May 12, 2026

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Action to Implement Management that is Conscious of Cost of Capital and Stock Price(Update)

TSUKISHIMA HOLDINGS CO., LTD. hereby announces that at an extraordinary meeting of the Board of Directors held on May 12, 2026, it conducted an analysis and evaluation of the current status of the initiatives titled 'Action to Implement Management that is Conscious of Cost of Capital and Stock Price' which were announced on May 9, 2025, and has updated the content accordingly.

For further details, please refer to the attached material 'Action to Implement Management that is Conscious of Cost of Capital and Stock Price'.

TSUKISHIMA HOLDINGS CO., LTD.

Securities code: 6332

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

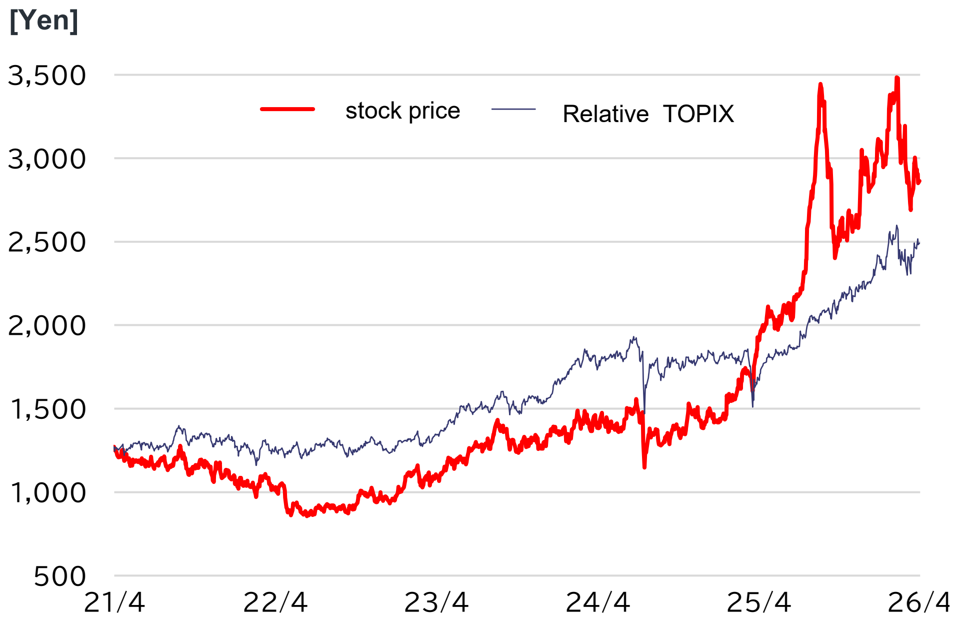
Action to Implement Management that is Conscious of Cost of Capital and Stock Price

May 12, 2026

Analysis of current situation

Share price trend

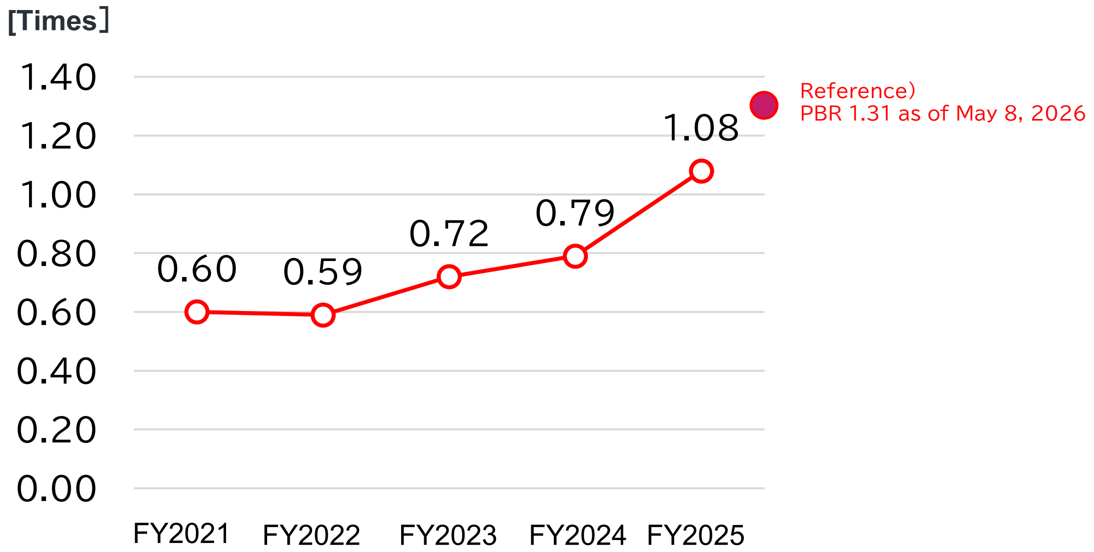
- **Since April 2025, the share price has outperformed the TOPIX.**



