

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

(Securities Code: 1861)

June 3, 2026

(Commencement Date of Electronic Provision Measures: May 27, 2026)

To Our Shareholders

Shin Ueda, President
Kumagai Gumi Co., Ltd.
Fukui Office: 2-6-8, Chuo, Fukui-shi
Tokyo Head Office: 2-1, Tsukudocho,
Shinjuku-ku, Tokyo

CONVOCATION NOTICE OF THE 89TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Sirs and Madams:

Notice is hereby given that the 89th Ordinary General Meeting of Shareholders of Kumagai Gumi Co., Ltd. (the “Company”) will be held as set forth below.

At the time of the convocation of this Ordinary General Meeting of Shareholders, electronic provision measures have been taken for the information contained in the reference materials, etc. for the general meeting of shareholders (the “Matters for Electronic Provision Measures”), and the Matters for Electronic Provision Measures have been posted on our website. We request that you access the information by visiting our website indicated below.

Website of the Company

<https://www.kumagaigumi.co.jp/ir/library/stockinfo/meeting/>

(For Reference) English website of the Company

<https://www.kumagaigumi.co.jp/en/ir/library/stockinfo/meeting/>

* The following matters are not included in the English translation.

- Structure and Policy of Company
- Consolidated Statements of Changes in Equity
- Notes to the Consolidated Financial Statements
- Nonconsolidated Statements of Changes in Equity
- Notes to the Nonconsolidated Financial Statements

In addition to the above, the Matters for Electronic Provision Measures have been also posted on the websites of the Tokyo Stock Exchange, Inc. (TSE) and Sumitomo Mitsui Trust Bank.

If you access the information via the TSE website (Search for a listed company), please enter and search for our issue name (Kumagai Gumi) or securities code (1861) and select “Basic information” and “Documents for public inspection/PR information.”

TSE website (Search for a listed company)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you access the information via the website of Sumitomo Mitsui Trust Bank, please log in by scanning the QR code printed on the enclosed Voting Form or entering your ID and initial password stated on the enclosed Voting Form.

Sumitomo Mitsui Trust Bank website

<https://www.soukai-portal.net>

If you are unable to attend the meeting on the day, you may exercise your voting rights in writing or via the Internet. After examining the “Reference Materials for the Ordinary General Meeting of Shareholders” set forth below, please exercise your voting rights no later than 5:30 p.m. on Thursday, June 25, 2026.

[Exercise of voting rights via the Internet]

Please refer to the “Guide to Exercising Voting Rights via the Internet” on page 6.

[Exercise of voting rights by postal mail]

Indicate your approval/disapproval for each proposal on the enclosed Voting Form, and send the completed form to us so that it reaches us by the above deadline for the voting.

Description

- | | |
|--------------------------|---|
| 1. Date and Time: | 10:00 a.m. on Friday, June 26, 2026 |
| 2. Place: | Tokyo Head Office of the Company, Main Conference Room
2-1, Tsukudocho, Shinjuku-ku, Tokyo |

3. Purpose:

- Matters to Be Reported:**
1. Report on the contents of the Business Report, the contents of the consolidated financial statements, and the results of audit of the consolidated financial statements by the Accounting Auditors and the Audit & Supervisory Committee, for the 89th fiscal year (from April 1, 2025 to March 31, 2026)
 2. Report on the contents of the nonconsolidated financial statements for the 89th fiscal year (from April 1, 2025 to March 31, 2026)

Matters to Be Resolved:

- Proposal 1:** Dividends from surplus
- Proposal 2:** Appointment of eight (8) Directors (excluding Audit & Supervisory Committee Members)
- Proposal 3:** Appointment of two (2) Directors who are Audit & Supervisory Committee Members
- Proposal 4:** Appointment of two (2) Substitute Directors who are Audit & Supervisory Committee Members

4. Matters Determined for Convocation

- (1) Pursuant to the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company, among the Matters for Electronic Provision Measures, the following matters are not included in the documents that will be delivered to shareholders who have requested the delivery of documents in paper form. Accordingly, the documents that will be delivered to shareholders who have requested the delivery of documents in paper form are part of the documents audited by the Audit & Supervisory Committee and the Accounting Auditors upon preparing the Audit Report.
 - Structure and Policy of Company
 - Consolidated Statements of Changes in Equity
 - Notes to the Consolidated Financial Statements
 - Nonconsolidated Statements of Changes in Equity
 - Notes to the Nonconsolidated Financial Statements
- (2) If you exercise your voting rights both via the Internet and by sending the Voting Form, the vote made via the Internet shall be deemed valid. Also, please be advised that if you exercise your voting right multiple times via the Internet, the Company will only deem the substance of your final exercise to be valid.

- (3) If neither approval nor disapproval of each proposal is indicated on the Voting Form sent back to the Company, the Company will deem that you indicated “approval”.

[End of Notice]

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- * Upon arrival at the meeting, please submit the Voting Form enclosed herewith to the reception at the entrance to the meeting venue. No gifts to shareholders will be given on the meeting day.
 - * If any modifications are made to the Matters for Electronic Provision Measures, a notice of such modifications and the details of the matters before and after modification will be posted on the Company’s website, the TSE website, and the Sumitomo Mitsui Trust Bank website, the addresses of which are stated above.

Guide to Exercising Voting Rights

Please exercise your voting rights via one of the following means:

Exercising voting rights via
the **Internet**

Voting deadline:
No later than 5:30 p.m. on
Thursday, June 25, 2026

Please indicate your
approval/disapproval for
each proposal in accordance
with the instructions on the
next page.

For details, please refer to
the next page.

Exercising voting rights **in
writing (by postal mail)**

Voting deadline:
The form must arrive no
later than 5:30 p.m. on
Thursday, June 25, 2026.

Please indicate your
approval/disapproval for
each proposal on the
enclosed Voting Form, and
send the completed form to
us.

In-person attendance at the
**general meeting of
shareholders**

Date and time of the
general meeting of
shareholders:
10:00 a.m. on Friday, June
26, 2026

Please submit the Voting
Form enclosed herewith at
the reception desk located at
the entrance to the meeting
venue.

- If you exercise your voting rights both via the Internet and in writing, the votes submitted via the Internet will be deemed valid. Furthermore, if you exercise your voting rights more than once via the Internet, only your most recent exercise of voting rights will be deemed valid.

Guide to Exercising Voting Rights via the Internet

Voting deadline: No later than 5:30 p.m. on Thursday, June 25, 2026

Method of Scanning QR Code for “Smart Exercise®”

Method of Exercising Voting Rights by Smartphone, etc.

(i) Scan the QR code® indicated on the Voting Form.

Note: The QR code is a registered trademark of Denso Wave Incorporated.

(ii) Tap “Exercise Voting Rights” button on the top screen of the General Meeting of Shareholders Portal®.

(iii) The top screen of the Smart Exercise® will be displayed. Follow the instructions on the screen and indicate your approval/disapproval for each proposal.

You may exercise your voting rights using “Smart Exercise®” only once. If you wish to change your vote after exercising your voting rights, you will be required to access the website for exercising voting rights (<https://www.web54.net>) and log in by entering your “Code for Exercising Voting Rights” and the “password” indicated on the Voting Form (if you have changed your password to access the website for exercising voting rights on your own, please enter your new password), then vote again.

Method of Exercising Voting Rights by PC, etc.

