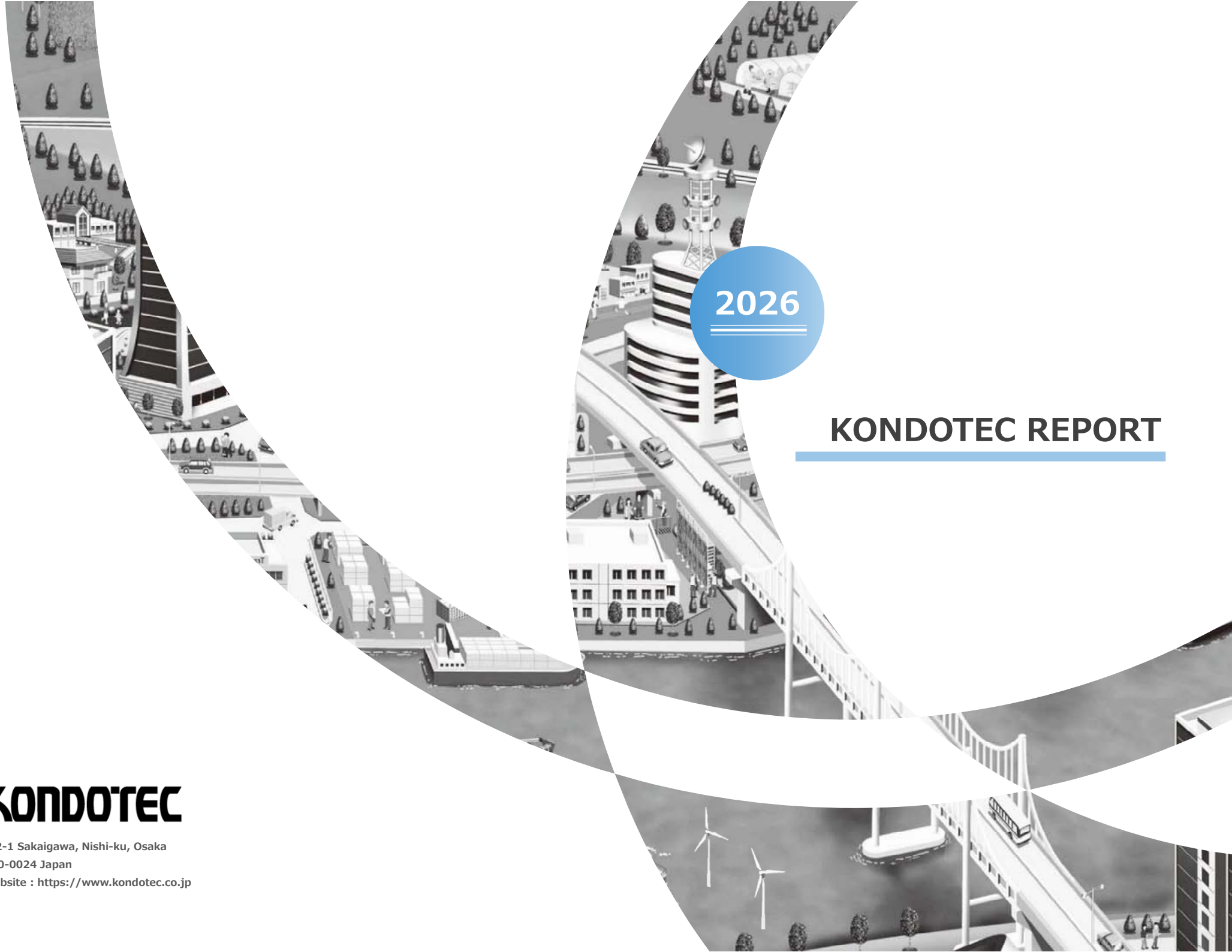


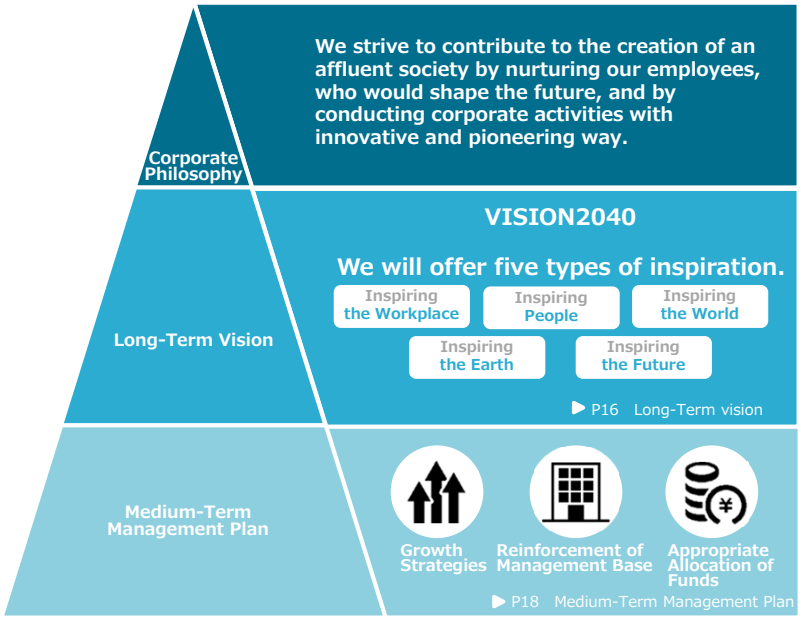
2026

KONDOTEC REPORT

KONDOTEC

2-2-1 Sakaigawa, Nishi-ku, Osaka
550-0024 Japan
Website : https://www.kondotec.co.jp

Corporate Philosophy / Philosophical Framework

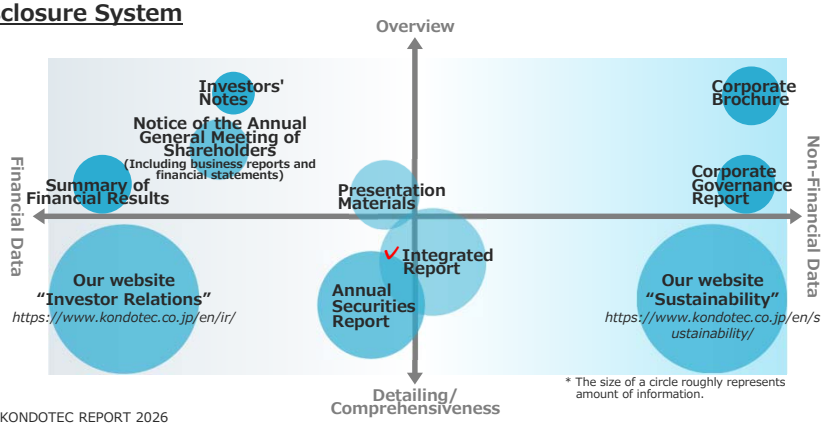


Editorial Policy of Integrated Report 2026

This year marks the tenth 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 addressed themes such as the setting of SDG-related items within our materialities and the enhancement of both our growth and functional strategies, all of which have 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



* The size of a circle roughly represents amount of information.

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WE ARE KONDOTEC

Top Message



Enhancing Our Presence as a United Group, Toward Further Growth

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)

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)

Message from Chairman



Strengthening Group Synergies Toward the Next Stage

Chairman and Representative Director Katsuhiko Kondo

Toward the Next Stage

KONDOTEC was born in Osaka, starting off by supplying parts for wooden ships navigating canals, and expanded its scope to the sales of construction materials that it is engaged in today. During that time, we changed our company name, relocated our head office, established factories, expanded our bases, and further broadened our business areas through initiatives such as M&A. Now, we have renewed our Osaka head office as well as our Tokyo head office, and are moving toward the next stage. We have been expanding our reach until now, but going forward we will delve deeper into the market and, as a specialized trading company and manufacturer with broader scope, we aim to further boost our presence. In 2025, we also carried out two new M&A transactions. Through these office renewals and acquisitions, we will work on further strengthening our group synergies, continue brushing up our efforts, thereby aiming for sustainable growth.
The required functions are often the same even in different circumstances—and this is not only for the construction industry but for other industries. By examining what our group is capable of in this regard and leveraging the experience we have cultivated, our product lineup and our logistics network, we aim to generate synergies in new fields.

Message from President



Pursuing Further Growth as a Group that Delivers "The Right Things, at the Right Time, to the Right Place"

President and Representative Director Noboru Hamano

A United Group, Aiming for Further Growth

KONDOTEC started by supplying hardware for shipping industry, and we expanded our business domains by also selling those products in the construction and civil engineering industries. In recent years, we have actively pursued M&A and 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. Today, the KONDOTEC Group comprises 12 companies including KONDOTEC, and we are working to boost collaboration throughout the Group to generate maximum synergy effects.

With KONDOTEC's 80th anniversary approaching, we have renewed our head office buildings in Tokyo and Osaka, aiming to enhance our group branding and improve employee engagement. By using the new head offices as a catalyst, the KONDOTEC Group will unite as one team with the mindset of "Today more than yesterday, and tomorrow more than today" and meet our stakeholders' expectations. We will strive to achieve further growth of the Group that is able to deliver timely, safe and reliable products, merchandise, and services suited to the times—"The Right Things, at the Right Time, to the Right Place"

Further Strengthening the Six Strengths and Enhancing Presence as a Corporate Group.

We work to enhance our presence as a corporate group by further strengthening the following six strengths.

Inventory Capabilities and Logistics Capabilities
KONDOTEC and its group company, Sanwa Denzai Co., Ltd. are primarily engaged in the wholesale of products and merchandise. We strive to maintain a system that allows us to deliver the necessary products and merchandise to the necessary locations when they are needed by keeping a full inventory at operating sites nationwide. Natural disasters such as earthquakes and torrential rains have been striking with greater frequency in recent years, and we will fulfill our social responsibility by supplying emergency supplies as quickly as possible.

Manufacturing Capabilities and R&D Capabilities
One of our strengths is that we manufacture products that have a high market share, such as turnbuckles for buildings and scaffolding chains—more recently, we have released unique products that are not available from other companies, including the high-strength chain "CATENA." In addition, KURIYAMA ALUMINUM Co., Ltd., which handles aluminum extrusions, and in 2025, SUZUTOH CO., LTD., which designs and manufactures safety steel site hoarding that is indispensable at construction sites, joined us as group companies. Through synergies with the group companies, our manufacturing and sales divisions will work together to develop and deliver one-of-a-kind products that address social issues facing the construction industry, such as labor shortages and limits on working hours.

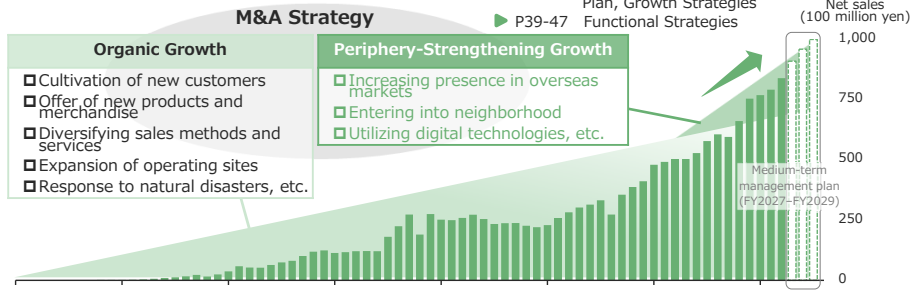
Sales Capabilities and Proposal Capabilities
Our strength lies in our ability to propose a wide range of items tailored to the specific needs of various industries and business types. As we worked on expanding our business fields by meeting customer needs, we carried out M&A with Sanwa Denzai Co., Ltd., which handles electrical equipment, and KURIYAMA ALUMINUM Co., Ltd., which manufactures aluminum extrusions capable of meeting demand for lighter weight. Like our scaffolding group companies that provide scaffolding construction services to meet growing demand in the maintenance and repair sector, in addition to the sales of products and merchandise, we are expanding our fields from "things to services" and into "things and services." 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 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 GHG* emissions reduction target of 30%. We are working to reduce environmental impacts, and provide products, merchandise, and services that are best suited to environmental measures, and are expanding renewable energy-related businesses led by the Environment & Energy Group that was established in 2025. In terms of DX, we are implementing measures that lead to improvements in both customer satisfaction (CS) and employee satisfaction (ES). When it comes to human capital, we are also working on improving employee engagement and human resource development based on the concept of fostering a sense of unity as a group.
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. We will implement growth strategies 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.
Going forward, we aim to continue contributing to the creation of a sustainable and affluent society as one united group, and to forge a new history together with all our stakeholders.

* Refers to greenhouse gases. The same applies hereafter.

▶ P16 Long-Term Vision
▶ P18-22 Medium-Term Management Plan, Growth Strategies
▶ P39-47 Functional Strategies



History

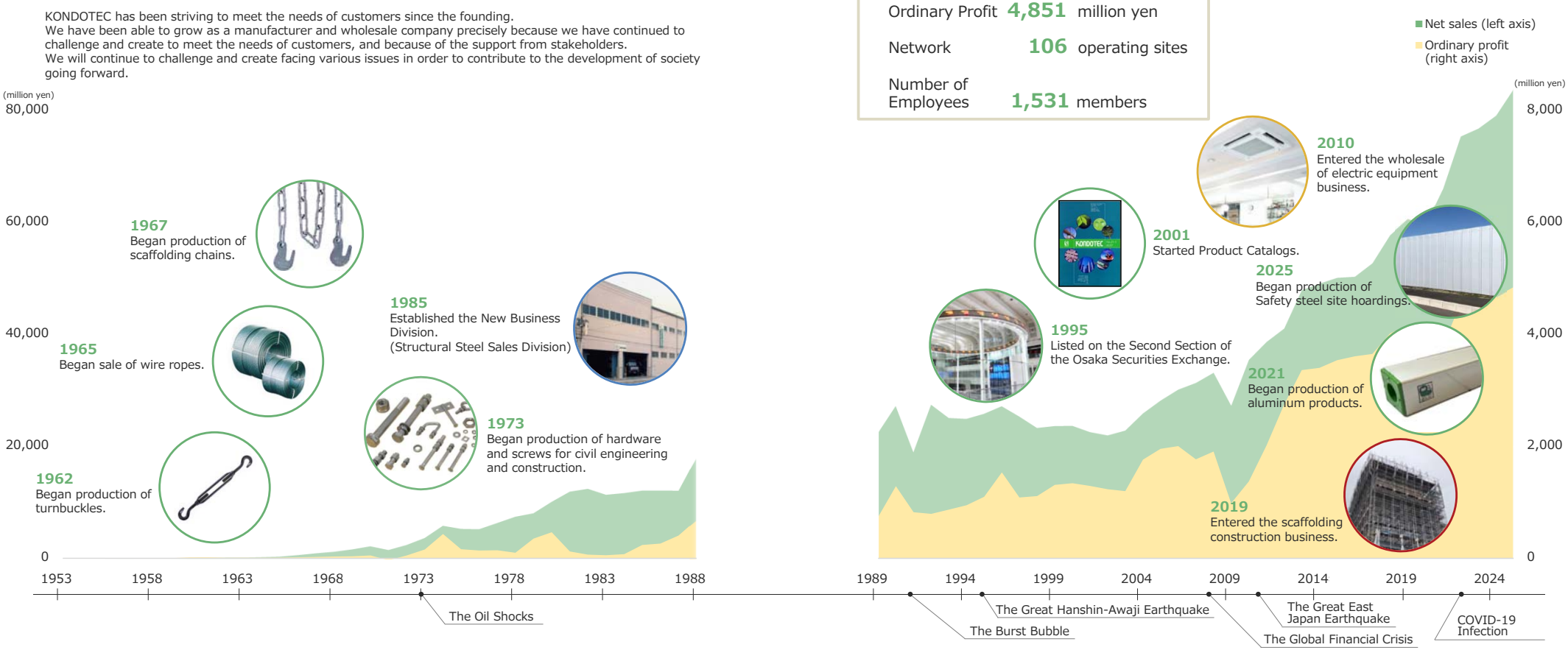
79 Years of the Company's History

— 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.