PBR

- **PBR is on an improving trend, and further enhancement is targeted.**

・PBR＝ Market capitalization ÷ shareholders' equity



PBR↑	=	ROE↑	×	PER↑
Steadily implement the Medium-Term Management Plan and aim for continuous improvement of corporate value		Improve profitability and capital efficiency		Achieve sustainable growth over the medium to long term

Improving ROE is essential to increase PBR

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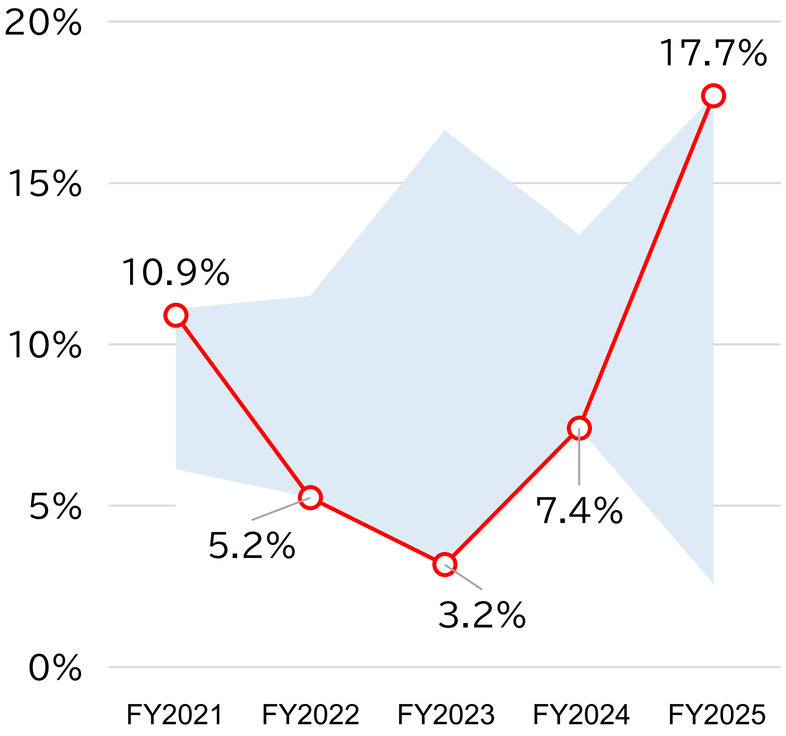
ROE

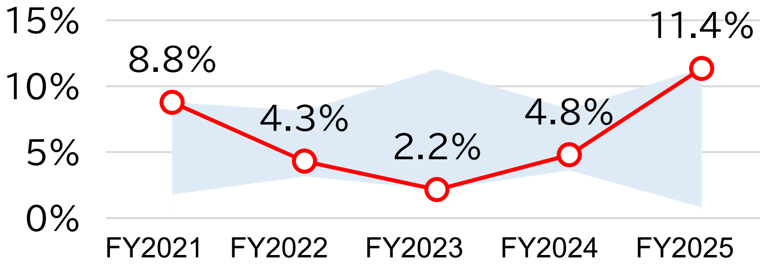
- **ROE for FY2025 increased due to extraordinary income.**

(Sale of logistics facilities and cross-shareholdings)