URL of the General Meeting of Shareholders Portal ▶ <https://www.soukai-portal.net>

Please access by entering your login ID for General Meeting of Shareholders Portal and password indicated on the Voting Form. After login, follow the instructions on the screen and indicate your approval/disapproval for each proposal.

You may use the website for exercising voting rights in the same manner as before.

▶ <https://www.web54.net>

You may exercise your voting rights by entering your “Code for Exercising Voting Rights” and the “password” indicated on the Voting Form.

Contact Information for Inquiries Regarding Use of the General Meeting of Shareholders Portal and Exercising Voting Rights via the Internet

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Web Support

Tel.: 0120-652-031 (Toll free within Japan only)

(Inquiries are accepted from 9:00 a.m. to 9:00 p.m.)

Use of Electronic Voting Platform (for institutional investors)

With respect to this ordinary general meeting of shareholders, institutional investors may exercise their voting rights electronically through the “Electronic Voting Platform” operated by ICJ Incorporated.

Reference Materials for Ordinary General Meeting of Shareholders

Proposal and Reference Matters

Proposal 1: Dividends from surplus

The basic policy of the Company with regards to the distribution of profits is to return profits to our shareholders appropriately and steadily while enhancing retained earnings to strengthen the management foundation and expansion of business profit, by taking into consideration the operating results for the current business term, the outlook for the medium-to-long term performance as well as the management environment, etc.

In addition, in the “Mid-term Management Plan (FY2024-2026),” the Company has adopted a policy of providing consistent shareholder returns aiming for a dividend payout ratio of around 40%. In accordance with the basic policy and the Mid-term Management Plan, the Company proposes the following year-end dividend for the 89th fiscal year.

(1) Type of Distributed Assets

Cash

(2) Matters Related to Allotment of Distributed Assets and Aggregate Amount Thereof

The Company proposes to make cash dividend payment of JPY 27 per share in respect of the common stock of the Company.

In this case, the total amount of dividend will amount to JPY 4,614,943,356.

(Reference) The Company conducted a stock split for its common stock at a four-for-one ratio as of October 1, 2025. The interim dividend of JPY 80 per share as of the record date of September 30, 2025 is equivalent to JPY 20 per share on the assumption that the interim dividend had been paid before the stock split, and the annual dividend per share, including the year-end dividend, will amount to JPY 47 per share. The annual dividend per share corresponds to JPY 188 per share on the assumption that the dividend would be paid before the stock split.

(3) Effective Date of Dividends from Surplus

June 29, 2026

Proposal 2: Appointment of eight (8) Directors (excluding Audit & Supervisory Committee Members)

The terms of office of all nine (9) Directors (excluding Audit & Supervisory Committee Members; hereinafter the same applies in this proposal) will expire as of the closing of this ordinary general meeting of shareholders. Accordingly, in order to streamline the management structure, the Company proposes to reduce the number of Directors by one (1) and appoint eight (8) Directors.

The candidates for Directors are as follows:

Candidate No.		Name	Title	Role	Attendance at the meetings of Board of Directors
1	Reappointment	Shin Ueda	President Executive President		100% (18/18)
2	Reappointment	Hiroyasu Yaguchi	Director Senior Managing Executive Officer	General Manager of the Administration Division In charge of Compliance In charge of Crisis Management	100% (18/18)
3	Reappointment	Tetsuo Ono	Director Senior Managing Executive Officer	General Manager of the Civil Engineering Management Division In charge of Safety In charge of Quality and Environment	100% (18/18)
4	Reappointment	Taiji Ito	Director Senior Managing Executive Officer	General Manager of the Architectural Management Division In charge of Promotion of Collaboration with Sumitomo Forestry Co., Ltd.	100% (18/18)
5	Reappointment	Tatsuru Satoh	Director Non-Executive		100% (18/18)
6	Reappointment	Masaya Nara	Director Outside Independent Officer		100% (18/18)
7	New Appointment	Kaoru Ino	Outside Independent Officer		-
8	New Appointment	Erisa Watanabe	Outside Independent Officer		-

<Opinion of the Audit & Supervisory Committee>

Regarding the appointment and compensation of the Company's Directors (excluding Audit & Supervisory Committee Members), the Audit & Supervisory Committee reviewed and considered the deliberation processes and discussions, etc. conducted by the Board of Directors and the Nomination and Compensation Committee. As a result, the Audit & Supervisory Committee found no issues to raise and had no specific opinions to express, and, therefore, concluded that there are no matters to be stated at the general meeting of shareholders under the Companies Act.

Candidate
No 1

Shin Ueda (Born on December 23, 1961)

Reappointment

Number of Shares
Owned by Candidate
25,420 shares

■ Brief Personal Record, Title and Role in the Company and Status of Major Concurrent Offices

April 1984	Joined the Company	April 2017	General Branch Manager of the Metropolitan Branch of the Company
April 2014	Executive Officer of the Company		
April 2014	Deputy General Branch Manager of the Metropolitan Branch of the Company	April 2020	Senior Managing Executive Officer of the Company
April 2014	General Manager of the Architectural Management Division of the Metropolitan Branch of the Company	April 2021	General Manager of the Architectural Management Division of the Company
		June 2021	Director of the Company
		April 2024	President of the Company (current)
June 2015	General Manager of Project Measures Office of the Company	April 2024	Executive President of the Company (current)
April 2017	Managing Executive Officer of the Company		

■ Reason for selecting him as a candidate for Director

Mr. Ueda has extensive knowledge and abundant business experience in the Architectural Management Division, having held a number of senior positions in the Architectural Management Division and thereafter assumed the position of the General Manager of the Architectural Management Division, and has a record of conducting regional management as the General Branch Manager of the Metropolitan Branch from April 2017 to March 2021. Furthermore, he has been leading the Group as the Representative Director and President from April 2024 and devoting himself to improving the long-term corporate value of the Company. The Company proposes that Mr. Ueda's appointment as a Director continue based on its evaluation that he has appropriately fulfilled his role as a Director by making important management decisions and supervising the management of operations and its judgment that it would be valuable for the management of the Company to utilize his past experiences.

■ Number of Shares
Owned by Candidate
11,060 shares

■ Brief Personal Record, Title and Role in the Company and Status of Major Concurrent Offices

April 1986	Joined the Company	April 2023	General Manager of the
April 2020	Joint General Manager of the		Administration Division of the
	Administration Division of the		Company (current)
	Company	April 2024	Senior Managing Executive
April 2020	General Manager of the		Officer of the Company
	Human Resources and General		(current)
	Affairs Department of the	April 2024	In charge of Compliance at the
	Administration Division of the		Company (current)
	Company	April 2024	In charge of Crisis
April 2021	Executive Officer of the		Management at the Company
	Company		(current)
April 2023	Managing Executive Officer	June 2024	Director of the Company
	of the Company		(current)

■ Reason for selecting him as a candidate for Director

Mr. Yaguchi has extensive knowledge and abundant business experience in the Administration Division, having held a number of senior positions, such as the General Manager of the Finance Department and the General Manager of the Human Resources and General Affairs Department, since joining the Company and thereafter having assumed the position of the General Manager of the Administration Division. The Company proposes that Mr. Yaguchi's appointment as a Director continue based on its evaluation that he has appropriately fulfilled his role as a Director by making important management decisions and supervising the management of operations and its judgment that it would be valuable for the management of the Company to utilize his past experiences.