2026【Consolidated】

Net Sales	83,949	million yen
Ordinary Profit	4,851	million yen
Network	106	operating sites
Number of Employees	1,531	members



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.

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, the manufacture and development of aluminum extrusions, and the development and manufacture of safety steel site hoardings. 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

The Long-Term Vision VISION 2040

We will offer five types of inspiration

Inspiring the Workplace / Inspiring People / Inspiring the World / Inspiring the Earth / Inspiring the Future

▶ P16 Long-Term Vision

Creation of Social Value

- Contribution to the global environment
- Coexistence and development with local communities
- Contribution to safe and secure 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

Output

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

Business Activities

Business That Leverages Our Strengths ▶ P13 Four Business Segments

Industrial Materials	Structural Steel Materials	Electrical Equipment	Scaffolding Construction
▶ P23-24 Business Overview	▶ P25-26 Business Overview	▶ P27-28 Business Overview	▶ P29-30 Business Overview

Strength in KONDOTEC Group
Strength in procurement
Strength in sales methods
Synergies (Group's collective strength)

Promotion of growth strategies and functional strategies

Initiatives for Materiality ▶ P10 Materiality

Input

Financial capital Robust financial foundations for adapting to the changing business environment	**Manufacturing capital** Multiple factories utilizing group synergy	
Intellectual capital Intellectual property (Patents, utility model, design, trademark) Design and manufacturing technology to automation machine, image processing technologies, etc.	**Human capital** Diverse employees including those with qualifications	**Social capital / Natural capital** Business partners in many different industries and a broad array of goods

Changes in Business Environment

Environment / Society	Economy	Technology

Impacts on KONDOTEC Group

- Changes in details of construction investment (increasing large-scale constructions / buildings and increasing demand for maintenance / repair work)
- Increase in demand related to labor-saving
- Responding to climate change
- Increase in the importance of overseas markets
- Transformation to business models matched with progress of digitalization

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

STEP1 Listing Our Issues
In consideration of sustainability-related risks and opportunities that the KONDOTEC Group may face, we examined issues that could become challenges for the Group and extracted issues for each stakeholder with reference to various guidelines (IIRC, Guidance for Collaborative Value Creation*).

STEP2 Judgment on the Importance of Each Item
We evaluated the importance of issues identified in STEP 1 with the importance for stakeholders and the importance for the Group, and selected items of high importance as issues.

STEP3 Identification of Materiality
We report the order of priority among the key matters selected in Step 2 to the Board of Directors every year so that the Board of Directors can monitor (and closely check) the appropriateness of material issues. On the basis of the results of this, we have identified materiality in view of the value that we aim to create through the long-term vision VISION 2040.

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

Materiality

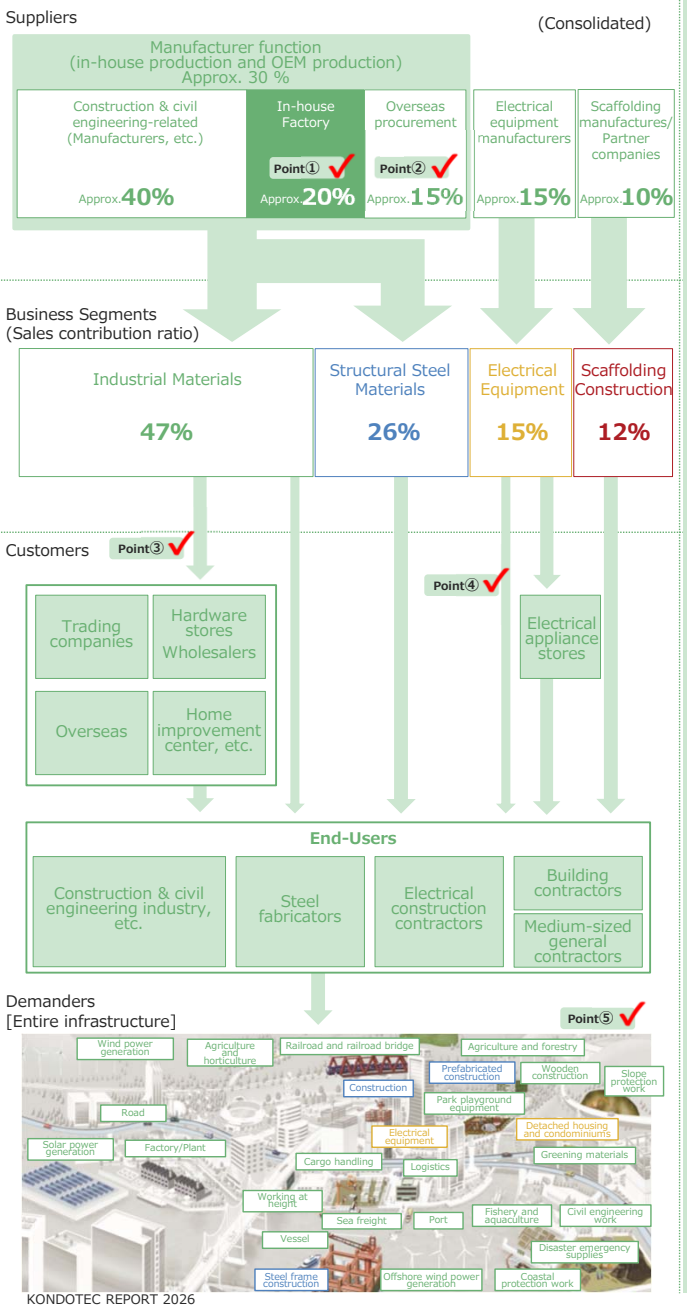
We decided on materiality as follows after the three steps. We will link this materiality to sustainable corporate growth by incorporating it in the management strategy.

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



Point①

Manufacturer function in net sales

Approx. **30%**

* In-house manufactured products and OEM products

Point②

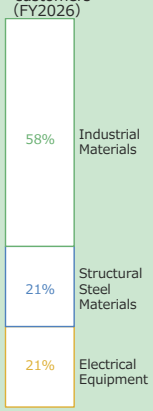
Overseas procurement includes products manufactured in local OEM factories.

Point③

Customer breakdown by business segment

Total

Approx. **29,000** customers (FY2026)



* Scaffolding Construction is not included.

Point④

We provide direct sales to some end-users

Point⑤

Demand for products and merchandise

Public **20%**

Private **80%**



Suppliers

Number of Suppliers	Approx. **5,000**
Factory	**7** (Domestic)
Manufacturer Function	Approx. **30** %

(As of March 31, 2026)

- ✓ 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	**106**
Number of Items	Approx. **50,000**

(As of March 31, 2026)

- ✓ 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. **29,000**
Number of New Customers	Approx. **1,500**

(As of March 31, 2026)

- ✓ 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 safety 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

(FY2026)

Industrial Materials

Net Sales **39,536** million yen

Sales Weighting **47**%



Business Areas

The Industrial Materials Segment manufactures, procures, and sells civil engineering and construction materials (primarily metal fittings through retail).

Strengths

By selling products and merchandise to a wide range of industries, the segment has built up a diverse customer base that is not skewed toward any particular industry, it is able to generate stable earnings that do not hinge on any particular customer.

Products / Merchandise


Turnbuckles


Shackles


Scaffolding chains


Screws

Structural Steel Materials

Net Sales **21,605** million yen

Sales Weighting **26**%



Business Areas

The Structural Steel Materials Segment manufactures, procures, and sells structural steel materials to nationwide steel fabricators.

Strengths

High-margin business maintained through supply of high market share products with a high percentage of in-house production.

Products / Merchandise


Turnbuckle braces


Anchor bolts


Self-supporting Kon-pieces

Electrical Equipment

Net Sales **12,934** million yen

Sales Weighting **15**%



Business Areas

The Electrical Equipment Segment procures and sells electrical equipment to consumer electrical appliance stores and electrical construction contractors.

Strengths

The segment generates steady earnings through providing a wide range of merchandise from electrical equipment to housing equipment to various industries.

Products / Merchandise


Air-conditioning equipment


Lighting equipment


Solar power generation

Scaffolding Construction

Net Sales **9,872** million yen

Sales Weighting **12**%



Business Areas

The Scaffolding Construction Segment provides scaffolding construction services and procures, sells and rentals of temporary scaffolding materials to building contractors and medium-sized general contractors.

Strengths

The segment provides a wide range of construction services from residential buildings to medium-rise properties in addition civil engineering structures (such as bridges)

Business Description


Low-rise properties


Medium-rise properties


Bridges

Comprehensive Services Based on Synergy

We take advantage of Group synergy to provide comprehensive support for all processes from the foundation work to completion in construction projects as well as subsequent maintenance and repair work. See the images below for the fields of activity that KONDOTEC is involved in, up to completion of buildings as well as after completion. The photos here show examples of KONDOTEC's Osaka head office building, which was completed in 2025.



↑Steel frame works



Steel frame foundation →

(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

(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 manufacture and supply anchor bolts that support column foundations, but also install them upon contract.

(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.





← Electrical equipment works (Solar panels)

(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.

↓ Building completion



(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.

KONDOTEC Group Synergies

Our Group has developed a comprehensive customer support structure, by linking the strengths of each segment in an organic manner. We are also creating new proposals and business opportunities by sharing project information acquired from individual segments with other segments.

Safety steel site hoarding manufactured by SUZUTOH CO., LTD., which newly joined the Industrial Materials segment, is not only sold at each of our group's operating sites but is also utilized in the rental business operated by the Scaffolding Construction segment, generating synergies within the Group.

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**

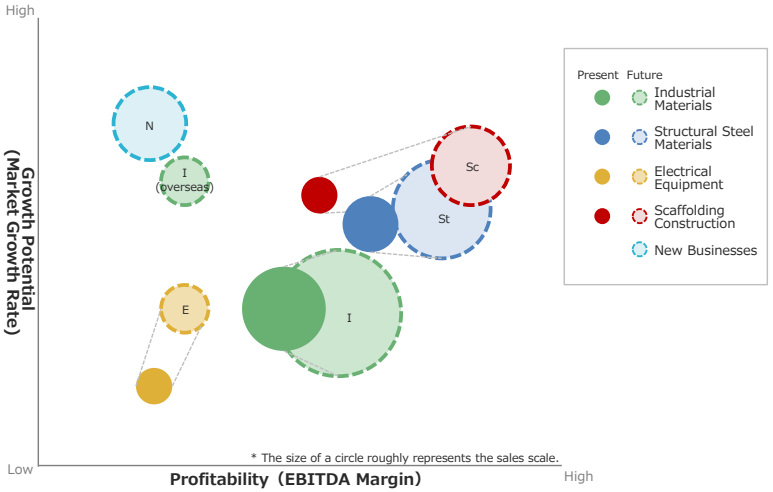
Creation of Financial Value

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

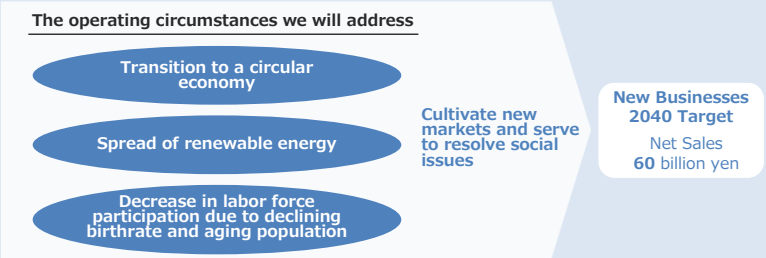
Electrical Equipment
- Broaden the lineup of products and merchandise we handle
- Enhancement of distribution functions and construction capacity
- Cultivate distribution routes other than wholesaling in the direct demand area

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.



Medium-Term Management Plan

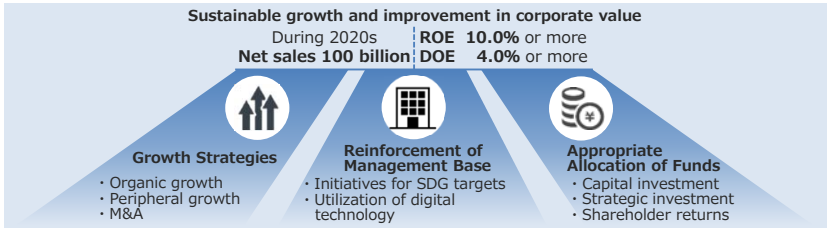
Recognition of the Business Environment

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.

Focus on Changes in Business Environment		Impacts on KONDOTEC Group
Environment/ Society	☐ Decrease in labor force participation ☐ Responding to climate change ☐ Transition to a Sound Material-Cycle Society	☐ Slump in the domestic market and increasing size of constructions and buildings ☐ Increase in the importance of overseas markets ☐ Increase in National Resilience and disaster prevention and mitigation projects ☐ Decrease in new construction and increase in maintenance/repair work ☐ Increase in demand related to labor-saving ☐ Responding to advances in digital technologies
Economy	☐ Slump in domestic demand due to the declining birth rate and aging population ☐ Economic growth in overseas markets	
Technology	☐ Accelerating digital technologies ☐ Expanding a range of utilization of AI/robotics technologies ☐ Merging of real and virtual worlds	

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 ▶▶ **FY2029**

Net Sales	Operating profit	Ordinary profit	EBITDA	ROE
100 billion yen Compared with FY2026 +19.1%	5 billion yen Compared with FY2026 +14.1%	5 billion yen Compared with FY2026 +13.4%	7 billion yen Compared with FY2026 +11.9%	10.0 % or more Compared with FY2026 +1.2%

Financial Targets

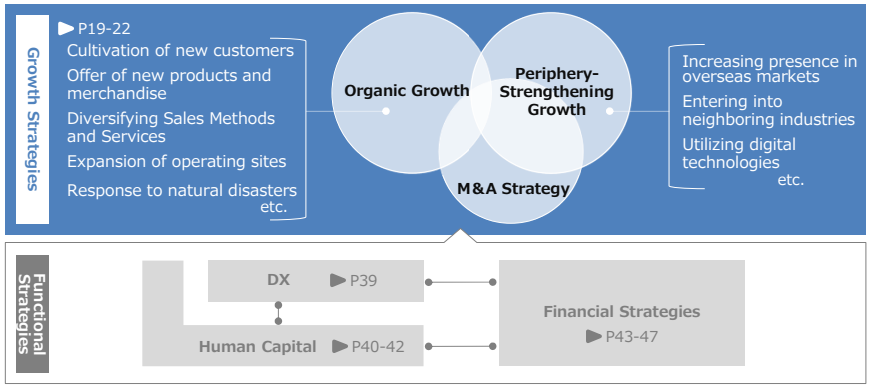
Promote growth strategies and strengthen the management base through the appropriate allocation of funds. Aim to accelerate sales and profit growth to achieve consolidated sales of JPY100.0bn in the 2020s.

