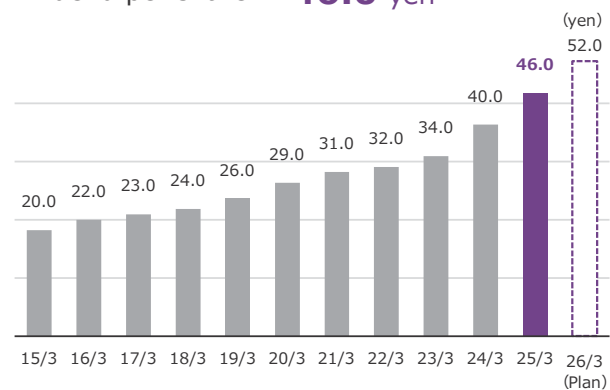
Net assets

38,350 million yen



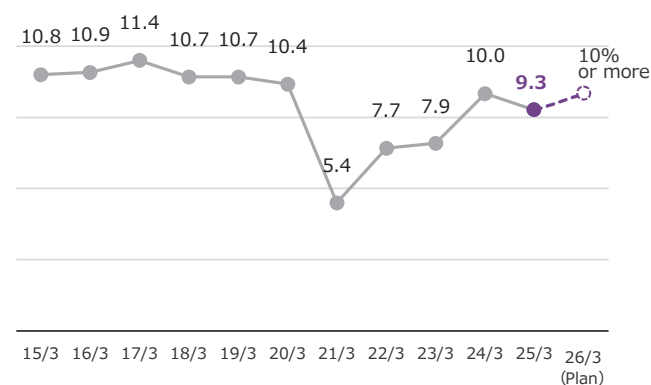
Dividend per share

46.0 yen



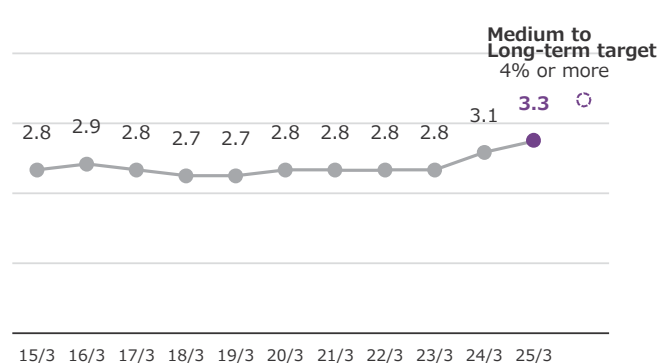
Return on equity (ROE)

9.3%



Dividend on equity ratio (DOE)

3.3%



■ Consolidated Financial Highlights (Over the Past 10 Years)

	2015	2016	2017	2018	2019
■ Results of Operations (Million Yen and Thousand U.S. Dollars)					
Net sales	¥49,168	¥50,211	¥50,410	¥52,811	¥57,828
Operating profit	3,303	3,441	3,516	3,537	3,907
Ordinary profit	3,408	3,544	3,614	3,655	4,023
Profit attributable to owners of parent	2,098	2,239	2,497	2,523	2,748
*1 EBITDA	3,948	3,910	4,052	4,079	4,425
Capital investment	403	842	695	423	981
Depreciation	449	405	438	423	404
■ Financial Position (Million Yen and Thousand U.S. Dollars)					
Total assets	¥35,186	¥34,645	¥36,524	¥39,313	¥43,820
Net assets	20,231	21,102	22,719	24,745	26,756
Interest-bearing debt	636	508	501	500	853
■ Cash Flows (Million Yen and Thousand U.S. Dollars)					
Cash flows from operating activities	¥1,818	¥1,945	¥2,737	¥2,429	¥2,699
Cash flows from investing activities	828	(829)	(646)	(506)	(1,551)
Cash flows from financing activities	(699)	(1,092)	(1,032)	(703)	(915)
Cash and cash equivalents, end of year	7,626	7,594	8,660	9,893	10,133
■ Per Share Information (Yen and U.S. Dollars)					
Basic earnings per share	¥75.91	¥81.01	¥93.29	¥94.25	¥102.65
Net assets per share	730.49	774.18	846.59	922.62	996.99
Dividend per share	20.00	22.00	23.00	24.00	26.00
■ Financial Indicators					
Gross profit margin (%)	21.1	21.2	22.2	21.5	21.6
Ordinary profit margin (%)	6.9	7.1	7.2	6.9	7.0
Profit attributable to owners of parent margin (%)	4.3	4.5	5.0	4.8	4.8
*2 Total asset turnover (%)	141.2	143.8	141.7	139.3	139.1
*3 Financial leverage (Times)	1.7	1.6	1.6	1.6	1.6
*4 ROE (%)	10.8	10.9	11.4	10.7	10.7
*5 ROA (%)	6.0	6.4	7.0	6.7	6.6
*6 Equity ratio (%)	57.4	60.8	62.1	62.8	61.0
DOE (%)	2.8	2.9	2.8	2.7	2.7
*7 Current ratio (%)	187.6	205.8	212.4	219.9	200.9
*8 D/E ratio (%)	3.1	2.4	2.2	2.0	3.2
*9 Fixed ratio (%)	48.5	48.0	45.6	42.4	47.1
Ratio of retained earnings to total assets (%)	46.4	51.9	54.4	55.4	53.3
■ Stock Price Index					
Stock closing price (Yen and U.S. dollars)	¥786	¥834	¥933	¥939	¥1,006
Price earnings ratio (Times)	10.4	10.3	10.0	10.0	9.8