Number of Shares
Owned by Candidate
8,960 shares

■ Brief Personal Record, Title and Role in the Company and Status of Major Concurrent Offices

April 1986	Joined the Company	April 2024	Senior Managing Executive Officer of the Company
April 2020	Joint General Manager of the Civil Engineering Management Division of the Company	April 2024	General Manager of the Civil Engineering Management Division of the Company (current)
April 2021	Executive Officer of the Company		
April 2023	Managing Executive Officer of the Company	June 2024	Director of the Company (current)
April 2023	General Branch Manager of the Nagoya Branch of the Company	April 2026	In charge of Safety at the Company (current)
		April 2026	In charge of Quality and Environment at the Company (current)

■ Reason for selecting him as a candidate for Director

Mr. Ono has extensive knowledge and abundant business experience in the Civil Engineering Management Division, having been engaged in the Civil Engineering Management Division since joining the Company and having held senior positions such as General Manager of the Civil Engineering Management Division, in addition to having been engaged in various construction work as the Project Manager. Furthermore, he has a record of conducting regional management as the General Branch Manager of the Nagoya Branch from April 2023 to March 2024. The Company proposes that Mr. Ono's appointment as a Director continue based on its evaluation that he has appropriately fulfilled his role as a Director by making important management decisions and supervising the management of operations and its judgment that it would be valuable for the management of the Company to utilize his past experiences.

Number of Shares
Owned by Candidate
11,860 shares

■ Brief Personal Record, Title and Role in the Company and Status of Major Concurrent Offices

April 1986	Joined the Company	April 2023	Managing Executive Officer of the Company
April 2021	Executive Officer of the Company	April 2023	General Branch Manager of the Chushikoku Branch of the Company
April 2021	Joint General Manager of the Architectural Management Division of the Company	April 2024	Senior Managing Executive Officer of the Company (current)
April 2021	General Manager of the Marketing and Management Department of the Architectural Management Division of the Company	April 2024	General Manager of the Architectural Management Division of the Company (current)
April 2021	General Manager of the Sales Promotion Department of the Marketing and Management Department of the Architectural Management Division of the Company	June 2024	Director of the Company (current)
		April 2026	In charge of Promotion of Collaboration with Sumitomo Forestry Co., Ltd. at the Company (current)

■ Reason for selecting him as a candidate for Director

Mr. Ito has extensive knowledge and abundant business experience in the Architectural Management Division, having been engaged in the Architectural Management Division since joining the Company and having held senior positions such as General Manager of the Architectural Management Division, in addition to having been engaged in various construction work as the Project Manager. Furthermore, he has a record of conducting regional management as the General Branch Manager of the Chushikoku Branch from April 2023 to March 2024. The Company proposes that Mr. Ito's appointment as a Director continue based on its evaluation that he has appropriately fulfilled his role as a Director by making important management decisions and supervising the management of operations and its judgment that it would be valuable for the management of the Company to utilize his past experiences.

Number of Shares
Owned by Candidate
- shares

■ Brief Personal Record, Title and Role in the Company and Status of Major Concurrent Offices

April 1978	Joined Sumitomo Forestry Co., Ltd.	June 2013	Director of Sumitomo Forestry Co., Ltd.
October 2008	General Manager of Administration Department, Housing Division of Sumitomo Forestry Co., Ltd.	April 2016	Senior Managing Executive Officer of Sumitomo Forestry Co., Ltd.
April 2011	General Manager of Personnel Department of Sumitomo Forestry Co., Ltd.	April 2018	Representative Director of Sumitomo Forestry Co., Ltd.
June 2011	Supervisory Officer of Sumitomo Forestry Co., Ltd.	April 2018	Executive Vice President and Executive Officer of Sumitomo Forestry Co., Ltd.
April 2012	General Manager of General Administration Department of Sumitomo Forestry Co., Ltd.	June 2018	Audit & Supervisory Board Member of the Company
June 2012	Executive Officer of Sumitomo Forestry Co., Ltd.	June 2022	Director of the Company (current)
April 2013	Managing Executive Officer of Sumitomo Forestry Co., Ltd.	March 2024	Senior Advisor of Sumitomo Forestry Co., Ltd. (current)

■ Reason for selecting him as a candidate for Director

Mr. Satoh was a Director of Sumitomo Forestry Co., Ltd. for many years and has an abundant management experience as the Representative Director and the Executive Vice President and Executive Officer thereof. In addition, the Company has the business and capital alliance with Sumitomo Forestry Co., Ltd. and said company's deep knowledge regarding "wood" and "greenery", which are the natural materials in which said company excels, as well as the know-how that it has gained in overseas housing business and urban development with the utilization of this knowledge, will have important implications for the global fields in which the Company intends to further strengthen itself in the future and for sustainability to which the Company is now required to proactively respond as a corporate citizen. Therefore, the Company has judged that it is extremely important for the Company to utilize his experience in management and knowledge as a Director of said company. The Company proposes that Mr. Satoh's appointment as a Director continue based on its evaluation that he has appropriately fulfilled his role as a Director by making important management decisions and supervising the management of operations.

■ Brief Personal Record, Title and Role in the Company and Status of Major Concurrent Offices			
Number of Shares Owned by Candidate 2,400 shares	September 1990	Joined Yasuda Trust and Banking Company, Limited (currently Mizuho Trust & Banking Co., Ltd.)	March 2019 Independent Audit & Supervisory Board Member of Tamron Co., Ltd.
	April 2009	Executive Officer and General Manager of Operation Planning Department of Mizuho Trust & Banking Co., Ltd.	January 2020 Partner at Torikai Law Office (current)
			June 2021 Outside Auditor of RISO KAGAKU CORPORATION (current)
			June 2022 Outside Director of the Company (current)
	June 2011	Audit & Supervisory Board Member of Mizuho Trust & Banking Co., Ltd.	March 2024 Outside Director (Audit & Supervisory Committee Member) of Tamron Co., Ltd.
	April 2014	Senior Managing Director of Mizuho Realty Co., Ltd.	
	January 2017	Registered with Bar of Japan	
	January 2017	Joined Torikai Law Office	

■ Reason for selecting him as a candidate for Outside Director and his expected roles

After joining Yasuda Trust and Banking Company, Limited (currently Mizuho Trust & Banking Co., Ltd.), in addition to his experience from his participation and involvement in its management as the Executive Officer and General Manager of Operation Planning Department and as the Audit & Supervisory Board Member of said company, Mr. Nara has abundant experience serving as a Partner at Torikai Law Office and an Outside Auditor of RISO KAGAKU CORPORATION. The Company proposes that Mr. Nara's appointment as an Outside Director continue based on its judgment that the Company can expect to receive appropriate supervision, guidance and advice with respect to the management of the Company based on his abundant experience and extensive knowledge accumulated from his past work.

■ Matters concerning independence

Mr. Nara satisfies the requirements for independent officers set forth in the rules of the Tokyo Stock Exchange. Furthermore, he satisfies the Company's Criteria for Determination of Independence set forth on page 26 below and the Company has notified the Tokyo Stock Exchange that he is an independent officer.

Although the Company has loan transactions with Mizuho Trust & Banking Co., Ltd., for which Mr. Nara had previously managed operations, the size of the loan transactions with Mizuho Trust & Banking Co., Ltd. was no more than 0.2% of the consolidated total assets of the Company in the most recent fiscal year.