Consolidated Target (Million yen)	FY2026 (Actual)	FY2027 (Plan)	FY2028 (Plan)	FY2029 (Plan)
Net Sales	83,949	91,000	96,000	100,000
Operating Profit	4,644	4,950	5,100	5,300
Ordinary Profit	4,851	5,150	5,300	5,500
Profit Attributable to Owners of Parent	3,302	3,400	3,450	3,650
EBITDA	6,880	7,200	7,400	7,700

* 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



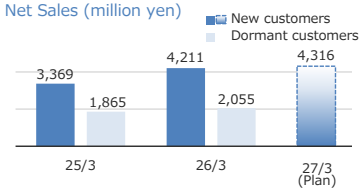
Existing Business Strategies (Organic Growth Strategies)

■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.

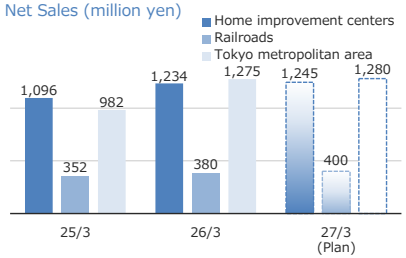
Net Sales (million yen)



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.

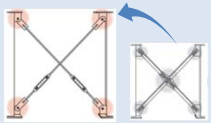
Net Sales (million yen)



■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. For example, we have developed and launched products and merchandise such as “HI TEN CONBRACE” and “LS Double Hook” to address customer needs, including weight reduction and improved safety.
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



↑High strength brace “HI TEN CONBRACE”

↑Conventional product



↑LS Double Hook

KONDOTEC's design: Compared with conventional angle braces (right-hand figure), this product offers improved workability and reduced weight.

Reduces overlapping of suspended wire ropes and slings, improving safety compared with conventional products.

■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, through our online showroom, where customers can view our new products and merchandise, drawings, instruction manuals, and usage videos, we are enhancing the information we provide in response to the recent digital shift among businesses and consumers. By providing additional information on products and merchandise that could not be fully conveyed through our existing website and catalogs, we aim to further enhance customer 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.

Examples of Catalogs



↑Catalog of lifting equipment

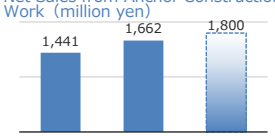


↑Catalog of emergency supplies



↑General catalog of wind power generation

Net Sales from Anchor Construction Work (million yen)





↑“TSURIKATA” Inspection site for lifting equipment

■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 2026, we had 106 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.

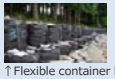
History of Operating Site Network Expansion (2020 and later)

- **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



↑Flexible container bags



↑Tarpaulins

TOPICS

Disaster Response Agreement Concluded

We concluded an agreement with Nishi Ward of Osaka City and Yuki City to provide disaster response supplies upon request in the event that a disaster occurs or is likely to occur. We also concluded an agreement with Osaka City to use the Warehouse Building of the Osaka head office, completed in November 2025, as a temporary and emergency evacuation facility for local residents. Going forward, we will continue to contribute to the maintenance and improvement of social infrastructure through our operating sites across Japan, while striving for coexistence and development with local communities and helping ensure their safety and security.

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.

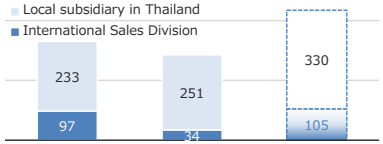
Going forward, we will further strengthen our sales & marketing capabilities by widening our sales network and reinforcing manpower with a view to increasing the ratio of net sales from our overseas business.



KONDOTEC INTERNATIONAL (THAILAND)

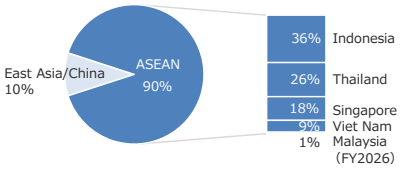


Net Sales of Overseas Business (million yen)



*Amounts of inter-company transactions are not included.

Percentage of Net Sales by Country



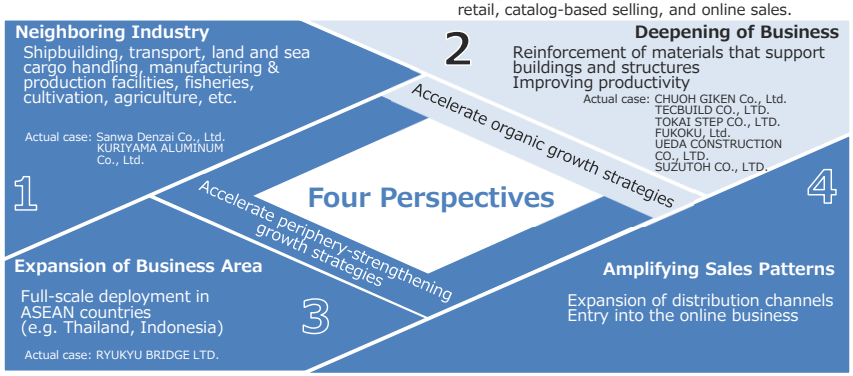
Toward Accelerating the Growth of the Present's KONDOTEC (Organic) and the Future's KONDOTEC (Periphery-Strengthening)

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 Japan and overseas sites in priority areas 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 investing in fields where future growth is expected. 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.
With trends in construction materials shifting from iron to lightweight aluminum, the Company has focused on the resulting demand for aluminum and acquired KURIYAMA ALUMINUM Co., Ltd., which is engaged in the manufacturing and development of aluminum extrusions and other products. Through this acquisition, we are aiming to expand our product and merchandise lineup with new materials.
In 2025, the Company also acquired SUZUTOH CO., LTD., which manufactures and sells the temporary site fencing material "Safety steel site hoarding" used at construction sites, and RYUKYU BRIDGE LTD., which has developed a strong customer base mainly among construction companies in Okinawa Prefecture and sells construction materials. The Company will create synergies with each company, expand manufacturing capabilities for materials for construction sites and other applications, and work to secure construction demand in Okinawa Prefecture, where steady demand is expected.
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	• Mid to high-rise buildings • Low-rise buildings	• Bridge • Mid to high-rise buildings	• Plants • Mid to high-rise buildings
	 Detached housing construction	 Accommodation construction	 Aqueduct bridge repair	 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

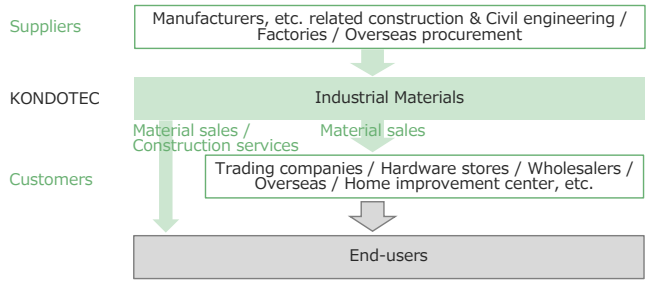
Business Overview

Industrial Materials

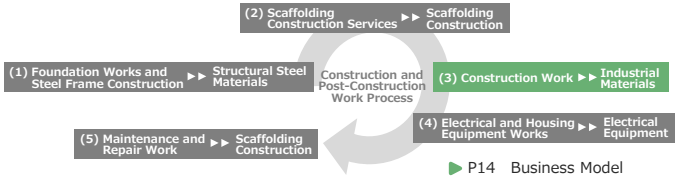
Aiming for further growth by delving deeper into our businesses and expanding our business fields beyond the scope of construction and civil engineering.

This segment handles a wide range of products and merchandise mainly used at sites such as construction and civil engineering, and sells them both domestically and overseas. In 2025, we made SUZUTOH CO., LTD., a manufacturer of safety steel site hoarding that is indispensable at construction sites, and RYUKYU BRIDGE LTD., which sells construction materials in the Okinawa area where our presence had been limited, into subsidiaries, and are working to delve deeper into our businesses and expand our business areas. We are also placing an emphasis on upstream and downstream sales, and by conducting sales activities directly with users or close to users, we are working to build a sales structure that is able to further demonstrate "Sales Capabilities" and "Proposal Capabilities." Meanwhile, we will enhance our "Manufacturing Capabilities" and "R&D Capabilities" by further promoting the development of new products and merchandise that contribute to labor saving, efficiency improvement, and weight reduction.
We are also working to develop fields beyond the scope of construction and civil engineering, and are seeking to expand into new fields such as home improvement centers, railroad companies, and products for renewable energy facilities such as wind power generation.
Going forward, we will strive to achieve further growth while focusing on development of new products and merchandise and enhancing synergies with the group.

Distribution Channels



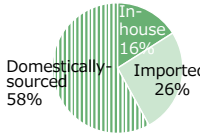
Areas of the Construction Process Served by This Segment



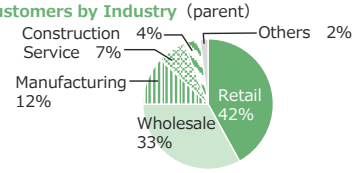
▶ P14 Business Model (Comprehensive Services Based on Synergy)

Ratio of Segment Sales

Procurement Source (consolidated)



Customers by Industry (parent)



(FY2026)

Number of Operating Sites

KONDOTEC INC. 31 operating sites

(Subsidiaries)
KONDOTEC INTERNATIONAL(THAILAND) CO.,LTD.
CHUOH GIKEN Co., Ltd.
KURIYAMA ALUMINUM Co., Ltd. 2 operating sites
SUZUTOH CO., LTD. 2 operating sites
RYUKYU BRIDGE LTD. 1 operating site
(As of March 31, 2026)

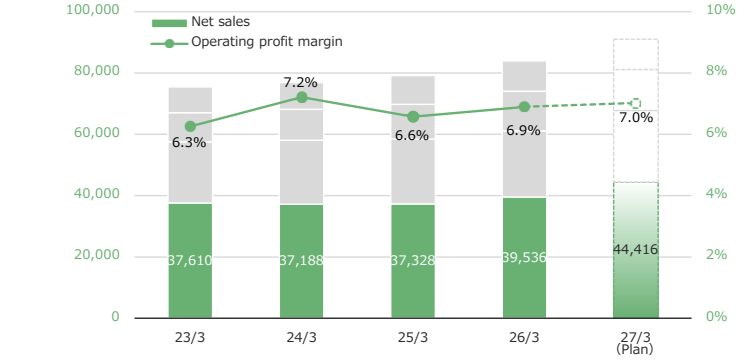
Number of Customers

Approximately 17,000 companies

Number of Employees

441 (As of March 31, 2026)

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, 2026

As a result of solid orders from major customers, selling price hikes to reflect higher procurement prices and other costs, and sales contributions from SUZUTOH CO., LTD. and RYUKYU BRIDGE LTD., which became subsidiaries in 2025, sales in this segment amounted to 39,536 million yen (up 5.9% year on year).

In terms of profits, segment profits stood at 2,726 million yen (up 11.1% year on year). Although selling, general, and administrative expenses increased along with higher personnel expenses, sales growth and margin-conscious sales activities improved the gross profit margin.

New Customers

Numbers	1,741	Net Sales	1,415 million yen

(As of end March 2026)

* 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

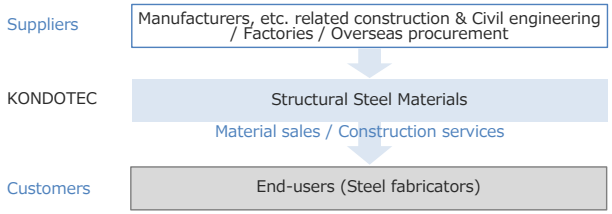
- Dependence on public investments and private capital investments
  Since sales associated with public investments and private capital investments account for a considerable percentage of the segment's sales, stagnation in the conditions of the construction industry and a decline in demand caused by 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

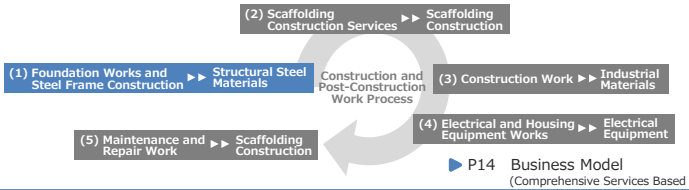
Leveraging our logistics network centered on operating sites around Japan, we will work on expanding sales of high value-added products and expanding our business fields.

In this segment, we sell products and merchandise that are indispensable to steel-frame construction, where we have a high market share. Our mainstay product, JIS-standard turnbuckle braces, are widely adopted in logistics warehouses and pre-engineered steel buildings. The high-strength braces "HI TEN CONBRACE," developed by KONDOTEC and released in 2023, is a one-of-a-kind product that combines improved higher efficiency and a lighter weight, and we are working to expand sales so that it is featured alongside our lineup of new mainstay products. We will expand sales of such high value-added products through our logistics network centered on operating sites located around Japan, and strive for further business expansion.
Yet there are still areas where we have not yet opened operating sites, so we will also proceed with expanding our business areas by opening new operating sites. And more than only sales of products and merchandise, we will also place an emphasis on the construction business as we strive to expand our business fields based on the concept of "from things to services" and "things and services."
We will pursue further growth while implementing these initiatives.