*1 EBITDA = Income before income taxes + Interest expenses + Depreciation + Amortization of goodwill

*2 Total asset turnover = Net sales / Total assets of average two years

*3 Financial leverage = Total assets / (Net assets - Subscription rights to shares - Non-controlling interests)

*4 ROE = Profit attributable to owners of parent / (Net assets - Subscription rights to shares - Non-controlling interests)

*5 ROA = Profit attributable to owners of parent / Total assets of average two years

*6 Equity ratio = (Net assets - Subscription rights to shares) / Total assets

*7 Current ratio = Current assets / Current liabilities

*8 D/E ratio = Interest-bearing debt / (Net assets - Subscription rights to shares - Non-controlling interests)

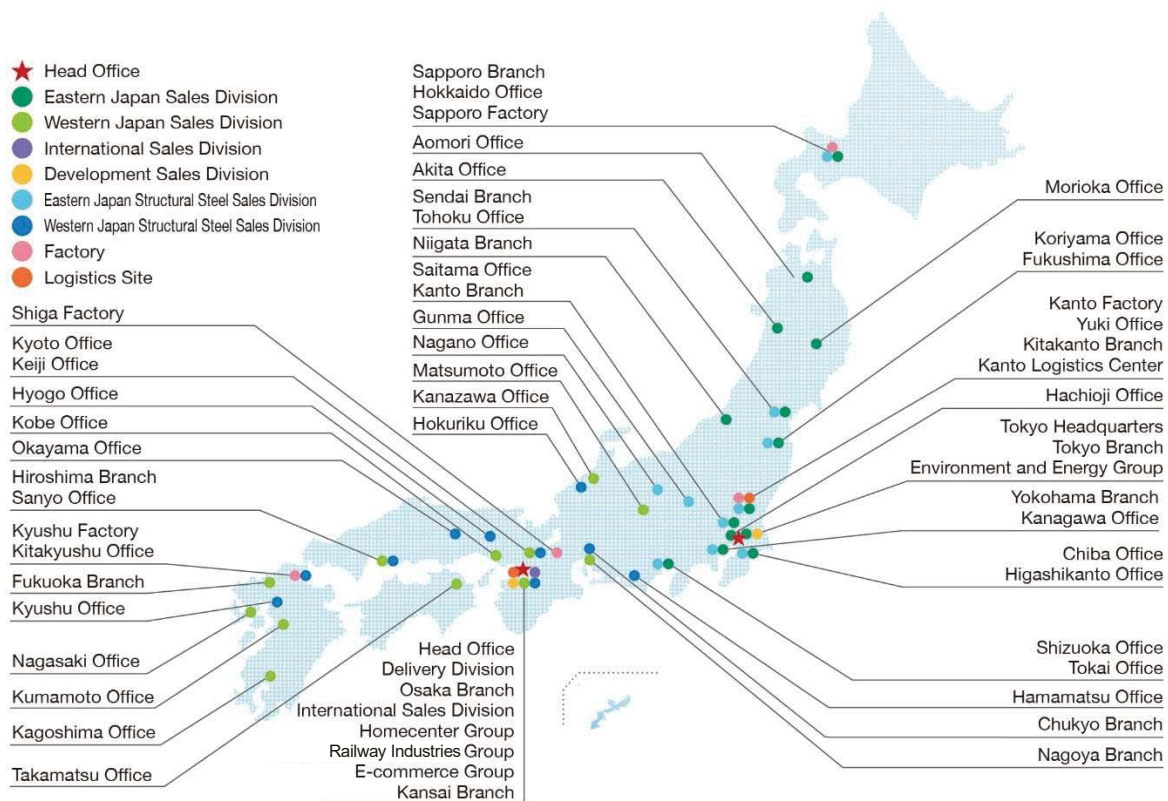
*9 Fixed ratio = Non-current assets / (Net assets - Subscription rights to shares - Non-controlling interests)