Number of Shares
Owned by Candidate
- shares

■ Brief Personal Record, Title and Role in the Company and Status of Major Concurrent Offices

April 1981	Joined Dainippon Ink and Chemicals, Incorporated (currently DIC Corporation)	March 2016	Director; Managing Executive Officer; In Charge of Corporate Strategy Div. and Kawamura Memorial DIC Museum of Art of DIC Corporation
April 2008	General Manager, Finance Dept. of DIC Corporation		
April 2011	General Manager, Purchasing and Logistics Dept. of DIC Corporation	January 2018	Representative Director; President and CEO of DIC Corporation
April 2012	Executive Officer; General Manager, Corporate Planning Dept. of DIC Corporation	January 2024	Representative Director; Chairman of the Board of Directors of DIC Corporation
January 2014	Executive Officer; In Charge of Corporate Strategy Div.; General Manager, Corporate Planning Dept. of DIC Corporation	January 2025	Director; Chairman of the Board of Directors of DIC Corporation
January 2016	Managing Executive Officer; In Charge of Corporate Strategy Div. and Kawamura Memorial DIC Museum of Art of DIC Corporation	January 2026	Director of DIC Corporation
		March 2026	Advisor of DIC Corporation (current)

■ Reason for selecting him as a candidate for Outside Director and his expected roles

After joining Dainippon Ink and Chemicals, Incorporated (currently DIC Corporation), Mr. Ino held senior positions such as the General Manager of the Finance Department, the General Manager of the Purchasing and Logistics Department, and the Executive Officer and General Manager of the Corporate Planning Department, and later served as the Representative Director, President and CEO, as well as the Representative Director and Chairman of the Board of Directors of the said company, thereby acquiring abundant management experience. The Company proposes that Mr. Ino be newly appointed as an Outside Director based on its expectation that he will be able to provide appropriate supervision, guidance and advice with respect to the management of the Company based on his abundant experience and extensive knowledge accumulated from his past work.

■ Matters concerning independence

Mr. Ino satisfies the requirements for independent officers set forth in the rules of the Tokyo Stock Exchange. Furthermore, he satisfies the Company's Criteria for Determination of Independence set forth on page 26 below and the Company will notify the Tokyo Stock Exchange that he is an independent officer.

In the most recent fiscal year, the Company does not have any transaction with the company, for which Mr. Ino had previously managed operations.

Number of Shares
Owned by Candidate
- shares

■ Brief Personal Record, Title and Role in the Company and Status of Major Concurrent Offices

April 1987	Joined Zeon Corporation	June 2025	Advisor of Zeon Corporation
April 2013	General Manager of Materials Procurement Department, Production Center of Zeon Corporation	April 2026	Deputy Head of ZEON Academy Preparatory Office, Human Resources Division of Zeon Corporation (current)
June 2018	Corporate Officer and Division Manager of CSR Division of Zeon Corporation		
June 2022	Director & Corporate Officer, Head of Corporate Sustainability Headquarters and Division Manager of Corporate Sustainability Division of Zeon Corporation		

■ Reason for selecting her as a candidate for Outside Director and her expected roles

After joining Zeon Corporation, Ms. Watanabe served as the General Manager of Materials Procurement Department, the Corporate Officer and Division Manager of CSR Division, and the Director & Corporate Officer, Head of Corporate Sustainability Headquarters and has experience in participation and involvement in management as a director of the said company. The Company proposes that Ms. Watanabe be newly appointed as an Outside Director based on its judgment that the Company can expect to receive appropriate supervision, guidance and advice with respect to the management of the Company based on her abundant experience and extensive knowledge accumulated from her past work.

■ Matters concerning independence

Ms. Watanabe satisfies the requirements for independent officers set forth in the rules of the Tokyo Stock Exchange. Furthermore, she satisfies the Company's Criteria for Determination of Independence set forth on page 26 below and the Company will notify the Tokyo Stock Exchange that she is an independent officer.

In the most recent fiscal year, the Company does not have any transaction with the company, for which Ms. Watanabe had previously managed operations.

- (Notes)
1. There is no special interest between each candidate and the Company.
 2. Mr. Masaya Nara assumed the position of an Independent Audit & Supervisory Board Member of Tamron Co., Ltd. in March 2019, and assumed the position of an Outside Director (Audit & Supervisory Committee Member) of Tamron Co., Ltd. in March 2024, and thereafter, he retired from the latter position in March 2026. In July 2023, while he was in the position of an Independent Audit & Supervisory Board Member, inappropriate uses of company money by the former President & CEO and other persons of Tamron Co., Ltd. were discovered. Although Mr. Masaya Nara was unaware of that fact until the external contact point of the whistleblower office of Tamron Co., Ltd. received a report, he had regularly made recommendations to raise awareness of the importance of legal compliance at meetings of the Board of Directors and other occasions. In addition, after recognizing that fact, he has been appropriately performing his duties by, among other things, implementing a factual investigation, establishing a special investigation committee, formulating effective measures for the prevention of recurrences based on the investigation report by such committee and implementing measures for strengthening internal controls.
 3. Mr. Masaya Nara is currently an Outside Director of the Company, and, as of the closing of this ordinary general meeting of shareholders, Mr. Masaya Nara will have been an Outside Director for four (4) years, since assuming the position of an Outside Director.
 4. The Company has entered into a liability limitation agreement with each of Mr. Tatsuru Satoh and Mr. Masaya Nara, which limits the liability for damages set forth in Article 423, Paragraph 1 of the Companies Act to the amount prescribed by laws and regulations pursuant to the provisions of Article 427, Paragraph 1 of the said Act, and the Company plans to renew such agreement with each of them, if they are reappointed.
 5. If Mr. Kaoru Ino and Ms. Erisa Watanabe are appointed, the Company plans to enter into a liability limitation agreement with each of them, which limits the liability for damages set forth in Article 423, Paragraph 1 of the Companies Act to the amount prescribed by laws and regulations pursuant to the provisions of Article 427, Paragraph 1 of the said Act.
 6. The Company has entered into a directors and officers liability insurance contract set forth in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Under such insurance contract, the insured shall be indemnified from any damages, litigation expenses or other expenses incurred by the insured arising from a claim for damages made due to an act (including an omission) conducted by the insured based on his/her status as a director, etc. of the Company, and the Company bears all of the insurance premiums of the insured. In addition, if any candidate is reappointed or appointed, he/she will be included in the insureds under such insurance contract. The Company plans to renew such insurance contract during the term of office.

Proposal 3: Appointment of two (2) Directors who are Audit & Supervisory Committee Members

Messrs. Masahiro Kawanowa and Akio Yamada, both of whom are Directors who are Audit & Supervisory Committee Members, will resign as of the closing of this ordinary general meeting of shareholders.

Accordingly, the Company proposes to appoint two (2) Directors who are Audit & Supervisory Committee Members. The Company has obtained the consent of the Audit & Supervisory Committee with respect to this Proposal.