Distribution Channels



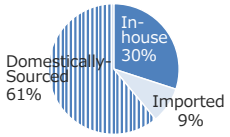
Areas of the Construction Process Served by This Segment



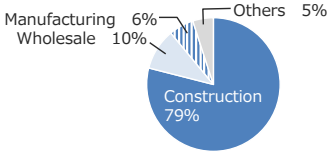
▶ P14 Business Model (Comprehensive Services Based on Synergy)

Ratio of Segment Sales

Procurement Source



Customers by Industry



(FY2026)

Number of Operating Sites

KONDOTEC INC. 20 operating sites (As of March 31, 2026)

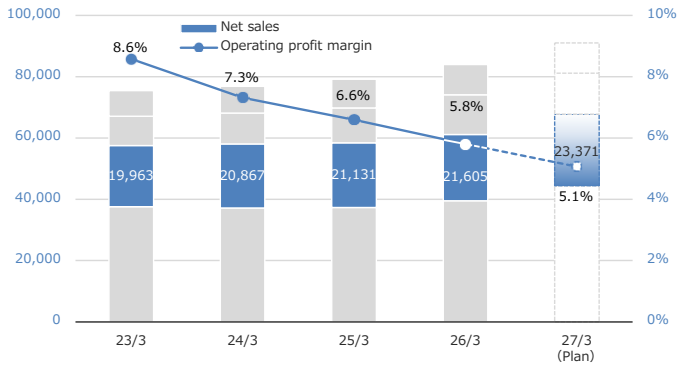
Number of Customers

Approximately 6,000 companies

Number of Employees

165 (As of March 31, 2026)

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, 2026

With large-scale projects remaining steady and small and medium-sized projects stagnating, sales to major customers and various processed product sales remained solid, and as sales volume and selling prices increased slightly, and segment sales increased to 21,605 million yen (up 2.2% year on year).

In terms of profits, as price competition with competitors intensified, gross profit margin remained flat; however, selling, general, and administrative expenses increased mainly due to personnel expenses and freight costs, and segment profit stood at 1,254 million yen (down 10.0% year on year).

New Customers

Numbers	723	Net Sales	1,445 million yen

(As of end March 2026)

* 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

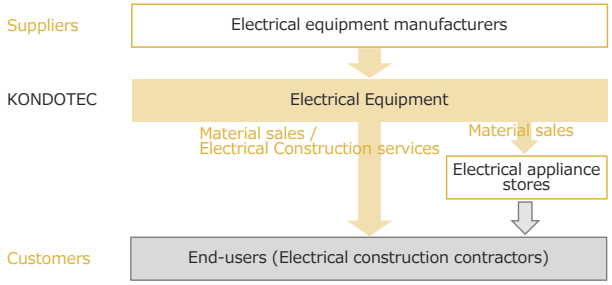
- Price competition
  If price competition with competitors continues to intensify in each of the product markets and local markets to which the segment belongs and it becomes difficult to maintain fair prices, this may have a significant impact on the operating performance and financial position of 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

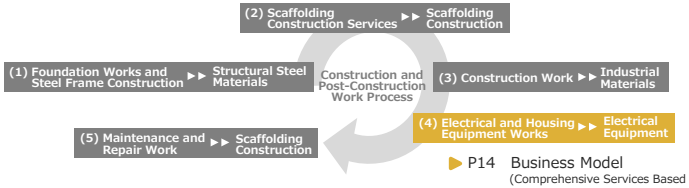
Working on expanding business into factory automation-related and housing equipment markets and to win orders including construction works while centering on wholesaling to electrical construction contractors

This segment sells electrical equipment to electrical construction contractors, and sells housing equipment and other materials to large end users. In sales to electrical construction contractors, in addition to capturing demand such as capital investment projects associated with revisions to energy conservation standards, demand for switching to LED lighting toward the discontinuation of fluorescent lamp manufacturing in 2027, and 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. To expand sales channels to large end users, we will also focus on developing sales channels to renovation, remodeling and other contractors where demand for housing equipment materials is expected. In addition to merchandise sales, we will also focus on entering new fields by providing value-added merchandise and services such as periodic air-conditioning inspections and orders including construction works, and work toward further growth.

Distribution Channels



Areas of the Construction Process Served by This Segment



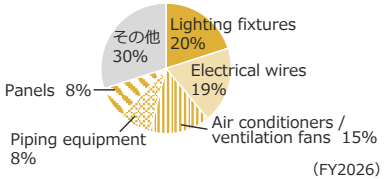
▶ P14 Business Model (Comprehensive Services Based on Synergy)

Ratio of Segment Sales

Procurement Source



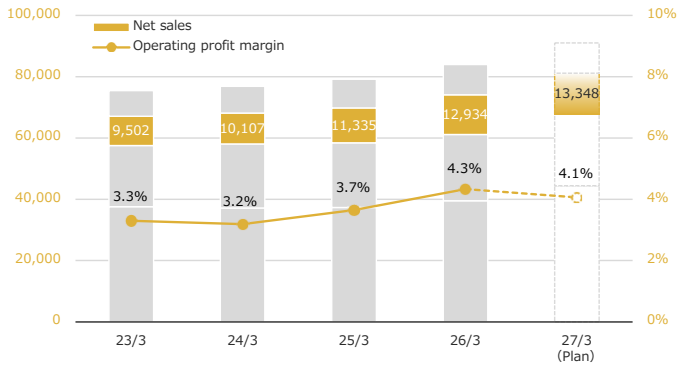
Merchandise Category



(FY2026)

Number of Operating Sites	(Subsidiary) Sanwa Denzai Co., Ltd. 12 operating sites (As of March 31, 2026)
Number of Customers	Approximately 6,000 companies
Number of Employees	151 (As of March 31, 2026)

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, 2026

Against the backdrop of demand for switching to LED lighting toward the discontinuation of fluorescent lamp manufacturing in 2027 and a succession of large-scale capital investment projects associated with the revision of energy conservation standards in the same year, sales of high-voltage receiving and transforming equipment, electric wires, solar power equipment, and air-conditioning equipment grew steadily, resulting in segment sales of 12,934 million yen (up 14.1% year on year).

In terms of profits, despite an increase in personnel expenses, strategic sales activities and company-wide cost reduction efforts—including sales growth, passing on purchase price increases to selling prices, thorough negotiations to reduce procurement prices, and securing high-margin construction demand—proved effective, resulting in segment profit of 560 million yen (up 35.5% year on year).

New Customers

Numbers	389	Net Sales	1,350 million yen

(As of end March 2026)

* 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

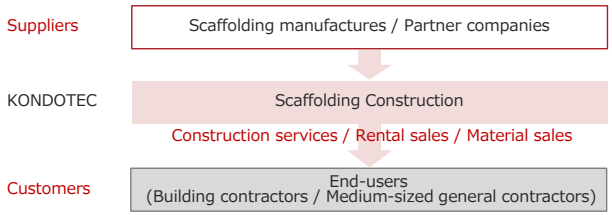
- Credit risk of customers ▶ P22
- Dependence on public investments and private capital investments (in Tokai area) ▶ P24
- Price competition ▶ P26
- Impact of market fluctuations for raw materials, etc. ▶ P26
- Impact of communicable diseases on business activities ▶ P26

■Scaffolding Construction

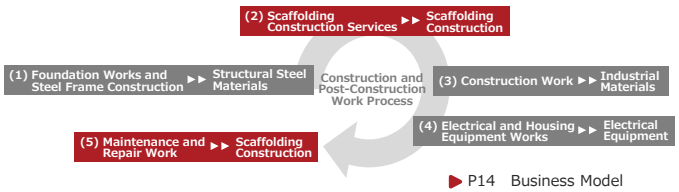
Making efforts to expand our construction business by leveraging group synergies

Unlike other segments engaged mainly in material sales, the Scaffolding Construction Segment has mainly conducted scaffolding construction, while also engaging in the rental of scaffolding equipment and material sales. For scaffolding construction, in addition to construction of new buildings, we are also working to secure orders for large-scale renovations of aging condominiums and other buildings, as well as detached home remodeling, where demand is expected to increase in the future. We are also working to expand orders for highly profitable bridge and civil engineering projects and plant construction projects. This segment has five group companies, and by sharing specialized construction techniques and know-how, as well as construction personnel and scaffolding equipment between the group companies across areas such as housing, mid-to-high-rise buildings, bridges and civil engineering, and plant construction, we will demonstrate the group synergies, strive to expand our construction business, and work toward further growth.

Distribution Channels



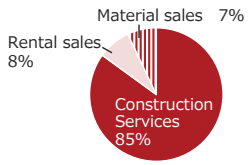
Areas of the Construction Process Served by This Segment



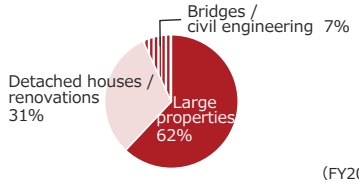
▶ P14 Business Model (Comprehensive Services Based on Synergy)

Ratio of Segment Sales

Service Type



Breakdown of Construction Sales



(FY2026)

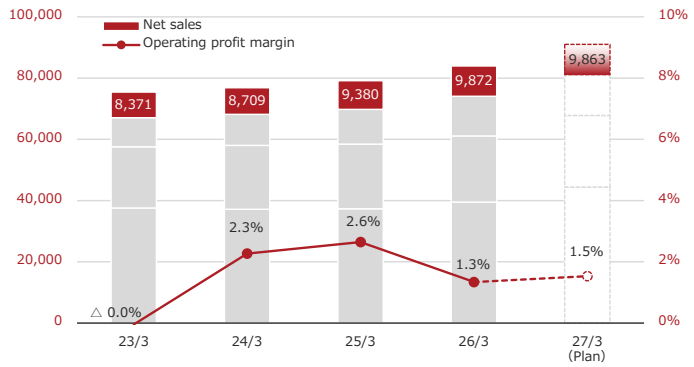
Number of Operating Sites

(Subsidiaries)
Nippon Scaffolding Holdings Co., Ltd.
TECBUILD CO., LTD. 16 operating sites
TOKAI STEP CO., LTD. 14 operating sites
FUKOKU, Ltd. 4 operating sites
UEDA CONSTRUCTION CO., LTD. 1 operating site (As of March 31, 2026)

Number of Customers

406 (construction workers: 195) (As of March 31, 2026)

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, 2026

In addition to strong construction sales for bridge and civil engineering-related projects and large-property, sales contributions from UEDA CONSTRUCTION Co., Ltd., which became a subsidiary in the previous consolidated fiscal year, contributed, and as a result, segment sales stood at 9,872 million yen (up 5.2% year on year).

In terms of profits, in addition to a decline in gross profit margin due to an increase in the ratio of outsourced construction work and other factors, selling, general, and administrative expenses increased due to higher rent and personnel expenses, and the consolidation of UEDA CONSTRUCTION Co., Ltd. as a subsidiary; as a result, segment profit was 132 million yen (down 46.7% year on year).

Scaffolding Materials

Capex	368 million yen	Book Value	994 million yen

(As of end March 2026)

Response to the Risks

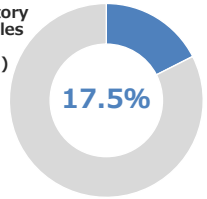
- Credit risk of customers ▶ P22
- Dependence on public investments and private capital investments ▶ P24
- Impact of communicable diseases on business activities ▶ P26

Functions as a Manufacturer

Roles of Factories

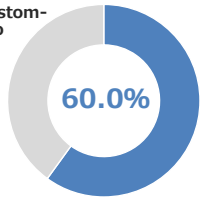
With a view to promoting a local community-oriented sales structure, KONDOTEC, as a wholesale company with a manufacturing function, maintains four factories in Japan (non-consolidated) and makes an effort to pay careful attention to customer feedback in distributing products.

Percentage of factory products to net sales of KONDOTEC (non-consolidated)
(FY2026)



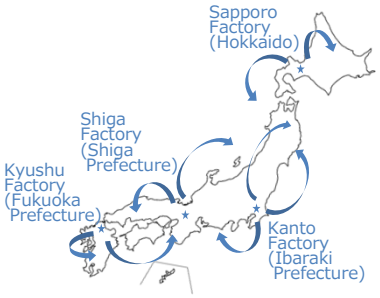
The majority of the Company's products are **custom-made products** that require high-level precision and short-term delivery. This prevents encroachment from overseas and leads to achieving a high profitability.

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.



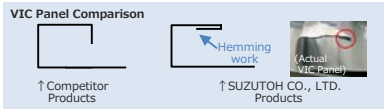
Why are KONDOTEC factory products selected?

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

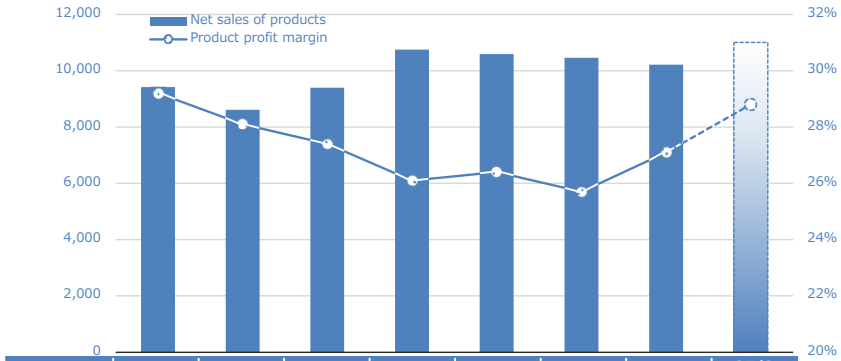
The Company is a brace manufacturer that our factories has acquired JIS from the production of turnbuckle bodies to brace products.
Moreover, we are actively acquiring ISO (International Organization for Standardization) certification.
At SUZUTOH CO., LTD., which became a group company in 2025, we are committed to ensuring the safe use of our self-developed temporary site fencing material, the VIC Panels (flat panels).As an injury-prevention measure, we apply hemming work to bend the sharp edges that workers inevitably touch during installation (see figure below), thereby enhancing overall safety. Although this may seem like a small measure, it is an uncommon initiative for temporary site fencing materials within the industry.



P33 Stance for Security and Safety

Changes in product profit margin (non-consolidated)

(million yen)



	20/3	21/3	22/3	23/3	24/3	25/3	26/3	27/3 (Plan)
Product Profit Margin	29.2%	28.1%	27.4%	26.1%	26.4%	25.7%	27.1%	28.8%
Net Sales of Products	9,416	8,612	9,395	10,745	10,586	10,457	10,216	11,000

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 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

Initiatives for improving productivity

By combining CHUOH GIKEN Co., Ltd.'s expertise in manufacturing line development with the image processing technology of KONDOTEC's Digitizing Production Promotion Section, we are developing solutions that promote labor-saving and efficiency improvements in manufacturing lines. In this way, we are working to improve productivity by utilizing the know-how held by each group company.

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
Digitizing Production Promotion Section	Design and manufacturing of labor-saving, image processing equipment, various inspection equipment, and inspection tools



Initiatives to expand our lineup of high value-added products

KURIYAMA ALUMINUM Co., Ltd. conducts manufacturing and development of aluminum extrusions and other products that are drawing attention as lightweight materials in the construction industry. SUZUTOH CO., LTD. is a pioneer that first brought temporary site fencing materials (safety steel site hoarding) used at construction sites to market, and manufactures everything in its own factory, from temporary fencing doors to accompanying small parts. In this way, we are working to expand our lineup of high value-added products.