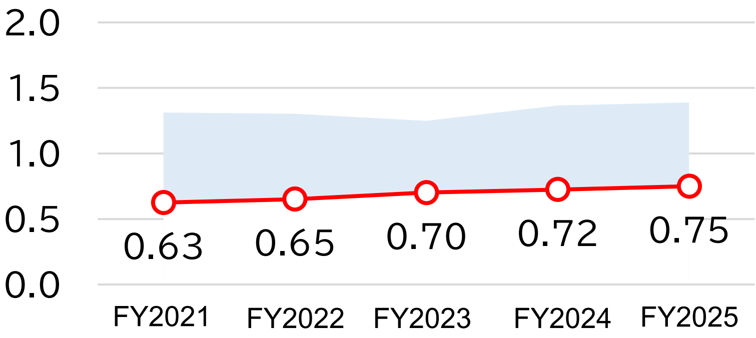
The shaded area indicates the range of maximum and minimum values of competitors
(The figures for competitors in FY2025 are estimates)

Net Profit Margin (%)

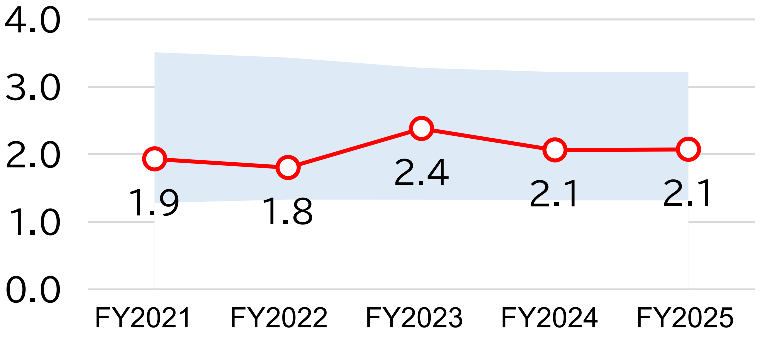


FY2021: Affected by extraordinary income (sale of factory land)
FY2023: Affected by extraordinary losses (impairment of subsidiary's non-current assets)
FY2025: Impact of extraordinary gains (sale of logistics facilities and cross-shareholdings)

Total asset turnover (times)



Financial Leverage (times)



Improving total asset turnover is key to improving ROE; therefore, we will further promote strategic investments.

Action for Improvement of Corporate Value

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From the third year of the mid-term management plan, two measures will be consolidated ・・・ Initiatives for low total asset turnover ratio (Net sales ÷ Total assets)

Further promotion of strategic investments

Measures to drive『sales growth』

- **Business Portfolio Management** ～Allocating management resources to growth areas～
- **M&A** Execution of M&A and alliances that contribute to business expansion
  - **Acquisition of a company operating and managing water and wastewater treatment facilities (higashinihon engineering)**
  - **The integration of Water Supply Steel Pipe Business of JFE Engineering Corporation is under ongoing discussion following the postponement of the planned final agreement (end of April).**
- **Human capital investment, promoting DX and IT investments to improve business efficiency and reduce costs**
  Total investment over 3 years: 14.3 billion yen
  Major DX investments in FY2025 : Launch of OPTINOA, a solution for water infrastructure operations (Key functions include remote support and AI-based autonomous control)

Promote investments aimed at increasing revenue and strengthening profitability

Strengthening BS management

Measures that contribute to optimizing『total assets』

- **Sale of cross-shareholdings**
  - Sell more 12 billion yen during the 4-year mid-term plan ⇒ **9.3 billion yen** already sold (3 years)
- **Promoting the sale of real estate assets** Completion of sale of real estate (logistics facility)
- **Enhancing shareholder returns** Introducing **Dividend on Equity (DOE)** as a stable dividend benchmark.
- **Flexible acquisition of treasury shares**
  FY2025 Acquired approx. 4.3 million shares of treasury stock worth **12.8 billion yen**,
  Canceled about 4 million shares in December 2025.
  Total acquisition : 13.9 billion yen 3 years (Equivalent to 12.8% of total shares outstanding as of the end of FY2025)
- **Advancing external financing and capital control within the framework of financial discipline to achieve an optimal capital structure**

Review of financial discipline	Equity own capital ratio	Approx. 40～50%
	D/E ratio	0.8 or lower
	Cash on hand	Securing twice monthly turnover (unchanged)

Reduction of total assets and control of shareholders' equity

Through these measures, we will achieve an improvement in the total asset turnover ratio.