The candidates for Directors who are Audit & Supervisory Committee Members are as follows:

Candidate No.		Name	Title and role	Attendance at the meetings of Board of Directors	Attendance at the meetings of Audit & Supervisory Committee
1	New Appointment	Kazunori Shimada	Joint General Manager of the Administration Division	-	-
2	New Appointment	Hiroshi Tawara	Outside Independent Officer	-	-

Candidate No.	1	Kazunori Shimada (Born on January 13, 1968)	New Appointment												
■ Brief Personal Record, Title and Role in the Company and Status of Major Concurrent Offices <table> <tr> <td>April 1990</td><td>Joined the Company</td><td>April 2023</td><td>Joint General Manager of the Administration Division of the Company (current)</td></tr> <tr> <td>April 2020</td><td>General Manager of the Administration Department of the Metropolitan Branch of the Company</td><td>April 2023</td><td>General Manager of the Accounting Department of the Administration Division of the Company</td></tr> <tr> <td>April 2022</td><td>Assistant General Manager of the Metropolitan Branch of the Company</td><td></td><td></td></tr> </table>				April 1990	Joined the Company	April 2023	Joint General Manager of the Administration Division of the Company (current)	April 2020	General Manager of the Administration Department of the Metropolitan Branch of the Company	April 2023	General Manager of the Accounting Department of the Administration Division of the Company	April 2022	Assistant General Manager of the Metropolitan Branch of the Company		
April 1990	Joined the Company	April 2023	Joint General Manager of the Administration Division of the Company (current)												
April 2020	General Manager of the Administration Department of the Metropolitan Branch of the Company	April 2023	General Manager of the Accounting Department of the Administration Division of the Company												
April 2022	Assistant General Manager of the Metropolitan Branch of the Company														
Number of Shares Owned by Candidate	1,000 shares	■ Reason for selecting him as a candidate for Director Mr. Shimada has extensive knowledge and abundant experience in the Administration Division, having held a number of senior positions such as the General Manager of the Administration Department of the Metropolitan Branch, the Assistant General Manager of the Metropolitan Branch and the Joint General Manager of the Administration Division of the Company. He also possesses considerable knowledge concerning finance and accounting, having served as the General Manager of the Accounting Department. The Company proposes to newly appoint Mr. Shimada as a Director who is an Audit & Supervisory Committee Member based on its judgment that the Company can expect him to perform appropriate auditing and supervision in respect of the management of the Company utilizing his experience accumulated from his past performance.													

Candidate
No 2

Hiroshi Tawara (Born on June 24, 1963)

New Appointment	Outside	Independent Officer
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■ Brief Personal Record, Title and Role in the Company and Status of Major Concurrent Offices

April 1988	Joined Nissan Motor Co., Ltd.	May 2003	Partner at KPMG AZSA LLC.
October 1990	Joined Asahi & Co., Audit Corporation (currently KPMG AZSA LLC.)	July 2025	Established Tawara Public Accounting Firm (current)
March 1994	Registered as a certified public accountant		

■ Reason for selecting him as a candidate for Outside Director and his expected roles

Number of Shares
Owned by Candidate - shares

Mr. Tawara has expertise in finance and accounting as a certified public accountant, having served as a partner at KPMG AZSA LLC., and also has a wide range of business experience, including having been engaged in the accounting audits of various companies. The Company proposes to newly appoint Mr. Tawara as an Outside Director who is an Audit & Supervisory Committee Member based on its judgment that the Company can expect him to perform appropriate auditing and supervision in respect of the management of the Company from an objective perspective by utilizing his past experience. Although he has not previously been engaged in the management of a company, the Company has judged he will fulfill the duties of an Outside Director who is an Audit & Supervisory Committee Member appropriately due to the reasons stated above.

■ Matters concerning independence

Mr. Tawara satisfies the requirements for independent officers set forth in the rules of the Tokyo Stock Exchange. Furthermore, he satisfies the Company's Criteria for Determination of Independence set forth on page 26 below and the Company will notify the Tokyo Stock Exchange that he is an independent officer.

In the most recent fiscal year, the Company does not have any transaction with any of the accounting firms to which Mr. Tawara had previously belonged.

- (Notes) 1. There is no special interest between each of the candidates and the Company.
2. If Mr. Kazunori Shimada and Mr. Hiroshi Tawara are appointed, the Company plans to enter into a liability limitation agreement with each of them, which limits the liability for damages set forth in Article 423, Paragraph 1 of the Companies Act to the amount prescribed by laws and regulations pursuant to the provisions of Article 427, Paragraph 1 of the said Act.
3. The Company has entered into a directors and officers liability insurance contract set forth in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Under such insurance contract, the insured shall be indemnified from any damages, litigation expenses or other expenses incurred by the insured arising from a claim for damages made due to an act (including an omission) conducted by the insured based on his/her status as a director, etc. of the Company, and the Company bears all of the insurance premiums of the insured. If Mr. Kazunori Shimada and Mr. Hiroshi Tawara are appointed, they will be included in the insureds under such insurance contract, and the Company plans to renew such insurance contract during the term of office.

(Reference)

The skill items that the Board of Directors of the Company should have and the skills particularly expected for each Director if Proposals 2 and 3 are approved are as follows:

The below does not purport to be indicative of all knowledge/experiences/abilities possessed by each Director.

Name	Title	Role	Corporate Management / Management Strategy	Sales / Marketing	Global	Technology / Research and Development / ICT(DX)	Compliance / Risk Management	Financial / Accounting	Sustainability (ESG/SDGs)	Human Resource Development / Diversity
Shin Ueda	President Executive President		●		●		●		●	
Hiroyasu Yaguchi	Director Senior Managing Executive Officer	General Manager of the Administration Division In charge of Compliance In charge of Crisis Management	●				●	●		●
Tetsuo Ono	Director Senior Managing Executive Officer	General Manager of the Civil Engineering Management Division In charge of Safety In charge of Quality and Environment	●	●		●				●
Taiji Ito	Director Senior Managing Executive Officer	General Manager of the Architectural Management Division In charge of Promotion of Collaboration with Sumitomo Forestry Co., Ltd.	●	●		●				●
Tatsuru Satoh	Director		●		●			●	●	
Masaya Nara	Director	(Outside Director)	●		●		●	●		
Kaoru Ino	Director	(Outside Director)	●	●	●	●				
Eisa Watanabe	Director	(Outside Director)	●				●		●	●
Kazunori Shimada	Director (Full-Time Audit & Supervisory Committee Member)						●	●		
Miho Ueda	Director (Audit & Supervisory Committee Member)	(Outside Director)					●			●
Hiroshi Tawara	Director (Audit & Supervisory Committee Member)	(Outside Director)						●	●	

(Note) The ratio of Outside Directors on the Company's Board of Directors is 45% (six (6) Internal Directors and five (5) Outside Directors), and the ratio of female Directors is 18% (nine (9) male Directors and two (2) female Directors).

Proposal 4: Appointment of two (2) Substitute Directors who are Audit & Supervisory Committee Members

Messrs. Junji Konishi and Akira Maekawa, both of whom are Substitute Directors who are Audit & Supervisory Committee Members, conveyed their desire to resign as Substitute Directors who are Audit & Supervisory Committee Members as of the commencement of this ordinary general meeting of shareholders. Accordingly, in advance and in preparation for an event where the number of Directors who are Audit & Supervisory Committee Members falls short of the number stipulated in laws and regulations, the Company proposes the appointment of two (2) Substitute Directors who are Audit & Supervisory Committee Members. The Company has obtained the consent of the Audit & Supervisory Committee with respect to this proposal.

The Company proposes that the effectiveness of each appointment of Messrs. Masahiro Kawanowa and Akio Yamada may be revoked, only prior to their assumption of the positions, by a resolution of the Board of Directors with the consent of the Audit & Supervisory Committee.

The Company proposes the appointment of Mr. Masahiro Kawanowa as a substitute for a Director who is an Audit & Supervisory Committee Member other than an Outside Director, and the appointment of Mr. Akio Yamada as a substitute for an Outside Director who is an Audit & Supervisory Committee Member.