Products of Our Group Companies

KURIYAMA ALUMINUM Co., Ltd.	Aluminum extrusions Aluminum square-shaped pipes "Alpaca" → (Developed Utilizing Group Synergy)
SUZUTOH CO., LTD.	Manufacturing and sales of safety steel site hoarding and other construction materials Safety steel site hoarding →





Stance for Security and Safety

Formulation of Our Procurement Policy

Our corporate philosophy states: "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 formulated the KONDOTEC Group Procurement Policy in order to contribute to the creation of an affluent society by conducting procurement activities with consideration for society and the environment together with business partners, including suppliers in the supply chain.
Going forward, the Group will continue to carry out sustainable procurement activities based on equal and fair transactions, with the cooperation of business partners including suppliers.

Scan this code to see details on our procurement policy.

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.

Scan this code to see information on the scope of application at factories of KONDOTEC.

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 obtained JIS standard certification for extrusions of aluminum and aluminum alloys (JIS H 4100). In addition to its main products of temporary site fencing materials, SUZUTOH CO., LTD. previously manufactured a broad range of fastening metal fittings for many years. It currently continues to produce two types of joints and has obtained certification from the Scaffolding and Construction Equipment Association of Japan.
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 employees 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
	Suspension chain clamp
	Pipe Joint for Scaffolding (SPJ-220)
	Pipe Joint (STP-1)
Japan Housing and Wood Technology Center	X 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 and the impact of climate change 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℃ to 4℃.

		Category	Description	Financial Impact (*)	Planned Actions
Transition Risks	Political Policy and Laws and Regulations	Introduction of a carbon tax	Increased costs through the implementation of a carbon tax on CO_2 emissions from business activities (mainly the manufacturing process and logistics)	Large	Introduction of and transition to renewable energy
		Tightening of regulations concerning low carbon initiatives	Impact on business performance by disrupted supply-demand balance due to reduced production at blast furnace companies and decreased construction demand	Large	Reduction of energy consumption and introduction of energy-saving facilities and equipment at factories
	Market	Promotion of renewable energy	Rising procurement and raw material costs driven by increased energy prices	Large	Inspect low carbon initiatives at partner factories and suppliers
Transition Opportunities	Political Policy and Laws and Regulations	Introduction of a carbon tax	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	Increase in orders due to an increase in renewable energy facilities	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	Impact on the supply of raw materials and merchandise due to damages to the supply chain	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	At factories, increased costs due to reduced production efficiency and countermeasures	Medium	Installing spot coolers Switching to energy-efficient air conditioning
Physical Opportunities	Acute	Increase frequency of extreme weather events	Increased opportunity to sell disaster preparation merchandise	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	Increased opportunity to sell seasonal merchandise addressing heat stroke and other issues	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℃ scenario) and RCP8.5 (4℃ 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℃/ 2℃-4℃ 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.





MEGA POWER SOFT LIGHT

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 MEGA POWER SOFT LIGHT, which can lift, install, and transport ultra-heavy objects such as bridges and monopiles for offshore wind power projects.



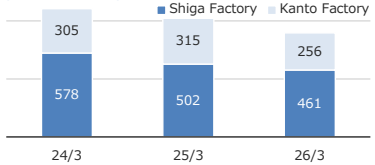


■Initiatives for Reducing of Environmental Impacts

Installation solar power generation

We have installed solar power generation systems at KONDOTEC’s two factories and at our Group companies Sanwa Denzai Co., Ltd. and TOKAI STEP CO., LTD. for the power sales business, and at our Osaka Head Office for the purpose of using the electricity generated for our own consumption.
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, 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.

Scan this code to see information on the scope of application.

Environmental conservation activities

As part of initiatives to reduce GHG emissions, we are promoting a switch to electricity derived from renewable energy, focusing on factories with high GHG emissions. We achieved the switch at the Sapporo Factory in December 2025 and at the Shiga Factory in January 2026. At the Osaka head office building, based on the “ZEB Ready” certification (a performance evaluation based on the Building Energy Efficiency Act), we introduced a design that reduces energy consumption by 50% or more—by adopting high-efficiency air conditioning and LED lighting and installing a solar power generation system, we have achieved a sophisticated energy-saving office. We also use EVs as company vehicles and are working to reduce GHG emissions in a wide range of areas, not only at our offices.
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-CO_2）

Breakdown of Emissions by Scope

	2025	2026
Scope1	3,725	3,749
Scope2	4,274	4,484
Scope3	439,200	457,672

* 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	2025	2026
1	Purchased goods and services	397,849	401,620
2	Capital goods	1,146	15,073
3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	713	711
4	Upstream transportation and distribution	20,855	20,857
5	Waste generated in operations	193	136
6	Business travel	111	110
7	Employee commuting	352	334
9	Downstream transportation and distribution	7,200	6,992
10	Processing of sold products	117	98
11	Use of sold products	638	674
12	End-of-life treatment of sold products	10,026	11,068

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			Business Activities	OUTPUT		
Raw Materials	Iron and Steel	21,832t		Production	Iron and Steel Products	21,622t
	Coating Material	92m^3				
Energy	Electricity	5,206 thousand kWh		Air Emission	GHG	2,548 t-CO_2
	LPG	59t		Industrial Waste / Byproduct	Recycled Volume	2,290t
	Gasoline	2.6kℓ			Amount of Outsourced Disposal	170t
	Diesel Fuel	0.5kℓ				
	Kerosene	10.1kℓ				
	Heavy Oil	0.4kℓ				
Irrigation Water	Water	4,635m^3		Drainage	Water	4,635m^3

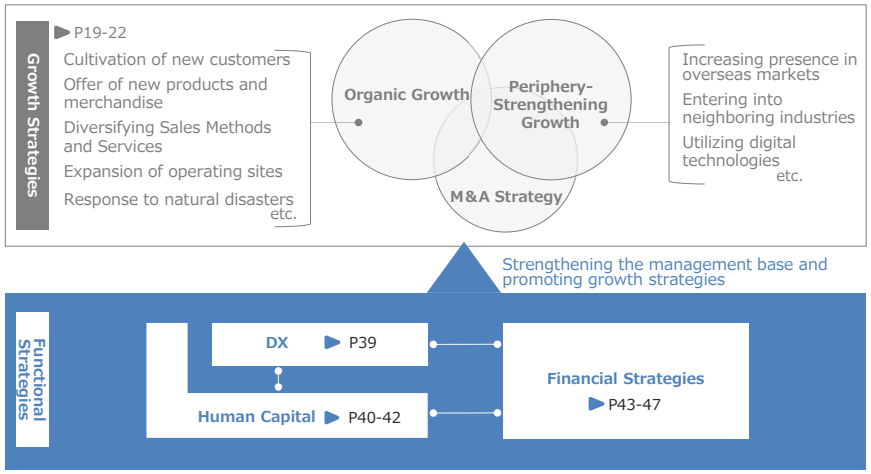
(FY2026)

<Main expenditure relating to environmental protection>
Kyusyu Factory : Thermal barrier coating work at the Brace Factory（14 million yen）
Shiga Factory : Thermal barrier coating work at the Factory No. 1（14 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.（48 million yen）

Functional Strategies

Basic Structure

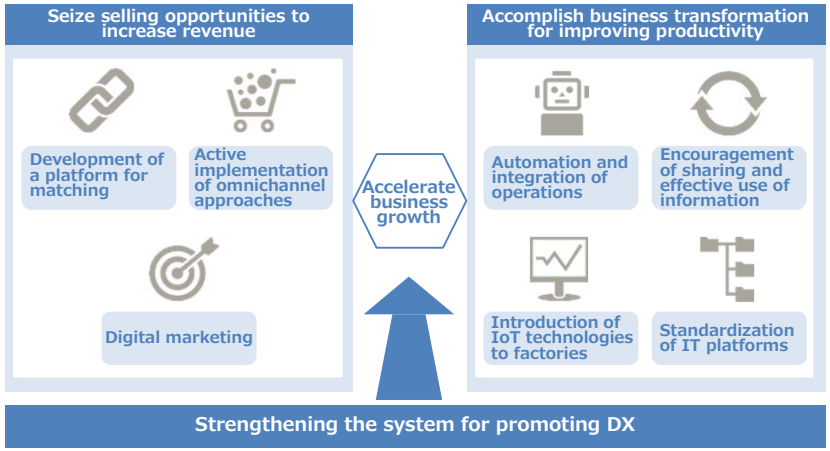


DX

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 structure, we have also established the DX Subcommittee Business DX Project Team and are implementing initiatives such as functional enhancements to our core systems and the web-based digitization of delivery slips. We will continue to 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

Respect for Human Rights

Based on KONDOTEC's corporate philosophy, when conducting corporate activities, we formulated the KONDOTEC Group Human Rights Policy in light of our responsibility of respecting human rights, and we strive to promote corporate activities that respect human rights.

Scan this code to see details on our human rights policy.

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

We recognize that ensuring diversity among managerial employees, who have a significant influence within the organization, is particularly important for promoting both human resource development—which includes efforts to ensure diversity in the workforce—and improvements to workplace environments. In light of this, using the following indicators, we will work to build a development-oriented organization that is conscious of diversity.

Indicators	Actual (As of March 31, 2026)	Target	Achievement Period
Ratio of Mid-Career Hires in Managerial Positions	59.6%	Maintaining a range of 30%-50%	March 31, 2030
Ratio of Women in Managerial Positions	3.6%	5% or higher	March 31, 2030
Ratio of Female Employees with Job Titles (Excluding Managerial Positions)	15.5%	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

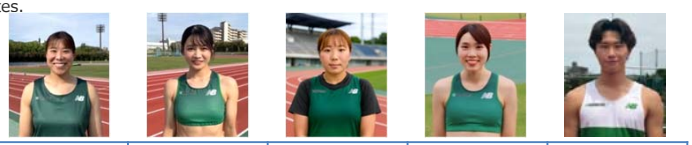
Securing Diverse Human Resources

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 career background, gender, or nationality. 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.

	April 1, 2023 – March 31, 2024	April 1, 2024 – March 31, 2025	April 1, 2025 – March 31, 2026
Number of Mid-Career Hires	78 persons	51 persons	57 persons
Number of New Graduate Hires (University Graduates)	19 persons	18 persons	16 persons
Of These, Number of Women	6 persons	8 persons	5 persons

Athlete employees active in KONDOTEC

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



Name	Mika Yamamoto	Yuki Noshi	Sara Fujimoto	Mio Tujii	Taiga Kyotake
Competition Category	Discus Throw	Pole Vault	Hammer Throw	400m Hurdles	400m Hurdles
Personal Best	50m51	3m90	64m83	57"90	49"46

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 The New Personnel Evaluation System

We introduced a new personnel evaluation system to promote the development and active participation of human resources necessary for achieving our management strategy. In the new personnel evaluation system, evaluations are positioned not only as a basis for determining compensation, but also as a mechanism that leads to human resource development and support for growth. To ensure smooth operation and adoption of the system, we held online briefing sessions for evaluators and promoted understanding of the background to why the system was introduced, evaluation concepts, and points to note in operation.
We also held two in-person evaluator training sessions, with a total of 83 participants, with the aim of improving the quality of evaluations and standardizing evaluation criteria. Through case studies that assumed actual evaluation situations, we discussed how evaluators make appropriate evaluation judgments and how feedback should be provided, as a way of working to improve evaluation skills and foster a shared understanding of evaluation criteria.
Going forward, we will work to ensure the system becomes firmly established through continuous follow-ups, while improving the fairness and acceptability of personnel evaluations, and supporting employees in improving autonomy and forming sustainable careers.

Working Environment Development

Creating a supportive working environment for childcare

KONDOTEC is working to create an environment where employees and their spouses can feel secure in childbirth and childcare. 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
April 1, 2025 – March 31, 2026	6 persons	50%	50%
April 1, 2024 – March 31, 2025	17 persons	94%	6%
April 1, 2023 – March 31, 2024	5 persons	100%	—

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.

Paid vacation utilization rate

April 1, 2023 – March 31, 2024	April 1, 2024 – March 31, 2025	April 1, 2025 – March 31, 2026
80.5%	79.9%	81.0%

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.

Improve work engagement

At the Osaka Head Office Building, completed in November 2025, an environment has been created where diverse human resources can thrive as part of our efforts to strengthen human capital. The building has become a comfortable environment that accelerates organizational vitality, with work areas where employees can choose their setting based on their level of concentration and tasks, rooftop gardens for lunch and breaks, and refreshment spaces.



◀ Exterior view of the building
Taking advantage of its location along a main road (Chuo-odori), we will work to enhance our brand value and create synergies by consolidating the offices of our group companies.







Top left ▶ Refreshment space
Top right ▶ Collaborative workspace adjacent to the office area
Bottom left ▶ Rooftop garden

The collaborative workspace adjacent to the office area provides an open and welcoming feel so that anyone can easily enter and communicate across departments—it is designed not merely as a place for meetings but as a space that enables creative ways of working.
An art object expressing our history from founding to present is displayed in the first-floor entrance. Please take a moment to view it when you visit the office.

▼ We have installed a "rooftop garden" on the warehouse building, providing a space where employees can relax and refresh.





▶ First-floor entrance object

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 enhance our ability to identify opportunities and risks that may arise in each segment. We will execute our strategy and make effective investments to support business growth, including developing human capital through training and personnel evaluation systems, optimizing personnel allocation in line with expected business growth, expanding our business domains through further M&A, and investing in DX and capital equipment.

▶ P17 Business Portfolio

Management that unites the Group's strengths

The new Osaka head office building was completed in November 2025. The previous building supported our growth and watched over us alongside our five-decade history, but it was lacking in recent requirements such as barrier-free access and environmental measures. Going forward, we aim to create a workplace where diverse talent, including people with disabilities, are able to gather here, and where there is greater employee engagement. 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. As one united Group, we will promote total services (end-to-end support) for infrastructure development, construction projects, and other areas, while implementing efficient and bold strategies and striving to continuously enhance corporate value.

▶ P14 Business Model
(Comprehensive Services Based on Synergy)

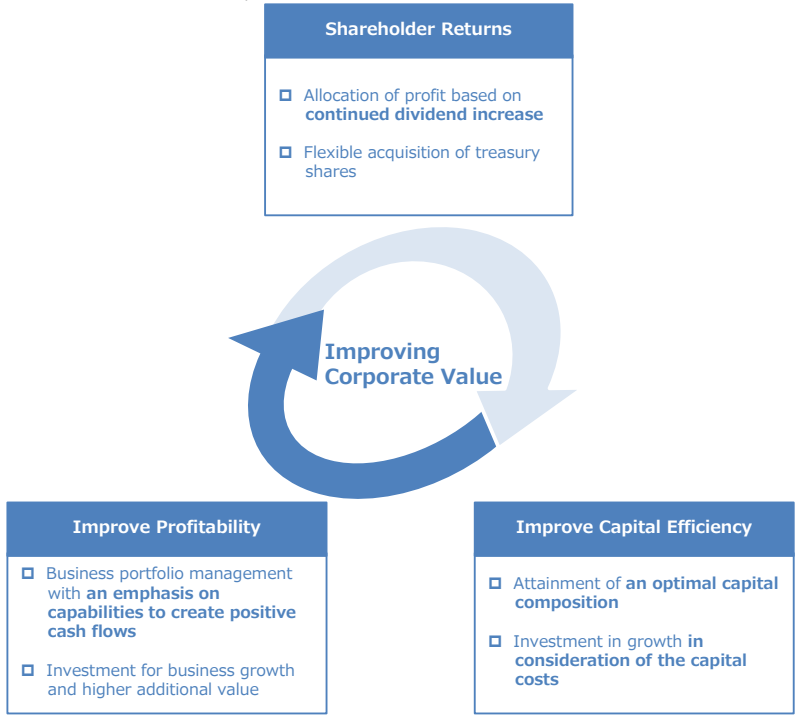
Hiroyuki Yada’s Career Highlight
Senior Executive Director, General Manager of Management Headquarters and Manager of SDGs Promotion Department

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, Senior Executive Director and General Manager of Management Headquarters in 2024 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.