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	Business Environment	Our Group's Status	Foundation Area	Growth Strategy
Water Environmental	● Aging water infrastructure is driving steady demand for renewal and replacement ● Local governments face financial constraints and a shortage of engineers ● Growing momentum for raising water utility rates ● Strong demand for reducing greenhouse gas emissions	● Orders for both water infrastructure (EPC) and life cycle business (O&M) remained strong (FY2025 was a transitional period between large-scale projects). ● Due to labor shortages, rising material costs, and delays in separately ordered civil engineering work, our group's mechanical equipment projects are also experiencing delays. ● Strong orders received for sludge incinerators that are highly effective at reducing greenhouse gases (3 orders received in FY2024, 1 order received in FY2025)	● Water infrastructure (EPC/Equipment)) • High share of sludge treatment equipment and plants (EPC)（Sewage sludge incinerator market share: approx. 30%） • Top share in Japan in terms of sales for water supply and sewerage business/mechanical equipment construction ● **Life Cycle Business**（Maintenance/After-sales service） • We provide operation and management services for approximately 160 water purification plants and sewage treatment plants across Japan, securing a top-class market share (stable, stock-based business) • After-sales services such as repair work also contribute to profits	**Keyword** ● Contributing to a decarbonized, recycling-based society ● Building national resilience ● Responding to PPP projects
Industrial	● In the chemical sector, there is a shift away from mass production toward small-lot, high value-added products, as well as a move away from plastics toward bio-based materials. ● The semiconductor-related market remains strong. ● The lithium-ion secondary battery market has reached a plateau, as growth in the electric vehicle sector has slowed.	● Tsukishima Kikai, which saw sluggish orders in FY2023, is recovering. Strengthened marketing efforts have led to an increase in inquiries and the probability of receiving order. ● PRIMIX, a manufacturer of high-speed mixers for cosmetics and pharmaceuticals, and Tsukishima Kankyo Engineering, a provider of waste treatment equipment, are seeing strong orders and increased sales. ● In the semiconductor industry, there are many inquiries about material manufacturing and wastewater treatment systems for semiconductor plants.	● **Industrial infrastructure (EPC/Equipment)** • Our equipment hold a high market share in specific fields, such as dryers for chemicals and mixers for cosmetics. • We have a proven track record in Japan and overseas for plants (EPC), mainly for chemical plants. ● **Environment (EPC, maintenance)** • We hold a high market share in waste liquid combustion systems. • After-sales services such as repair work and spare parts also contribute to earnings.	**Keyword** ● Initiatives to reduce greenhouse gas emissions, Mobility ● Pharmaceuticals and cosmetics ● Waste disposal ● Semiconductor ● After-sales service

※Details of our growth strategy are listed on the next page.