	2020	2021	2022	2023	2024	2025	2025	2026 (Plan)
	¥60,599	¥59,562	¥66,139	¥75,447	¥76,873	¥79,175	\$529,534	¥85,000
	4,085	3,354	3,594	4,355	4,673	4,465	29,864	4,600
	4,177	3,455	3,810	4,563	4,872	4,679	31,295	4,800
	2,875	1,561	2,284	2,414	3,265	3,272	21,889	3,350
	4,916	3,783	5,095	5,482	6,503	6,580	44,011	—
	917	1,097	1,694	1,453	2,728	3,325	22,238	—
	697	897	1,091	1,134	1,181	1,310	8,767	—
	¥46,335	¥49,426	¥56,009	¥58,163	¥60,975	¥65,247	\$436,378	—
	28,387	29,022	32,066	33,285	35,920	38,350	256,493	—
	1,106	3,875	5,315	4,513	4,880	6,061	40,541	—
	¥4,385	¥4,196	¥1,227	¥3,961	¥4,214	¥5,840	\$39,061	—
	(5,205)	(2,264)	(2,373)	(1,389)	(2,054)	(1,693)	(11,329)	—
	(992)	1,060	(22)	(2,025)	(1,083)	(531)	(3,555)	—
	8,305	11,317	10,164	10,733	11,836	15,476	103,507	—
	¥107.46	¥59.60	¥87.26	¥94.75	¥128.02	¥128.02	\$0.85	¥130.91
	1,071.09	1,110.01	1,170.84	1,227.81	1,327.57	1,419.62	9.49	—
	29.00	31.00	32.00	34.00	40.00	46.00	0.30	52.00
	22.4	22.8	22.3	21.5	22.2	22.1	—	22.8
	6.9	5.8	5.8	6.0	6.3	5.9	—	5.6
	4.7	2.6	3.5	3.2	4.2	4.1	—	3.9
	134.4	124.4	125.5	132.2	129.0	125.5	—	—
	1.6	1.7	1.9	1.9	1.8	1.8	—	—
	10.4	5.4	7.7	7.9	10.0	9.3	—	10% or more
	6.4	3.3	4.3	4.2	5.5	5.2	—	—
	61.2	58.7	53.7	53.8	55.6	55.7	—	—
	2.8	2.8	2.8	2.8	3.1	3.3	—	—
	181.1	167.6	157.6	165.3	172.2	174.1	—	—
	3.9	13.4	17.7	14.4	14.4	16.7	—	—
	61.5	61.6	71.0	66.4	65.5	67.5	—	—
	55.0	53.1	48.0	49.0	50.5	50.5	—	—
	¥929	¥1,069	¥1,017	¥1,002	¥1,290	¥1,424	—	—
	8.6	17.9	11.7	10.6	10.1	11.1	—	—

on rights to shares – Non-controlling interests) / Total assets
 liabilities
 assets – Subscription rights to shares – Non-controlling interests)
 assets – Subscription rights to shares – Non-controlling interests)

KONDOTEC Network

(As of June 25, 2025)



Group Companies

(As of June 25, 2025)