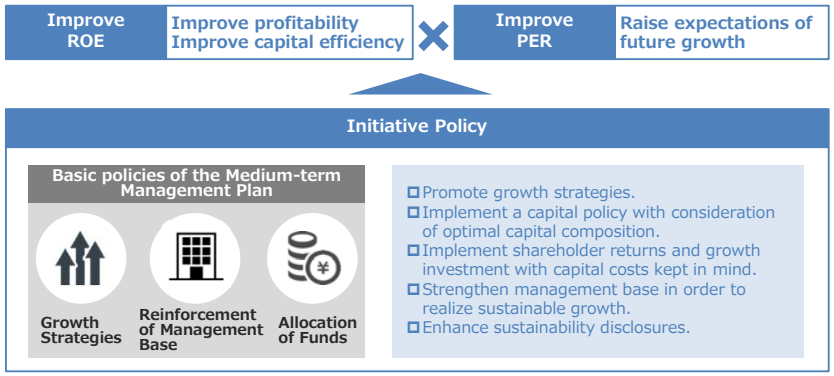


Financial Strategy in the Medium-Term Management Plan

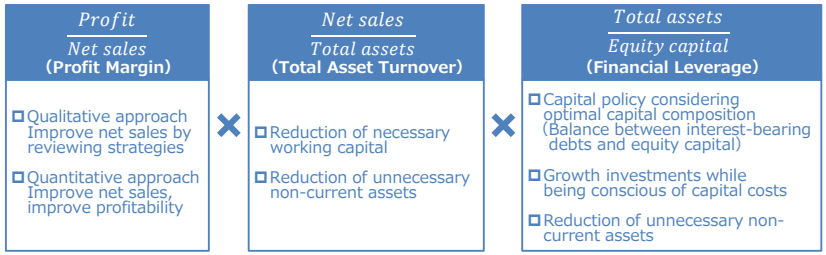
The medium-term management plan states a policy for taking initiatives based on the growth strategy, reinforcement of management base and fund allocation, as well as efforts to improve return on equity (ROE) and price earnings ratio (PER), in order to realize management that is aware of the cost of capital 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 6.1% as of the fiscal year ended March 31, 2026.

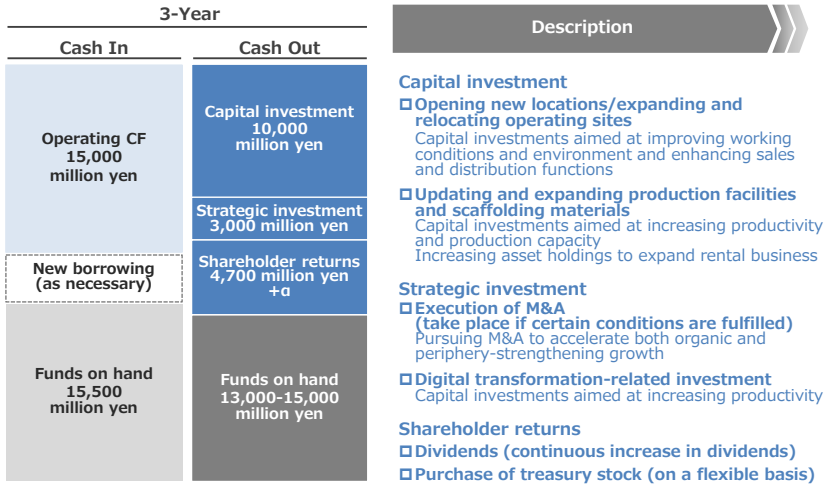
(Figure 1 : Initiative policy in the Medium-term Management Plan)



(Figure 2 : Structural breaking down of ROE)



(Figure 3 : Allocation of funds)



Description

Capital investment

- **Opening new locations/expanding and relocating operating sites**
  Capital investments aimed at improving working conditions and environment and enhancing sales and distribution functions
- **Updating and expanding production facilities and scaffolding materials**
  Capital investments aimed at increasing productivity and production capacity
  Increasing asset holdings to expand rental business

Strategic investment

- **Execution of M&A (take place if certain conditions are fulfilled)**
  Pursuing M&A to accelerate both organic and periphery-strengthening growth
- **Digital transformation-related investment**
  Capital investments aimed at increasing productivity

Shareholder returns

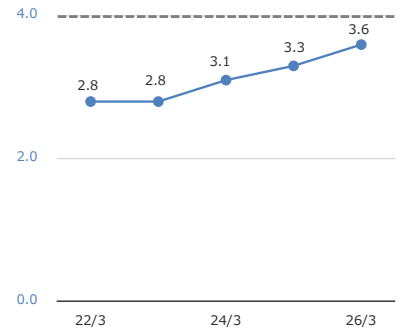
- **Dividends (continuous increase in dividends)**
- **Purchase of treasury stock (on a flexible basis)**

■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.

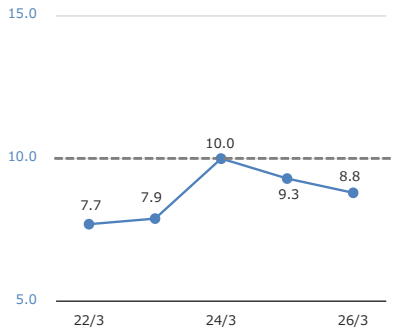
Actual DOE (%)

Target: **4.0% or more**

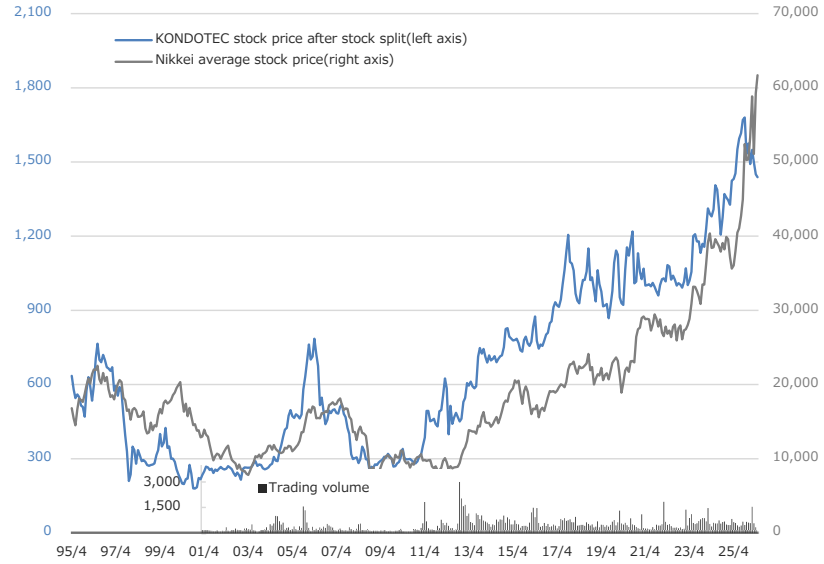


Actual ROE (%)

Target: **10.0% or more**

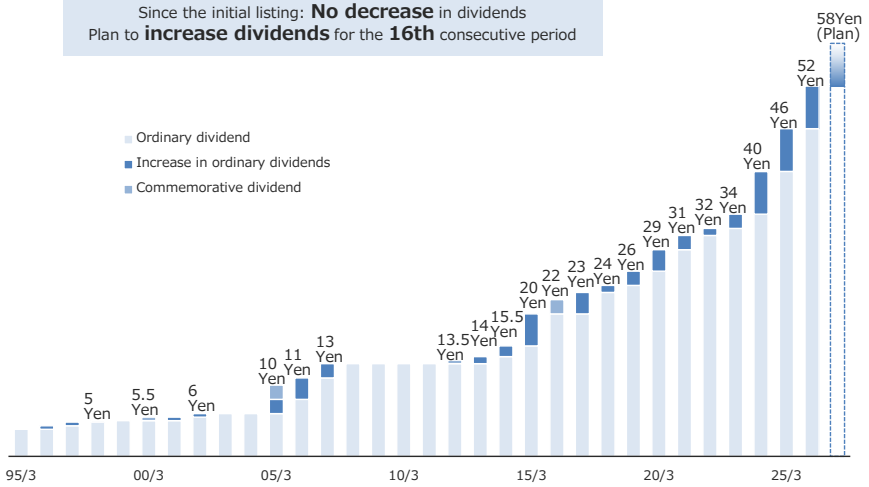


Transition of stock price (Yen)



Transition in dividends

Since the initial listing: **No decrease** in dividends
Plan to **increase dividends** for the **16th** consecutive period



■Purchase 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, 2026, **1,499 yen**

Dividend Yield	**3.9**%
Dividend Yield Including Shareholder Incentives	**4.3**%～

■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.

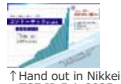
Dialogue with institutional investors and analysts

Number of individual Meetings	24 (total)	(FY2026)
Main Themes of Dialogue	Topics for the fiscal year, business environment, Medium-term Management Plan, etc.	
Actual coverage	IwaiCosmo Securities Rating : A	(June 2025)

Actual participation in IR events for individual investors

Name	Visitors to Our Booth
Nikkei-TSE IR Fair 2025 (Held in September 26th through September 27th, 2025)	374
Company briefings for individual investors hosted by Nihon Securities Journal Inc. (Held on July 7, 2025)	104

(FY2026)



↑Hand out in Nikkei-TSE IR Fair 2025

IR Site Awards

Gomez IR website ranking 2025, hosted by BroadBand Security, Inc.	"Excellent Company Bronze Award"
All Japanese Listed Companies' Website Rankings 2025, hosted by Nikko Investor Relations Co., Ltd.	"AA Website"



TOPICS We Were Featured on YouTube Channels Targeting Individual Investors

We were featured on the following two YouTube channels, which are popular with individual investors. The channels offer easy-to-understand content that will help viewers gain a deeper understanding of KONDOTEC, so please be sure to check them out.

- **Hineken's Company Research**
  /CPA Hineken's Stock Investment Channel
- **Straight to the Point! That Company's "OO"**
  / Discba Powered by Nikko Investor Relations

↑Hineken's Company Research

↑Straight to the Point! That Company's "OO"

■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 (FY2026) *Date of dispatching : June 2, 2026 Date of the meeting : June 24, 2026
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. FY2026, we disclosed it on our website on May 25, eight 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.

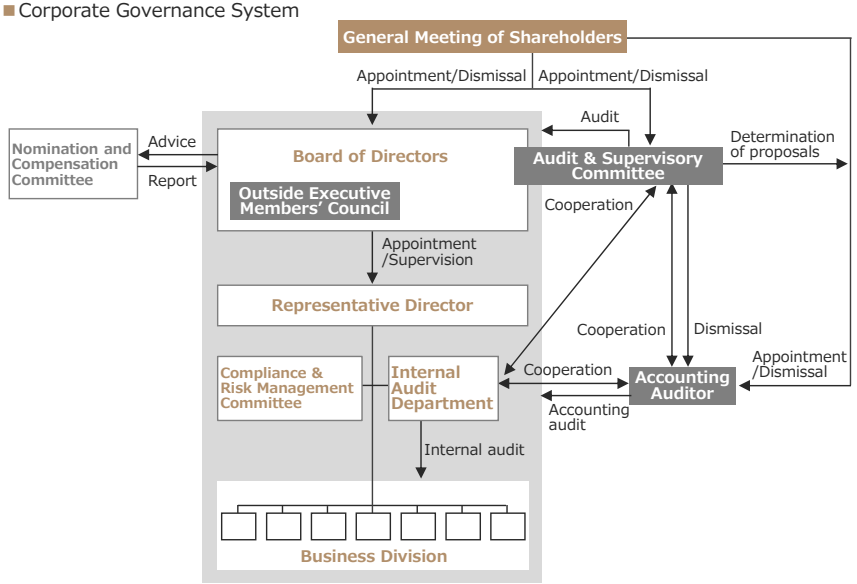
Corporate Governance Structure Summary Table

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 (excluding Directors who are Audit & Supervisory Committee Members) : one lawyer and 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 each quarter. 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 2026, 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 2026.

1. Period: April 2026 to May 2026
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 ensured, some expressed the view that the Board should take a more proactive role in succession planning for representative directors and exercise appropriate oversight, and that further discussion should be held regarding executive compensation.
   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, 2026, we held 3 issues of cross-held shares worth 32 million yen in book value and 292 million yen in market value. These are equivalent to 0.1% and 0.7% respectively of net assets of 40,566 million yen, 0.0% and 0.4% respectively of total assets of 69,235 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 Security Management Regulations" organizing information system operations, and review it when appropriate.

Executive Members

(As of June 24, 2026)



❶Katsuhiko Kondo
Chairman and Representative Director
Shares Held : 186 thousand shares

Important Concurrent Positions
Representative Director of Towa Kosan Corp.
Representative Director of Toto Kosan INC.
Representative Director of Tosho Kosan INC.

❷Noboru Hamano
President and Representative Director
Shares Held : 42 thousand shares

❸Hiroyuki Yada
Senior Executive Director
Shares Held : 55 thousand shares

General Manager of Management Headquarters and Manager of SDGs Promotion Department

Important Concurrent Positions
Director, Nippon Scaffolding Holdings Co., Ltd.
Director, TECBUILD CO., LTD.
Director, TOKAI STEP CO., LTD.
Director, FUKOKU, Ltd.
Director, UEDA CONSTRUCTION CO., LTD.
Director, RYUKYU BRIDGE LTD.

❹Kazuhiro Ishino
Executive Director
Shares Held : 27 thousand shares

General Manager of Sales Headquarters

Important Concurrent Positions
Director, Sanwa Denzai Co., Ltd.
Director, CHUOH GIKEN Co., Ltd.
Director, KURIYAMA ALUMINUM Co., Ltd.

❺Kazuyuki Asakawa
Director
Shares Held : 30 thousand shares

Manager of Eastern Japan Sales Division

Important Concurrent Positions
Director, SUZUTOH CO., LTD.

❻Soichi Furuta
Director
Shares Held : 15 thousand shares

Manager of International Sales Division

Important Concurrent Positions
Managing Director, KONDOTEC INTERNATIONAL (THAILAND) Co.,LTD.