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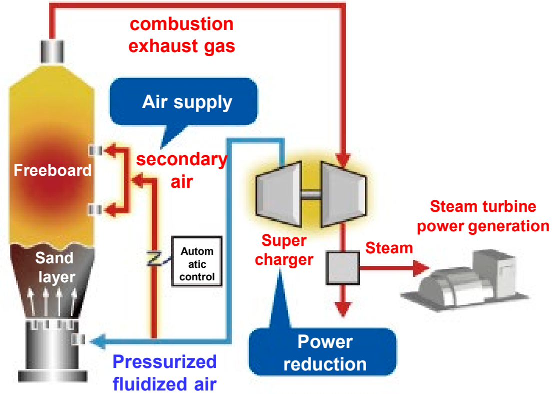
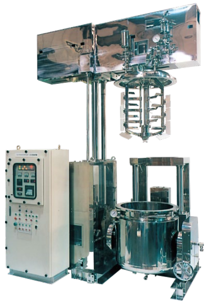
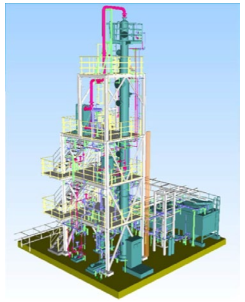
Key Measures of the Mid-term Plan		Growth Strategy（Major achievements in FY2025)
Environmental Water	● Strengthening the energy creation business ● Creating synergies in the business integration company ● Strengthening public-private partnership projects	**Water infrastructure: Contributing to a decarbonized(Net Zero), recycling-based society and expanding business** ● Initiatives to reduce greenhouse gas emissions･･･Development of an energy-generating sludge incinerator that can reduce greenhouse gas emissions by 100% compared to conventional incinerator ● Responding to larger projects: Strengthening management resources through business integration effects, Addressing projects through an integrated team (received an order for a sludge treatment DBO project in Osaka Prefecture) ● Leading industry restructuring･･･Promote business expansion through further integration and alliances with other companies in the industry (Acquired a company engaged in operation and management of water and wastewater treatment facilities) **Life cycle business: strengthening national resilience, PPP support** ● Digitalization of operation management: To promote DX in after-sales services, a new remote monitoring center, OPTINOA, has been established, and pilot demonstrations of on-site inspections using drones and robots are currently underway. ● Response to PPP Projects: Enhancing organizational capabilities to respond to the increasing number of PPP project inquiries from clients.
Industrial	● Strengthening competitiveness of microparticle manufacturing technology ● Strengthening after-sales services ● Initiatives for environmental technologies	**Industrial infrastructure (EPC/standalone equipment) - Initiatives to reduce greenhouse gas emissions and mobility** ● To address rising demands for advanced functionality and particle fineness, we have commercialized high-performance crystallization systems for battery material manufacturing processes. We have also expanded our product lineup in post-crystallization processes to include filtration, drying, and milling equipment. ● Expanded product lineup **Environment (EPC) - waste treatment, semiconductors** (Tsukishima Kankyo Engineering) ● Order intake for waste liquid and waste incineration systems is strong. ● For ammonia wastewater treatment in the semiconductor sector, we have secured projects both domestically and overseas and will continue to focus on order-taking activities. **Industrial infrastructure (Equipment)･･･ Pharmaceuticals, cosmetics** (PRIMIX) ● Strengthening expansion of high-speed mixers for pharmaceuticals and cosmetics, where orders remain strong. **Industrial infrastructure (Equipment) - Sample contract production** (Tsukishima Kikai) ● In recent years, customer investments have shifted to "high-value-added" and "small-scale production“. We accept sample production orders by leveraging our extensive model lineup, enabling customers to commercialize their products quickly.



Energy-generating sludge incinerator（OdySSEA-Turbo™）



High Speed Mixer



Ammonia Treatment Equipment

Capital Allocation（Cumulative over 4 years）

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- Disposal of non-operating assets･･･The real estate (logistics facility) has been sold, and the sale of cross-shareholdings is being promoted.
- The generated cash will be utilized for shareholder returns, strategic investments, M&A, human capital investment, etc.

Cash inflows

Cash flow from operations

Sale of cross-shareholdings
12 billion yen or more

・Actual sale proceeds（3 years）: 9.3 billion yen

Sale of real estate assets
Sold logistics facilities

- The logistics facility was sold to Mitsui Fudosan, our partner in its joint development.
- Transfer Price 21.7 billion yen
  Gain on sale 12.0 billion yen

Debt funding etc.

※If external funding is required, respond flexibly, including through debt financing.

Cash outflows

Capital investment

8～10 billion yen

Shareholder returns

- Working to flexibly acquire treasury shares through balance sheet management
  ⇒FY25: Acquired 12.8 billion yen of treasury shares (approx. 4.3 million shares)
- ・Actual acquisition of treasury shares (3 years) : 13.9 billion yen
- ・Total dividends paid（3 years*) : 8.6 billion yen
  * Including FY25 year-end dividends

[Cancellation of Treasury Shares]
In FY25, 4 million shares of treasury stock were cancelled.