The candidates for Substitute Directors who are Audit & Supervisory Committee Members are as follows:

Candidate
No 1

Masahiro Kawanowa (Born on March 10, 1963)

Number of Shares
Owned by Candidate
6,300 shares

■ Brief Personal Record, Title and Role in the Company and Status of Major Concurrent Offices

April 1986	Joined the Company	April 2018	Joint General Manager of the
February	General Manager of the		Administration Division of the
2009	Financial Administration		Company
	Department of the	April 2021	General Manager of the
	Administration Division of the		Surveillance Department of
	Company		the Administration Division of
April 2010	General Manager of the Legal	June 2022	Full-Time Audit &
	& Compliance Department of		Supervisory Board Member of
	the Administration Division of		the Company
	the Company	June 2025	Director (Full-Time Audit &
June 2013	Outside Audit & Supervisory		Supervisory Committee
	Board Member of GEOSTR		Member) of the Company
	Corporation		(current)
April 2015	General Manager of the		
	Finance Department of the		
	Administration Division of the		
	Company		

■ Reason for selecting him as a candidate for Substitute Director who is an Audit & Supervisory Committee Member

Mr. Kawanowa has extensive knowledge and experience in the Administration Division, including considerable knowledge concerning finance and accounting, having held a number of senior positions such as the General Manager of the Financial Administration Department, the General Manager of the Legal & Compliance Department, the General Manager of the Finance Department and the General Manager of the Surveillance Department of the Company. Mr. Kawanowa also has abundant experience of serving as a Director (Full-Time Audit & Supervisory Committee Member) of the Company and as an Outside Audit & Supervisory Board Member of GEOSTR Corporation. He has also conducted appropriate auditing and supervision as a Director (Full-Time Audit & Supervisory Committee Member) of the Company. The Company proposes to appoint Mr. Kawanowa as a Substitute Director who is an Audit & Supervisory Committee Member based on its judgment that the Company can expect him to perform appropriate auditing and supervision in respect of the management of the Company utilizing his experience accumulated from his past performance.

■ Brief Personal Record, Title and Role in the Company and Status of Major Concurrent Offices

Number of Shares Owned by Candidate 4,900 shares	November 1978	Joined Peat Marwick Mitchell & Co. (currently KPMG AZSA LLC.)	June 2018	Auditor of Pfizer Health Research Foundation (current)
	April 1982	Registered as a certified public accountant	July 2018	Outside Audit & Supervisory Board Member of Rakuten Insurance Holdings Co., Ltd. (current)
	August 2009	Partner at KPMG AZSA LLC.		
	July 2017	Established Yamada Akio Public Accounting Firm (current)	October 2021	Outside Audit & Supervisory Board Member of UCHIDA YOKO CO., LTD. (current)
	June 2018	Outside Company Auditor of Nittan Valve Co. Ltd. (currently NITTAN Corporation) (current)	June 2022	Audit & Supervisory Board Member of the Company (current)
			June 2025	Director (Audit & Supervisory Committee Member) of the Company (current)

■ Reason for selecting him as a candidate for Substitute Outside Director who is an Audit & Supervisory Committee Member and his expected roles

As a certified public accountant, Mr. Yamada has expertise and abundant experience in finance and accounting, and he has a wide range of business experience, including as an Outside Director (Audit & Supervisory Committee Member) of the Company, an Outside Company Auditor of Nittan Valve Co. Ltd. (currently NITTAN Corporation) and an Outside Audit & Supervisory Board Member of UCHIDA YOKO CO., LTD. He has also conducted appropriate auditing and supervision as an Outside Director (Audit & Supervisory Committee Member) of the Company. The Company proposes to appoint Mr. Yamada as a Substitute Outside Director who is an Audit & Supervisory Committee Member based on its judgment that the Company can expect him to perform appropriate auditing and supervision in respect of the management of the Company from an objective standpoint by utilizing his abundant experience and expertise accumulated from his past work. Although he has not previously been engaged in the management of a company except as an outside officer, the Company has judged he will fulfill the duties of an Outside Director who is an Audit & Supervisory Committee Member appropriately due to the reasons stated above.

■ Matters concerning independence

Mr. Yamada satisfies the requirements for independent officers set forth in the rules of the Tokyo Stock Exchange. Furthermore, he satisfies the Company's Criteria for Determination of Independence set forth on page 26 below and, if he assumes the position of an Outside Director who is an Audit & Supervisory Committee Member, the Company will notify the Tokyo Stock Exchange that he is an independent officer.

In the most recent fiscal year, the Company does not have any transaction with any of the accounting firms to which Mr. Yamada had previously belonged.

- (Notes)
1. There is no special interest between the candidates and the Company.
 2. Mr. Akio Yamada is currently an Outside Director who is an Audit & Supervisory Committee Member of the Company, and, as of the closing of this ordinary general meeting of shareholders, Mr. Akio Yamada will have been an Outside Director who is an Audit & Supervisory Committee Member for one (1) year, since assuming the position of an Outside Director who is an Audit & Supervisory Committee Member. Prior to assuming the position of an Audit & Supervisory Committee Member, he served as an Outside Audit & Supervisory Board Member for three (3) years, bringing his total period of involvement with the Company to four (4) years.
 3. If Mr. Masahiro Kawanowa and Mr. Akio Yamada assume the positions of Directors who are Audit & Supervisory Committee Members, the Company plans to enter into a liability limitation agreement with each of them which limits the liability for damages set forth in Article 423, Paragraph 1 of the Companies Act to the amount prescribed by laws and regulations pursuant to the provisions of Article 427, Paragraph 1 of the said Act.
 4. The Company has entered into a directors and officers liability insurance contract set forth in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Under such insurance contract, the insured shall be indemnified from any damages, litigation expenses or other expenses incurred by the insured arising from a claim for damages made due to an act (including an omission) conducted by the insured based on his/her status as a director, etc. of the Company, and the Company bears all of the insurance premiums of the insured. If Mr. Masahiro Kawanowa and Mr. Akio Yamada assume the positions of Directors who are Audit & Supervisory Committee Members, they will be included in the insureds under such insurance contract. In addition, the Company plans to renew such insurance contract during the term of office.

(Reference)

<Company's Criteria for Determination of Independence>

In addition to the Independence Standards prescribed by the Tokyo Stock Exchange, the Company determines that any person falling under the following criteria is not independent.

- (1) A person who currently falls under any of (a) through (d) below:
 - (a) a major shareholder of the Company (a shareholder holding 10% or more voting rights in the Company) or a person who manages operations thereof;
 - (b) a person/entity whose annual trading amount with the Company is over 2% of the consolidated total sales for most recent fiscal year of the Company and trading person/entity, respectively, or a person who manages operations thereof;
 - (c) a person/entity who has received donations from the Company in the amount of JPY 10 million or more on average for the past three (3) fiscal years or a person who manages operations thereof; or
 - (d) a legal professional, accounting professional, consultant or a person belonging to any of those associations who has received cash or other economic benefits from the Company, except for officer compensation, in the amount of JPY 10 million or more on average for the past three (3) fiscal years.
- (2) A person who fell under any of (a) through (d) above at any time during the past three (3) years.

[End]

BUSINESS REPORT

(From April 1, 2025 to March 31, 2026)

1. Matters Regarding Current Status of Group

(1) Progress and Results of Operations

During this consolidated fiscal year, the Japanese economy traced a gradual recovery trend. Although it was partly affected by rising prices stemming from U.S. trade policy and heightened tensions in the Middle East, personal consumption showed signs of picking up amid improvements in the employment and income environment and the continuing effects of various government measures, and capital expenditures remained resilient, led primarily by software investment.