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

* It does not represent all of the expertise and experience possessed by each Director

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)	Hiroki Soya		Male				○	
	Kana Yasuda	Outside	Female				○	
	Taku Tokuda	Outside	Male					○
	Minako Yamaoka	Outside	Female	○	○			

❼Yasushi Ishibashi
Director
Shares Held : 29 thousand shares

General Manager of Manufacturing Headquarters and Manager of Kyushu Factory

❽Tomoyuki Ejiri
Director
Shares Held : 33 thousand shares

Important Concurrent Positions
President and Representative Director, Nippon Scaffolding Holdings Co., Ltd.
Representative Director and Chairman, TOKAI STEP CO., LTD.
President and Representative Director, FUKOKU, Ltd.
Director, SUZUTOH CO., LTD.

❾Michiko Kanai
Outside Director
Shares Held : 8 thousand shares

Important Concurrent Positions
Attorney-at-law (Oh-Ebashi LPC & Partners)
Outside Director, IDEC CORPORATION (Audit and Supervisory Committee Member)
Outside Director, AS ONE CORPORATION (Audit and Supervisory Committee Member)

❿Yaichiro Fukui
Outside Director
Shares Held : 4 thousand shares

⓫Hiroki Soya
Director (Full-time Audit & Supervisory Committee Member)
Shares Held : —

Important Concurrent Positions
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.
Audit & Supervisory Board Member, SUZUTOH CO., LTD.
Audit & Supervisory Board Member, RYUKYU BRIDGE LTD.

⓬Kana Yasuda
Outside Director (Audit & Supervisory Committee Member)
Shares Held : 5 thousand shares

Important Concurrent Positions
Certified Public Accountant (Yasuda Accounting Firm Representative)
Outside Director, GEO HOLDINGS CORPORATION
Outside Director, CHUO SPRING CO., LTD.
Outside Director, The Monogatari Corporation

⓭Taku Tokuda
Outside Director (Audit & Supervisory Committee Member)
Shares Held : 5 thousand shares

Important Concurrent Positions
Attorney-at-law (Managing Principal Lawyer, TOKUDA LAW OFFICE)

⓮Minako Yamaoka
Outside Director (Audit & Supervisory Committee Member)
Shares Held : 1 thousand shares

Important Concurrent Positions
Outside Director, NICCA CHEMICAL CO., LTD.
Outside Director, St.Cousair CO., LTD.

Status of attendance by Outside Directors/Outside Audit & Supervisory Board Members (FY2026)

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 12 meetings (100%)	–
Outside Directors (Audit & Supervisory Committee Members)	Kana Yasuda	Attended 12 meetings (100%)	Attended 17 meetings (94%)
	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 FY2026. When cases were filed, we dealt with them appropriately by conducting internal investigations, while paying due consideration to privacy.

Remuneration

(FY2026)

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)	10 persons	191	35	21	248
Directors (Audit & Supervisory Committee Members)	4 persons	32	–	–	32
Total	14 persons	224	35	21	281

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.

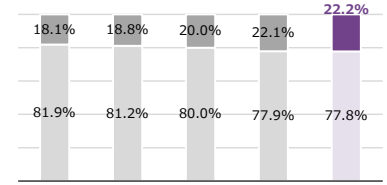
(5) Matters concerning decisions regarding the content of individual Director remuneration
Individual Director remuneration is determined by resolution of the Board of Directors based on results of the review by the voluntary Nomination and Remuneration Committee, which consists primarily of independent 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 (%)

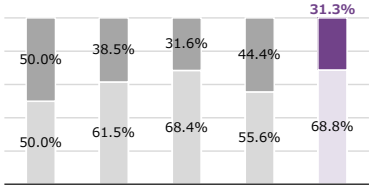
Ratio of women 22.2%



	22/3	23/3	24/3	25/3	26/3
Female Employees (Persons)	133	142	160	180	184
Male Employees (Persons)	600	612	641	635	645

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

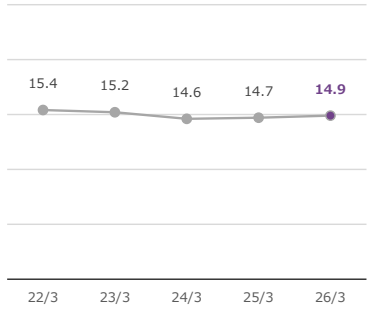
Ratio of women 31.3%



	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

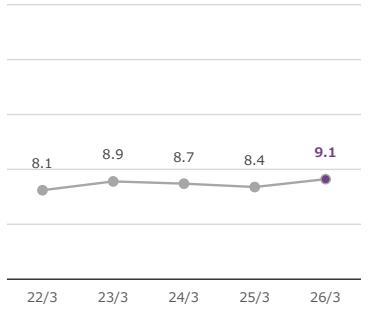
Average Length of Employment of Men (Years)

14.9 Years



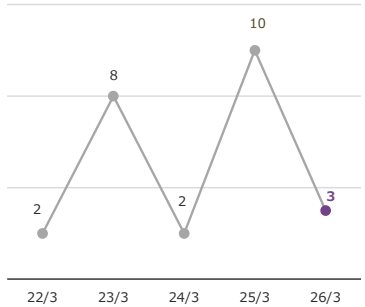
Average Length of Employment of Women (Years)

9.1 Years



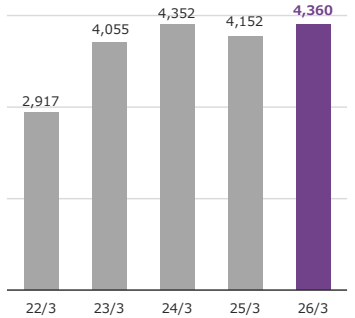
Number of Male Employees Taking Childcare and Similar Leave (Persons)

3 Persons



GHG Emissions (t-CO_2)

4,360 t-CO_2



* Total of Scope 1 & 2 emissions
* FY2022 figures 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

	2025 (Million yen)	2026 (Million yen)	2026 (Thousand U.S. dollars)
Assets			
Current assets			
Cash and deposits	15,476	15,654	97,915
Notes receivable — trade	1,578	569	3,561
Accounts receivable — trade	9,892	11,144	69,706
Contract assets	107	239	1,500
Electronically recorded monetary claims operating	4,828	5,976	37,380
Merchandise and finished goods	6,312	6,776	42,386
Work in process	853	920	5,759
Raw materials and supplies	1,062	1,031	6,451
Other	639	693	4,338
Allowance for doubtful accounts	(10)	(12)	(76)
Total current assets	40,740	42,995	268,923
Non-current assets			
Property, plant and equipment			
Buildings and structures (net)	4,097	7,317	45,768
Machinery, equipment and vehicles (net)	1,378	1,542	9,646
Land	9,813	10,384	64,952
Leased assets (net)	741	754	4,720
Construction in progress	2,220	55	346
Other (net)	739	748	4,681
Total property, plant and equipment	18,991	20,802	130,116
Intangible assets			
Goodwill	2,490	2,222	13,902
Customer-related assets	1,119	1,036	6,481
Other	251	266	1,664
Total intangible assets	3,861	3,525	22,048
Investments and other assets			
Investment securities	280	361	2,258
Deferred tax assets	219	238	1,493
Retirement benefit asset	801	936	5,858
Other	415	409	2,560
Allowance for doubtful accounts	(62)	(34)	(212)
Total investments and other assets	1,654	1,911	11,958
Total non-current assets	24,507	26,240	164,123
Total assets	65,247	69,235	433,046

	2025 (Million yen)	2026 (Million yen)	2026 (Thousand U.S. dollars)
Liabilities			
Current liabilities			
Notes and accounts payable – trade	4,685	5,503	34,422
Electronically recorded obligations — operating	9,648	7,863	49,182
Short-term loans payable	3,605	4,560	28,521
Current portion of long-term borrowings	417	749	4,690
Income taxes payable	763	1,003	6,277
Provision for bonuses	946	1,016	6,357
Provision for stocks payment	–	35	225
Other	3,335	3,801	23,777
Total current liabilities	23,401	24,534	153,453
Non-current liabilities			
Long-term borrowings	1,137	1,793	11,219
Deferred tax liabilities	914	900	5,631
Deferred tax liabilities for land revaluation	184	184	1,151
Retirement benefit liability	365	392	2,452
Other	893	864	5,406
Total non-current liabilities	3,494	4,134	25,860
Total liabilities	26,896	28,668	179,314
Net assets			
Shareholders' equity			
Capital stock	2,666	2,666	16,678
Capital surplus	2,460	2,486	15,549
Retained earnings	32,968	35,016	219,019
Treasury stock	(778)	(732)	(4,579)
Total shareholders' equity	37,316	39,437	246,668
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	145	195	1,220
Deferred gains or losses on hedges	(12)	13	82
Revaluation reserve for land	(1,516)	(1,516)	(9,482)
Foreign currency translation adjustment	122	173	1,086
Remeasurements of defined benefit plans	272	231	1,449
Total accumulated other comprehensive income	(988)	(902)	(5,644)
Non-controlling interests	2,022	2,031	12,707
Total net assets	38,350	40,566	253,732
Total liabilities and net assets	65,247	69,235	433,046

* 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, 2026. U.S. dollar amounts are rounded down to the nearest thousand.

Consolidated Income Statement

	2025 (Million yen)	2026 (Million yen)	2026 (Thousand U.S. dollars)
Net sales	79,175	83,949	525,075
Cost of sales	61,658	65,182	407,697
Gross profit	17,517	18,766	117,377
Selling, general and administrative expenses	13,051	14,122	88,330
Operating profit	4,465	4,644	29,046
Non-operating income			
Interest income	6	13	86
Dividends income	5	8	54
Purchase discounts	150	164	1,027
Miscellaneous income	96	86	540
Total non-operating income	258	273	1,709
Non-operating expenses			
Interest expenses	26	51	320
Miscellaneous loss	17	14	90
Total non-operating expenses	44	65	411
Ordinary profit	4,679	4,851	30,344
Extraordinary income			
Gain on sales of non-current assets	22	13	82
Gain on sale of investment securities	192	–	–
Gain on bargain purchase	–	161	1,012
Total extraordinary income	215	175	1,095
Extraordinary loss			
Loss on sales of non-current assets	1	0	0
Loss on disposal of non-current assets	2	54	337
Total extraordinary loss	3	54	338
Profit before income taxes	4,890	4,972	31,101
Income taxes — current	1,557	1,688	10,563
Income taxes — deferred	57	(26)	(168)
Total income taxes payable	1,615	1,662	10,395
Profit	3,275	3,310	20,706
Profit attributable to non-controlling interests	2	7	49
Profit attributable to owners of parent	3,272	3,302	20,657

Consolidated Statement of Comprehensive Income

	2025 (Million yen)	2026 (Million yen)	2026 (Thousand U.S. dollars)
Profit	3,275	3,310	20,706
Other comprehensive income			
Valuation difference on available-for-sale securities	4	54	338
Deferred gains or losses on hedges	(23)	25	161
Revaluation reserve for land	(5)	–	–
Foreign currency translation adjustment	26	51	322
Remeasurements of defined benefit plans	175	(41)	(257)
Total other comprehensive income	177	90	564
Comprehensive income	3,453	3,400	21,271
(Breakdown)			
Comprehensive income attributable to owners of parent	3,450	3,388	21,195
Comprehensive income attributable to non-controlling interests	2	12	76

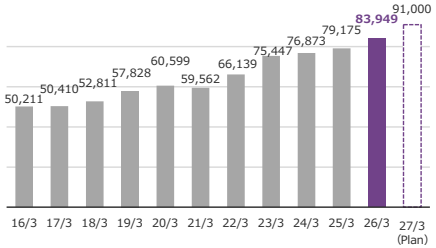
* All financial information presented in Japanese yen has been rounded down to the nearest million.
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Consolidated Statement of Cash Flows

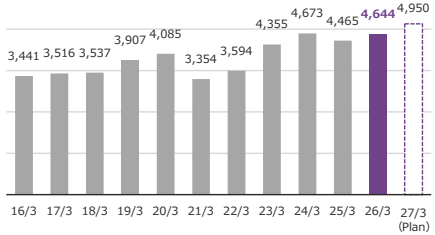
	2025 (Million yen)	2026 (Million yen)	2026 (Thousand U.S. dollars)
Cash flows from operating activities			
Profit before income taxes	4,890	4,972	31,101
Depreciation	1,310	1,479	9,253
Amortization of goodwill	351	377	2,358
Gain on bargain purchase	–	(161)	(1,012)
Share-based compensation expenses	44	57	361
Increase (decrease) in allowance for doubtful accounts	7	(33)	(210)
Increase (decrease) in provision for bonuses	(37)	62	389
Increase (decrease) in provision for stocks payment	(20)	35	225
Decrease (increase) in retirement benefit asset	(133)	(195)	(1,219)
Increase (decrease) in retirement benefit liability	29	23	148
Interest and dividends income	(12)	(22)	(141)
Interest expenses	26	51	320
Loss (gain) on sale of investment securities	(192)	–	–
Loss (gain) on sale of non-current assets	(21)	(13)	(82)
Loss on disposal of non-current assets	2	54	337
Decrease (increase) in notes and accounts receivable — trade	2,313	(727)	(4,553)
Decrease (increase) in inventories	(464)	30	193
Increase (decrease) in notes and accounts payable — trade	(54)	(1,904)	(11,914)
Increase (decrease) in accrued consumption taxes	(76)	(174)	(1,088)
Other	(235)	380	2,379
Sub-total	7,730	4,292	26,848
Interest and dividends income received	12	21	137
Interest expenses paid	(29)	(53)	(337)
Income taxes paid	(1,873)	(1,465)	(9,166)
Cash flows from operating activities	5,840	2,795	17,482
Cash flows from investing activities			
Purchase of property, plant and equipment	(1,588)	(2,549)	(15,946)
Proceeds from sale of investment securities	273	–	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(314)	(207)	(1,297)
Other	(64)	(46)	(292)
Cash flows from investing activities	(1,693)	(2,803)	(17,536)
Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	(5)	925	5,785
Proceeds from long-term borrowings	1,070	1,170	7,317
Repayments of long-term borrowings	(321)	(641)	(4,009)
Purchase of treasury stock	(0)	(0)	(1)
Cash dividends paid	(1,098)	(1,254)	(7,845)
Dividends paid to non-controlling interests	(2)	(2)	(17)
Other	(173)	(233)	(1,461)
Cash flows from financing activities	(531)	(37)	(231)
Effect of exchange rate change on cash and cash equivalents	24	49	308
Net increase (decrease) in cash and cash equivalents	3,639	3	22
Cash and cash equivalents, beginning of year	11,836	15,476	96,800
Cash and cash equivalents, end of year	15,476	15,480	96,823