Group Company Name	Location of Head Office	Network
Sanwa Denzai Co., Ltd.	Nishi-ku, Nagoya-shi	12 operating sites
KONDOTEC INTERNATIONAL (THAILAND) Co., Ltd.	Bangkok, Thailand	—
CHUOH GIKEN Co., Ltd.	Inukami-gun, Shiga	—
Nippon Scaffolding Holdings Co., Ltd.	Koto-ku, Tokyo	—
TECBUILD CO., LTD.	Ota-ku, Tokyo	17 operating sites
TOKAI STEP CO., LTD.	Fujieda-shi, Shizuoka	14 operating sites
FUKOKU, Ltd.	Izumi-ku, Sendai-shi	5 operating sites
UEDA CONSTRUCTION CO., LTD.	Tomakomai, Hokkaido	—
KURIYAMA ALUMINUM Co., Ltd.	Nakamura-ku, Nagoya-shi	2 operating sites 1 factory

Stock Information

(As of March 31, 2025)

■ Company's Stock

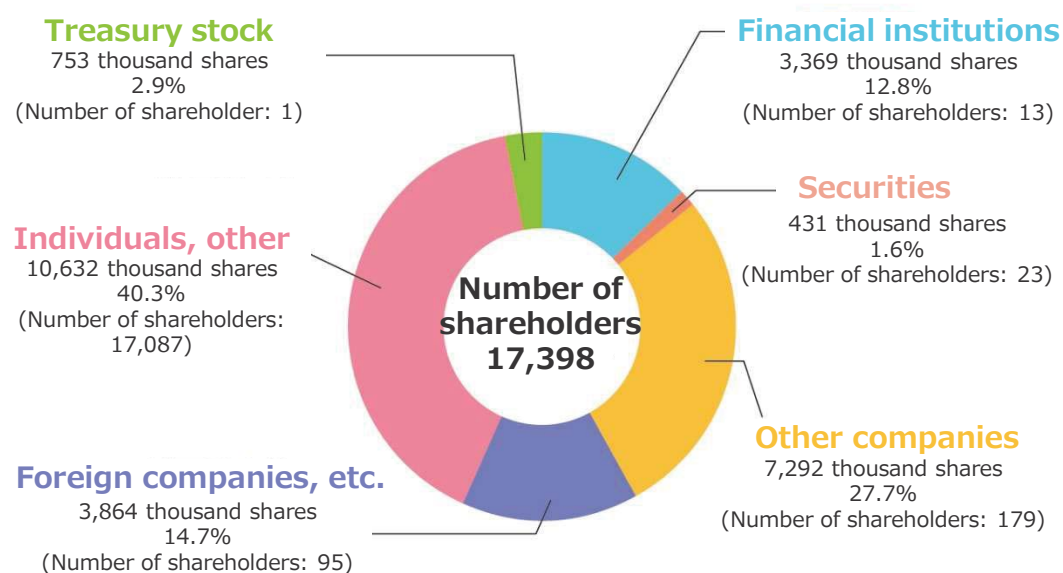
Total number of shares authorized	60,000,000 shares
Total number of shares issued	26,344,400 shares
Shares per unit	100 shares

■ Major Shareholders

Name of Shareholder	Number of Shares Held (Thousand Shares)	Percentage
Towa Kosan Corp.	3,014	11.8%
BBH FOR FIDELITY LOW – PRICED STOCK FUND	1,531	6.0%
The Master Trust Bank of Japan, Ltd. (trust account)	1,419	5.5%
KONDOTEC employees shareholders association	1,339	5.2%
Osaka Small and Medium Business Investment & Consultation Co., Ltd.	1,247	4.9%
MUFG Bank, Ltd.	753	2.9%
THE BANK OF NEW YORK – JASDECNON – TREATY ACCOUNT	701	2.7%
Toto Kosan INC.	676	2.6%
Masahide Kondo	664	2.6%
Jun Corp.	515	2.0%

*753 thousand shares in treasury stock is not included in the listing of major shareholders above.
Percentage is calculated by excluding treasury stock.