With respect to the construction industry, while housing investment remained somewhat weak, it showed a gradual improving trend. Construction investments by private companies maintained a high level, driven mainly by capital expenditures, including investments related to digital transformation and green transformation as well as supply chain strengthening initiatives, supported by improved corporate earnings, although uncertainty about the outlook was noted due to factors including U.S. trade policy. Public investment also remained steady due to the implementation of related budgets, and as a result, the environment in respect of orders remained generally favorable.

Under such management environment, in the second year of the “Mid-term Management Plan (FY2024-2026)” formulated in May 2024, the Group has continued to work together as an entire group to take on the challenge of achieving sustainable growth, with the basic policies of (i) strengthening construction business, (ii) accelerating peripheral businesses, and (iii) reinforcing the management foundation.

With respect to the consolidated results for the Group during this consolidated fiscal year, net sales decreased by 2.2% in comparison with the previous consolidated fiscal year, to an amount of JPY 487.6 billion. In regard to profits, operating profit was JPY 27.0 billion while ordinary profit was JPY 27.0 billion, mainly due to an improved gross profit margin in the domestic Building Construction business. Furthermore, profit attributable to owners of parent was JPY 20 billion, partly as a result of recording the income taxes – current.

The results of operations of the Company are as follows:

Orders received decreased by 16.7% in comparison with the previous fiscal year, to JPY 316.1 billion, mainly due to a decrease in domestic building construction work. Among these orders received, civil engineering work amounted to JPY 112.5 billion, and building construction work amounted to JPY 203.6 billion. As for the breakdown of the parties placing orders, 28.2% were from government agencies and 71.8% were from private businesses.

Net sales increased by 0.2% in comparison with the previous fiscal year, to JPY 373.0 billion. Among these, civil engineering work amounted to JPY 115.9 billion and building construction work amounted to JPY 257.1 billion. As for the breakdown of the parties placing orders, 29.5% were from government agencies and 70.5% were from private businesses.

The amount carried forward to the following fiscal year decreased by 9.6% in comparison with the previous fiscal year, to JPY 532.3 billion.

With respect to profits, ordinary profit amounted to JPY 22.7 billion, and profit was JPY 18.1 billion, mainly due to an improved gross profit margin and gains on the sale of shares of subsidiaries and associates and investment securities.

The Company's status by division is as follows:

[Civil Engineering]

Orders received for civil engineering work increased by 1.4% in comparison with the previous fiscal year, to JPY 112.5 billion.

Major contracts include: Central Nippon Expressway Company Limited: Bridge deck replacement work for Morobuchi Bridge and three (3) other bridges on the Tōmei Expressway (specific replacement work, etc.) (Kanagawa); the University of Tokyo: Construction work in respect of the Hyper-Kamiokande, the University of Tokyo (Kamioka, Gifu) (water tank and PMT support structure, etc.) (Gifu); Tokyo Bureau of Sewerage: Higashi-Ojima Trunk Sewer No. 3 work (Tokyo); Hokuriku Electric Power Company: Rehabilitation work on the Bushuko Dam at the Gamo Power Station (including related demolition work) (Fukui), etc.

Net sales in respect of completed construction contracts increased by 10.3% in comparison with the previous fiscal year, to JPY 115.9 billion.

Major completed works include: Asahi Kasei Corp.: Civil engineering facility renewal work at the Suigasaki Power Plant (Miyazaki); Japan Railway Construction, Transport and Technology Agency: Track and related facility works and other works between 17k500 and 44k200 for Kyushu Shinkansen (Nishi Kyushu) (Nagasaki); East Nippon Expressway

Company Limited: Tōgasaki construction work on the Higashi Kanto Expressway (Ibaraki); Ministry of Land, Infrastructure, Transport and Tourism: High-standard levee construction of FY2021 Arakawa Right Bank, Odai 1-chome Area, etc.

[Building Construction]

Orders received for building construction work decreased by 24.1% in comparison with the previous fiscal year, to JPY 203.6 billion.

Major contracts include: Nomura Real Estate Development Co., Ltd.: New construction work of Landport Kita-Itami (tentative name) (Hyogo); NICCA CHEMICAL CO., LTD.: Fukui Smart Factory of NICCA CHEMICAL CO., LTD. (construction of a new cosmetics plant) (Fukui); NTT Urban Development Corporation, MITSUBISHI ESTATE RESIDENCE CO.,LTD., and DAIKYO INCORPORATED: New construction work of Condominium in respect of Chiyoda-ku Rokubanchō Project (tentative name) (Tokyo); Seijo Gakuen (educational foundation): New construction plan for the University Building No. 10 of Seijo Gakuen (educational foundation) (Tokyo), etc.

Net sales of completed construction contracts decreased by 3.8% in comparison with the previous fiscal year, to JPY 257.1 billion.

Major completed works include: Mitsui Fudosan Residential Co., Ltd., Nomura Real Estate Development Co., Ltd., and MITSUBISHI ESTATE RESIDENCE CO.,LTD., ITOCHU Property Development, Ltd., Toho Jisho Co., Ltd., Fujimi Jisyo Co., Ltd. and Sodegaura Kogyo Co., Ltd.: Makuhari Shintoshin Wakaba Residential Area Plan (B-4 Block) (tentative name) (Chiba); JX Advanced Metals Corporation: Construction work in respect of Hitachinaka C2 building (Ibaraki); Ibaraki 3 Logistic SPC: GLP ALFALINK Ibaraki 3 Project (Osaka); Tokushukai Healthcare Corporation Ltd.: New relocation construction work of Tokunoshima Tokushukai Hospital (Kagoshima), etc.

(Reference) **Orders received, net sales and amount carried forward by division of**

Company

(Units: in JPY millions)

Classification	Amount carried forward from previous fiscal year	Orders received for this fiscal year	Net sales of this fiscal year	Amount carried forward to following fiscal year
Civil Engineering	206,822	112,527	115,978	(203,371) 203,538
Building Construction	382,084	203,668	257,106	(328,646) 328,778
Total	588,907	316,196	373,085	(532,018) 532,317

(Note) The carried forward amount for work denominated in foreign currencies included in the “amount carried forward to following fiscal year” is revised at the exchange rate at the end of the fiscal year to reflect the current situation of the exchange market.

The increased amount due to this revision is JPY 299 million, and the figures in parentheses are the amounts prior to the revision.

(2) Status of Capital Expenditures

The total amount of capital expenditures spent by the Group during this consolidated fiscal year was JPY 5.3 billion, which primarily consisted of land and buildings for business use, renewal of machinery and equipment, and development of software, etc.

(3) Status of Funding

The Company issued green bonds (the 1st series of unsecured bonds) in the amount of JPY 8.5 billion on October 30, 2025 during this consolidated fiscal year.

(4) Issues to be Addressed

Looking ahead, Japan’s economy is expected to see a gradual recovery amid ongoing improvements in the income environment; however, heightened vigilance must be maintained regarding downside risks, including the impact on exports and production from developments in U.S. tariff policy, elevated raw material and energy prices and concerns over supply chains driven by geopolitical risks, such as the situations in Ukraine and heightened tensions in the Middle East. In addition, careful attention must be paid to volatilities in the financial and capital markets and to the effects that price trends may have on personal consumption, which may be triggered by the above circumstances.