Consolidated Financial Highlights

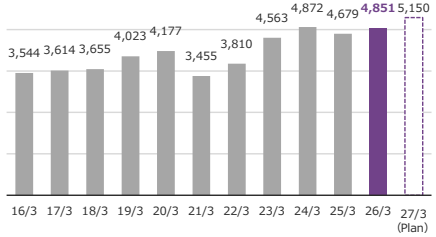
Net sales **83,949** million yen



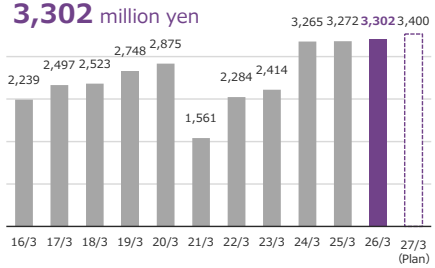
Operating profit **4,644** million yen



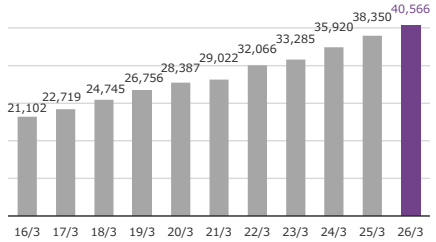
Ordinary profit **4,851** million yen



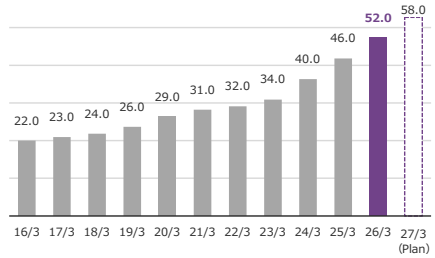
Profit attributable to owners of parent **3,302** million yen



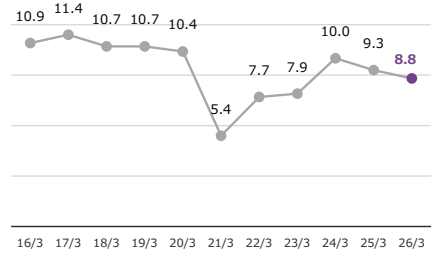
Net assets **40,566** million yen



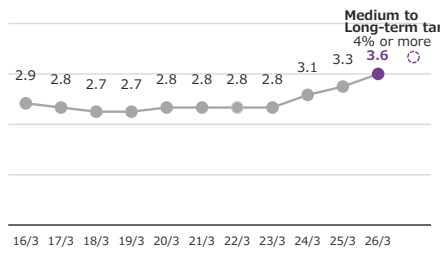
Dividend per share **52.0** yen



Return on equity (ROE) **8.8** %



Dividend on equity ratio (DOE) **3.6** %



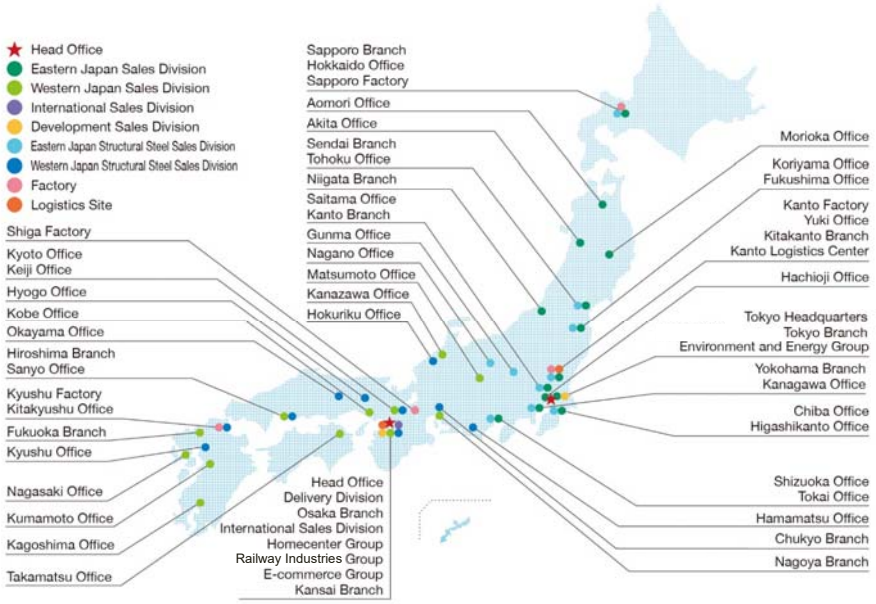
Consolidated Financial Highlights (Over the Past 10 Years)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2026	2027 (Plan)
Results of Operations (million yen and thousand U.S. dollars)													
Net sales	¥50,211	¥50,410	¥52,811	¥57,828	¥60,599	¥59,562	¥66,139	¥75,447	¥76,873	¥79,175	¥83,949	$525,075	¥91,000
Operating profit	3,441	3,516	3,537	3,907	4,085	3,354	3,594	4,355	4,673	4,465	4,644	29,046	4,950
Ordinary profit	3,544	3,614	3,655	4,023	4,177	3,455	3,810	4,563	4,872	4,679	4,851	30,344	5,150
Profit attributable to owners of parent	2,239	2,497	2,523	2,748	2,875	1,561	2,284	2,414	3,265	3,272	3,302	20,657	3,400
*1 EBITDA	3,910	4,052	4,079	4,425	4,916	3,783	5,095	5,482	6,503	6,580	6,880	43,034	-
Capital investment	842	695	423	981	917	1,097	1,694	1,453	2,728	3,325	3,027	18,934	-
Depreciation	405	438	423	404	697	897	1,091	1,134	1,181	1,310	1,479	9,253	-
Financial Position (million yen and thousand U.S. dollars)													
Total assets	¥34,645	¥36,524	¥39,313	¥43,820	¥46,335	¥49,426	¥56,009	¥58,163	¥60,975	¥65,247	¥69,235	$433,046	-
Net assets	21,102	22,719	24,745	26,756	28,387	29,022	32,066	33,285	35,920	38,350	40,566	253,732	-
Interest-bearing debt	508	501	500	853	1,106	3,875	5,315	4,513	4,880	6,061	8,017	50,145	-
Cash Flows (million yen and thousand U.S. dollars)													
Cash flows from operating activities	¥1,945	¥2,737	¥2,429	¥2,699	¥4,385	¥4,196	¥1,227	¥3,961	¥4,214	¥5,840	¥2,795	$17,482	-
Cash flows from investing activities	(829)	(646)	(506)	(1,551)	(5,205)	(2,264)	(2,373)	(1,389)	(2,054)	(1,693)	(2,803)	(17,536)	-
Cash flows from financing activities	(1,092)	(1,032)	(703)	(915)	(992)	1,060	(22)	(2,025)	(1,083)	(531)	(37)	(231)	-
Cash and cash equivalents, end of year	7,594	8,660	9,893	10,133	8,305	11,317	10,164	10,733	11,836	15,476	15,480	96,823	-
Per Share Information (yen and U.S. dollars)													
Basic earnings per share	¥81.01	¥93.29	¥94.25	¥102.65	¥107.46	¥59.60	¥87.26	¥94.75	¥128.02	¥128.02	¥128.95	$0.80	132.63
Net assets per share	774.18	846.59	922.62	996.99	1,071.09	1,110.01	1,170.84	1,227.81	1,327.57	1,419.62	1,503.22	9.40	-
Dividend per share	22.00	23.00	24.00	26.00	29.00	31.00	32.00	34.00	40.00	46.00	52.00	0.32	58.00
Financial Indicators													
Gross profit margin (%)	21.2	22.2	21.5	21.6	22.4	22.8	22.3	21.5	22.2	22.1	22.4	-	23.0
Ordinary profit margin (%)	7.1	7.2	6.9	7.0	6.9	5.8	5.8	6.0	6.3	5.9	5.8	-	5.7
Profit attributable to owners of parent margin (%)	4.5	5.0	4.8	4.8	4.7	2.6	3.5	3.2	4.2	4.1	3.9	-	3.7
*2 Total asset turnover (%)	143.8	141.7	139.3	139.1	134.4	124.4	125.5	132.2	129.0	125.5	124.8	-	-
*3 Financial leverage (Times)	1.6	1.6	1.6	1.6	1.6	1.7	1.9	1.9	1.8	1.8	1.8	-	-
*4 ROE (%)	10.9	11.4	10.7	10.7	10.4	5.4	7.7	7.9	10.0	9.3	8.8	-	-
*5 ROA (%)	6.4	7.0	6.7	6.6	6.4	3.3	4.3	4.2	5.5	5.2	4.9	-	-
*6 Equity ratio (%)	60.8	62.1	62.8	61.0	61.2	58.7	53.7	53.8	55.6	55.7	55.7	-	-
DOE (%)	2.9	2.8	2.7	2.7	2.8	2.8	2.8	2.8	3.1	3.3	3.6	-	-
*7 Current ratio (%)	205.8	212.4	219.9	200.9	181.1	167.6	157.6	165.3	172.2	174.1	175.2	-	-
*8 D/E ratio (%)	2.4	2.2	2.0	3.2	3.9	13.4	17.7	14.4	14.4	16.7	20.8	-	-
*9 Fixed ratio (%)	48.0	45.6	42.4	47.1	61.5	61.6	71.0	66.4	65.5	67.5	68.1	-	-
Ratio of retained earnings to total assets (%)	51.9	54.4	55.4	53.3	55.0	53.1	48.0	49.0	50.5	50.5	50.6	-	-
Stock Price Index													
Stock closing price (Yen and U.S. dollars)	¥834	¥933	¥939	¥1,006	¥929	¥1,069	¥1,017	¥1,002	¥1,290	¥1,424	¥1,499	-	-
Price earnings ratio (Times)	10.3	10.0	10.0	9.8	8.6	17.9	11.7	10.6	10.1	11.1	11.6	-	-

*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 − Non-controlling interests) / 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)

KONDOTEC Network

(As of June 24, 2026)



Group Companies

(As of June 24, 2026)

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	16 operating sites
TOKAI STEP CO., LTD.	Fujieda-shi, Shizuoka	14 operating sites
FUKOKU, Ltd.	Izumi-ku, Sendai-shi	3 operating sites
UEDA CONSTRUCTION CO., LTD.	Tomakomai-shi, Hokkaido	–
KURIYAMA ALUMINUM Co., Ltd.	Nakamura-ku, Nagoya-shi	2 operating sites 1 factory
SUZUTOH CO., LTD.	Chiyoda-ku, Tokyo	1 operating site 1 factory
RYUKYU BRIDGE LTD.	Urasoe-shi, Okinawa	—

Stock Information

(As of March 31, 2026)

Company's Stock

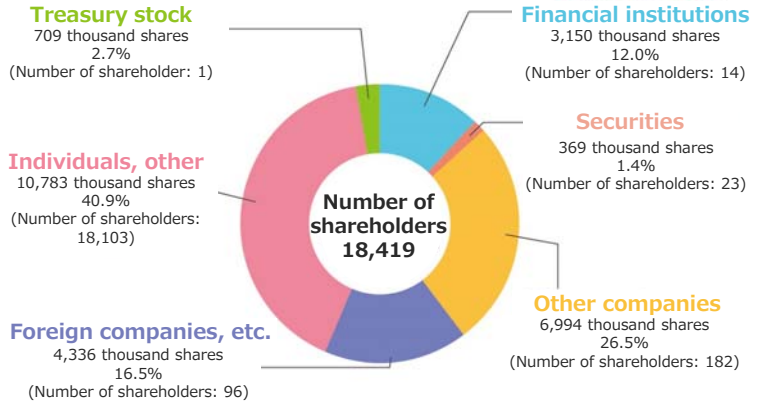
Total number of shares authorized	60,000,000 shares
Total number of shares issued	26,344,400 shares
Shares per unit	100 shares

Major Shareholders

Name of Shareholder	Number of Shares Held (thousand shares)	Percentage
Towa Kosan Corp.	2,714	10.6%
THE BANK OF NEW YORK – JASDECNON – TREATY ACCOUNT	1,581	6.2%
BBH FOR FIDELITY LOW – PRICED STOCK FUND	1,515	5.9%
KONDOTEC employees shareholders association	1,342	5.2%
The Master Trust Bank of Japan, Ltd. (trust account)	1,330	5.2%
Osaka Small and Medium Business Investment & Consultation Co., Ltd.	1,247	4.9%
MUFG Bank, Ltd.	753	2.9%
Toto Kosan INC.	676	2.6%
Masahide Kondo	664	2.6%
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002	485	1.9%

*709 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	2-2-1 Sakaigawa, Nishi-ku, Osaka 550-0024 Japan Tokyo Headquarters : 1st Floor Fukagawa Gatharia Tower N Building, 1-5-15 Kiba, Koto-ku, Tokyo
Number of Employees	Consolidated : 1,531 Non-consolidated : 829 (As of March 31, 2026)
Capital Stock	2,666 million yen (As of March 31, 2026)
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.

NEWS

Sponsorship Agreement with Daisuke Arai

KONDOTEC concluded a sponsorship agreement with professional wheelchair tennis player Daisuke Arai.

Sponsorship Agreement

In March 2026, KONDOTEC concluded a sponsorship agreement with Daisuke Arai. In June 2023, Arai reached a career-high world ranking of 10th place, and has competed in two consecutive Paralympic Games—Tokyo and Paris.

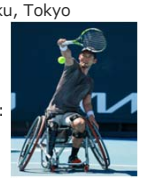
We will fully support Arai as he sets out to win a gold medal at the Los Angeles 2028 Paralympic Games. KONDOTEC is also actively promoting support for sports, including establishing a track and field team.



Signing Ceremony ▶

Profile of Athlete Daisuke Arai

- Date of Birth: May 14, 1988
- Hometown: Katsushika-ku, Tokyo
- Height: 178 cm
- Weight: 70 kg
- Key Results
  - ・World Team Cup 2025: Winner
  - ・Australian Open 2025: Quarterfinalist
  - ・Paris 2024 Paralympic Games: Round of 16
  - ・French Open and US Open: Competed



Editor's Note

Thank you very much for reading the "KONDOTEC REPORT".
This marks the 10th publication of our Integrated Report, and fittingly, our Osaka Head Office building, which had been undergoing reconstruction, was completed in November 2025. The new building is designed to balance energy efficiency and comfort, while its spaces are thoughtfully designed to promote a comfortable working environment and active communication, thereby contributing to greater employee work engagement. Relocating the Osaka-area offices of our group companies to the new building has served to improve communication across the group and create an environment where we are able to demonstrate even greater synergy effects.

In this way, KONDOTEC is not only focusing on sustainability initiatives such as reducing environmental impact, but also on enhancing non-financial value such as human resources and organizational development, and we understand that this report is an important tool for helping you understand our efforts.
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 Facebook
https://www.facebook.com/kondotec.official/

Official YouTube
https://www.youtube.com/channel/UCLnFjRKGx6IzhkqFelAirqQ

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, 2026, 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, 2025 through March 31, 2026
(Activities in April 2026 and thereafter are included in part.)
◆Reporting organization :
KONDOTEC INC. and its group companies
◆Accounting standard : Japanese GAAP