■ Stock Distribution by Shareholder Category



Company Information

Company Name	KONDOTEC INC.
Established	January 1953
President and Representative Director	Noboru Hamano
Head Office	2-2-90 Sakaigawa, Nishi-ku, Osaka 550-0024 Japan Tokyo Headquarters: 1-9-3 Minami Suna, Koto-ku, Tokyo
Number of Employees	Consolidated:1,423 Non-consolidated:815 (As of March 31, 2025)
Capital Stock	2,666 million yen (As of March 31, 2025)
Listed Stock Market	Tokyo Stock Exchange (Prime Market)
Securities Code	7438
Fiscal Year	April 1 through March 31 of the following year
Business Areas	▣ Manufacturing, procurement and sales of industrial materials primarily in the retail hardware business ▣ Manufacturing, procurement, and sale of structural steel materials mainly for steel fabricators ▣ Procurement and sales of electrical equipment for electrical construction contractors and electrical appliance stores ▣ Procurement, sale and rentals of temporary scaffolding materials and providing scaffolding construction services for building contractors and medium-sized general contractors
Major Items Handled	▣ Products (in-house manufactured products) Turnbuckles, braces, scaffolding chains, screws, anchor bolts, die-forged products, construction materials, machinery and equipment, aluminum extrusions, etc. ▣ Merchandise (products procured from domestic and foreign suppliers/OEM products) Hardware, chains, wire ropes, screws, construction materials, lighting equipment, panel boards, air-conditioning equipment, eco items, etc.



Social contribution activities through sponsorship and donations, etc.

As part of our commitment to coexistence and development with local communities, which is one of our materiality, we engage in social contribution activities through sponsorship and donations.

Event Partner Sponsorship for Expo 2025 Osaka, Kansai

KONDOTEC is a supporting partner of the Japan Association for the 2025 World Exposition for the events "Physical Twin Symphony" and "One World, One Planet", which will be held from April through October 2025 at Expo 2025, Osaka, Kansai, embodying the expo theme. Numerous pavilions at the expo also adopted our braces and anchor bolts. We support the hosting of events and strive to create enjoyable venues for customers both in Japan and overseas.



We have received letters of appreciation from each organizations.

Donations and Provision of Merchandise for Wata SHIGA Shining Country Sports/Disable Sports

KONDOTEC has made donations and provided merchandise (cones with holes) to the 2025 Wata SHIGA Shining Country Sports/Disable Sports (formerly the National Sports Festival) to be held in Shiga Prefecture from September 2025. The donations collected will be used for discovering, training, and strengthening athletes, improving sports facilities, and operating the tournaments.



The Company actively supports sports, such as through its establishment of a track and field club.

▶ P40 Track & Field Club

Editor's Note

Thank you very much for reading the "KONDOTEC REPORT".

This year marks the ninth release of our Integrated Report.

In April 2025, we established the Environment & Energy Group, with the aim of strengthening our lineup of renewable energy products. We are also engaged in initiatives that contribute to the environment in our core businesses, with the goal of creating a sustainable society. In addition, our new Osaka head office is scheduled to be completed in the fall of 2025. As detailed in this report, it has been designed with a focus on sustainability.

In ways such as this, we are steadily advancing toward the creation of a sustainable society. We believe that this report serves as an important tool for understanding these efforts. Therefore, we produce this report to cover our initiatives related to climate change and sustainability in addition to our growth strategy, so as to avoid merely referring to our corporate history and businesses. We also held repeated discussions to ensure that we convey our growth potential to readers.

The project members behind creation of the report consisted solely of employees without reliance on any outside organizations. It is our hope that, by communicating our corporate value as seen from inside and by expressing it as only our employees can, this report will let stakeholders deepen their understanding of our company.

We will contribute to the creation of an affluent society. While striving to increase our corporate value, we will upgrade this report along with our corporate growth.

Senior Executive Director and General Manager of Management Headquarters
Hiroyuki Yada

Official SNS Accounts

Official Instagram



https://www.instagram.com/kondotec_official/

Official YouTube



<https://www.youtube.com/channel/UCLnFjRKGx6IzhkqFelAirqQ>

Official Facebook



<https://www.facebook.com/kondotec.official/>

Through it, we provide product information and other announcements to help you learn more about KONDOTEC. We hope that you will enjoy reading it.

Notes on forward-looking statements

This document contains forward-looking statements including operating forecasts and business plans. Future operating performance projections that KONDOTEC releases are based on data available at the time of making the release. Actual results may differ considerably from projections due to various factors and changes.