Strategic investment
15 - 22 billion yen
＋
Investment in growth strategy (M&A)

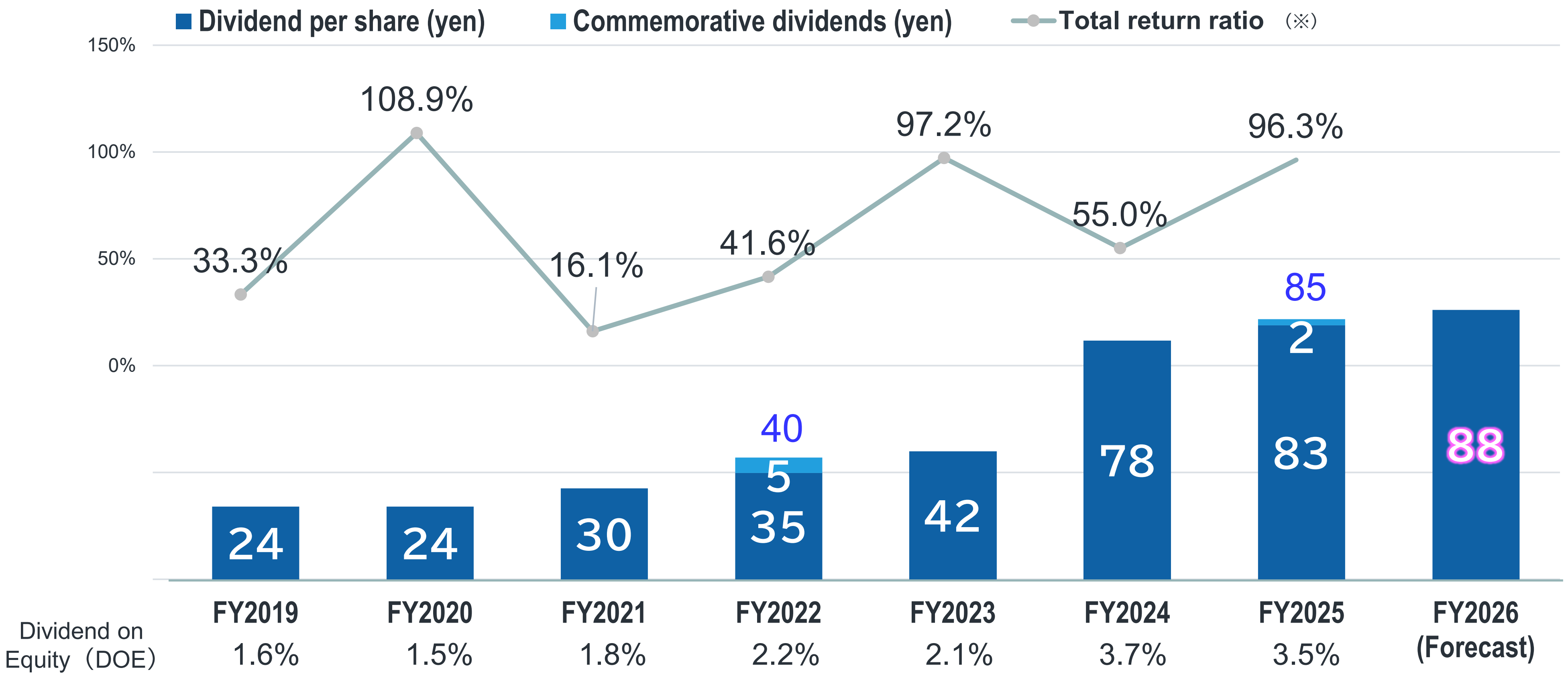
- R&D investment , human capital investment
- DX investment, etc.
- Actual result（3 years）: 14.3 billion yen

[Track Record of DX and IT Investments]
A new centralized monitoring center for water and sewage facilities has been established.
(Tsukishima JFE Aqua Solution)

【M&A（Water Environmental Business ）】
- Acquired a company engaged in operation and management of water and wastewater treatment facilities（Expansion of the stock-based business）
- The integration of JFE Engineering's water supply steel pipe business is under continued discussion, with the execution of the final agreement postponed.

Shareholder Return policy (Enhancing Returns to Shareholders)

- Shareholder return policy: “The level of stable dividends will be set with a minimum DOE of 3.5%, and a total return ratio will be 50% or more.”
- Dividend for FY2025: 83 yen per share plus a commemorative dividend of 2 yen, totaling 85 yen per share.
- Dividend for FY2026: The Company aims to maintain stable dividends and continue increasing dividends, with a planned dividend of 88 yen per share.



(※) (Average number of shares outstanding during the period × dividend per share + amount of treasury share acquisition) ÷ profit attributable to owners of parent