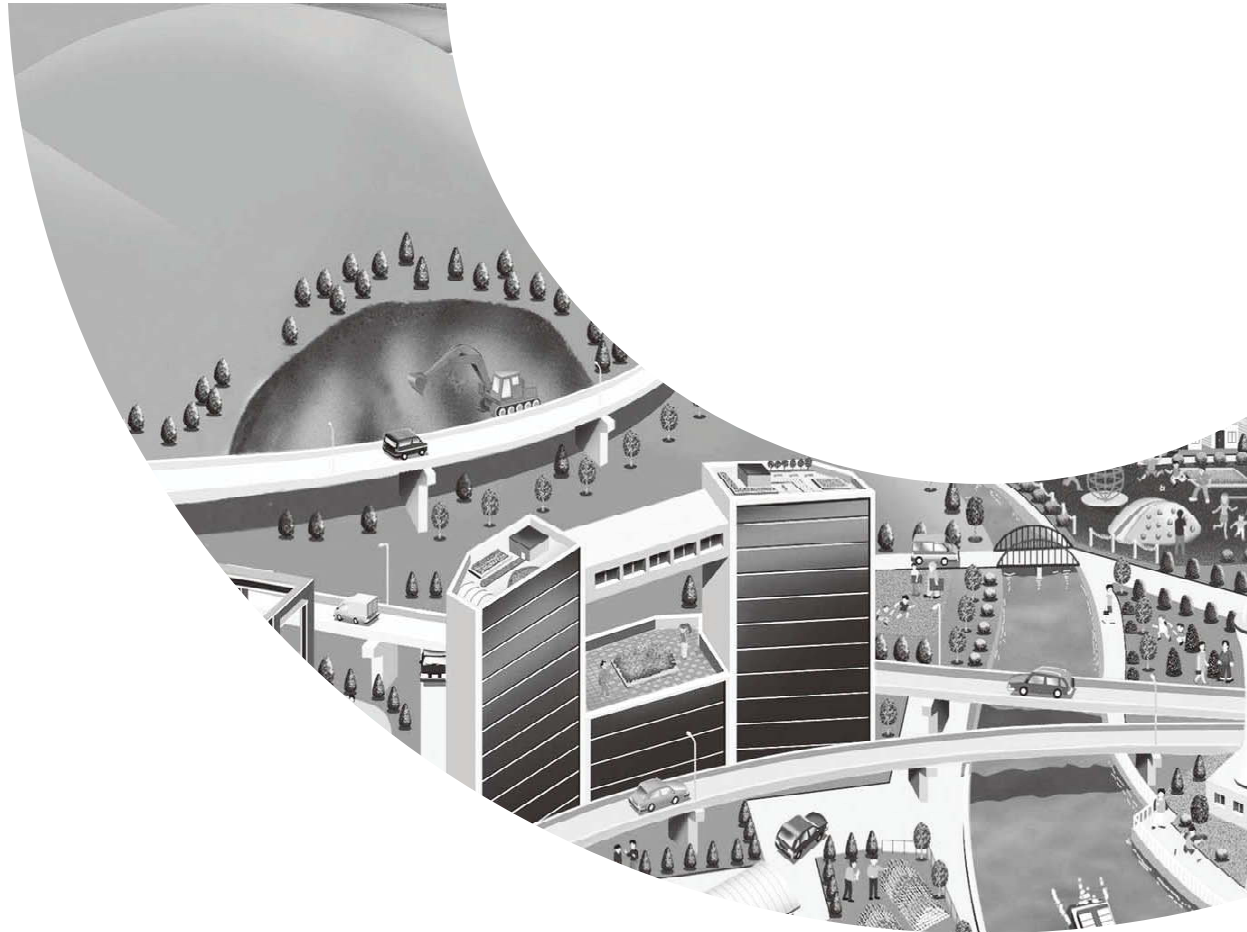
Detailed information on financial results

For details of financial results for the year ended March 31, 2025, please refer to the Annual Securities Report. URL : https://www.kondotec.co.jp/ir/library/asset_securities.html

Reporting coverage period

◆ Reporting period : April 1, 2024 through March 31, 2025
(Activities in April 2025 and thereafter are included in part.)

◆ Reporting organization : KONDOTEC INC. and its group companies
◆ Accounting standard : Japanese GAAP



KONDO' TEC

2-2-90 Sakaigawa, Nishi-ku, Osaka

550-0024 Japan

Website : <https://www.kondotec.co.jp>