In regard to the construction industry, the increasing trend of investments by the private sector is expected to continue against the backdrop of improved corporate earnings and other factors. As for public investment, because the “1st Mid-term Plan for the Implementation of National Resilience,” a five-year plan commencing in FY2026, is set to get fully underway, and, the project scale will be expanded significantly, planned investment is expected to continue in areas, such as disaster prevention and mitigation, and the replacement of aging infrastructure. Meanwhile, the industry as a whole is being called upon to pursue collaboration and

technological innovation, including measures to address regulations on working hours, strengthen safety management at construction sites, promote environmentally conscious and sustainable construction methods and material procurement, and advance digital transformation.

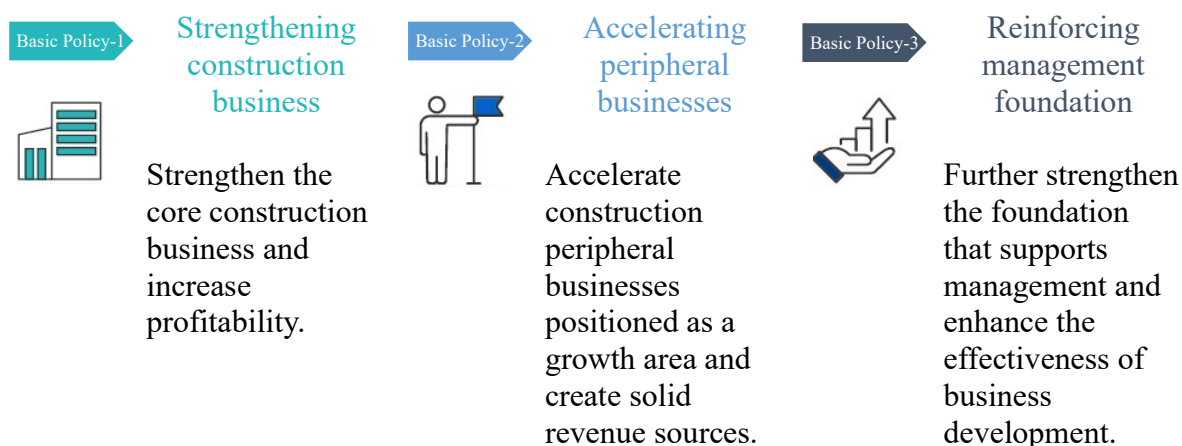
With regard to the U.S. tariffs agreed in August 2025, there is no direct impact on the Group's operations and performance as it has no import or export transactions with the U.S. As for an indirect impact, there is a possibility that domestic capital expenditures by manufacturers of automobiles and related parts, semiconductor manufacturing equipment and other products with high export volumes to the U.S. may be curtailed, leading to a decrease in orders received in the production sector. In addition, if the situation in the Middle East does not subside and becomes prolonged, there are concerns about surging construction costs, supply chain disruptions risks, and higher logistics costs, which could result in private-sector customers potentially canceling or postponing capital expenditure plans; however, at this time, the Group considers the impact to be limited and recognizes that it remains an indirect risk.

Meanwhile, while the continued rise in raw material costs remains a concern, pass-through of such increases into contract prices is gradually taking hold. Furthermore, the development of the legal framework for the use of price escalation (price slide) clauses represents significant progress toward securing appropriate profits, and the Group considers it to contribute to stabilizing the business environment.

Under these circumstances, the Group formulated “Kumagai Gumi Group Mid-term Management Plan (FY2024-2026): a new path toward sustainable growth,” which sets the financial targets for FY2026: consolidated net sales of JPY500 billion; consolidated ordinary profit of JPY30 billion; and ROE of 10% or more, in order to realize “a society in which limited resources are recycled, and people, society, and nature continue to prosper” as “a construction service industry leader that is sought-after by society.” By working together as an entire group to implement the plan, the Group continues the challenge of achieving sustainable growth. The Company would like to ask all shareholders for continued kind support and understanding.

Kumagai Gumi Group Mid-term Management Plan (FY2024-2026): a new path toward sustainable growth (Summary)

■ Business Strategy



■ Financial Targets

Consolidated net sales	: JPY500 billion (fiscal year ending March 2027)
Consolidated ordinary profit	: JPY30 billion (fiscal year ending March 2027)
ROE	: 10% or more (fiscal year ending March 2027)
Equity ratio	: Approx. 45%; striving to balance financial soundness and capital efficiency
Dividend payout ratio	: Approx. 40%; the Company's basic policy is to return profits shareholders in an appropriate and stable manner

■ Alliance with Sumitomo Forestry ~Future Policy~

- In the medium- to large-scale wooden construction business, the Company aims to further increase orders by leveraging the knowledge and project proposal capabilities it has accumulated through its collaboration with Sumitomo Forestry, as well as Sumitomo Forestry's brand power in wooden construction.
- The Company also aims to expand its business domain by considering participation in overseas real estate development, which is one of Sumitomo Forestry's fortes, and environmentally friendly real estate businesses in Japan.

■ Reinforcing the management foundation

- Research and technology development
- Human resources
- Digital transformation

■ ESG Initiative Policy

The Company has revised the key issues and reviewed specific issues.

	Key Issues	Specific Issues	Related SDGs
E	Respond to Climate Change Risks	Accomplish carbon neutrality; Further enhance renewable energy business.	   
	Promote Environmentally Friendly Business	Accomplish zero emissions; Boost wooden construction business; and other issues.	
S	Create the Well-being Workplace for All Employees	Secure and invest in human resources; Pass on skills; and other issues.	   
	Achieve Sustainable Communities	Ensure quality and promote integrity in manufacturing; Develop attractive communities; and other issues.	  
G	Enhance Corporate Governance	Strengthen compliance; Strengthen risk management; and other issues.	  
	Enhance Relationships with Multi-stakeholders	Strengthen customer satisfaction; Strengthen supply chain management; and other issues.	

(5) Changes in Financial Conditions and Results of Operations

(i) Changes in Financial Conditions and Results of Operations of Group

Classification	Units	86th fiscal year (Fiscal year ended March 31, 2023)	87th fiscal year (Fiscal year ended March 31, 2024)	88th fiscal year (Fiscal year ended March 31, 2025)	89th fiscal year (This consolidated fiscal year) (Fiscal year ended March 31, 2026)
Net sales	JPY million	403,502	443,193	498,581	487,698
Profit attributable to owners of parent	JPY million	7,973	8,316	9,354	20,068
Basic earnings per share	JPY	44.91	48.09	54.43	116.94
Total assets	JPY million	376,650	467,232	462,533	448,918
Net assets	JPY million	169,860	180,014	181,829	187,867

- (Notes) 1. “Basic earnings per share” is calculated based on the average number of shares of the common stock during the fiscal year.
2. The Company conducted a stock split for its common stock at a four-for-one ratio as of October 1, 2025. In light of this, “Basic earnings per share” is calculated based on the assumption that the stock split had taken place at the beginning of the 86th fiscal year (the fiscal year ended March 31, 2023).

(ii) Changes in Financial Conditions and Results of Operations of Company

Classification	Units	86th fiscal year (Fiscal year ended March 31, 2023)	87th fiscal year (Fiscal year ended March 31, 2024)	88th fiscal year (Fiscal year ended March 31, 2025)	89th fiscal year (This fiscal year) (Fiscal year ended March 31, 2026)
Orders received	JPY million	348,647	375,589	379,364	316,196
Net sales	JPY million	299,317	327,927	372,294	373,085
Profit	JPY million	6,996	5,309	6,231	18,136
Basic earnings per share	JPY	39.31	30.63	36.17	105.42
Total assets	JPY million	304,522	382,906	380,449	365,013
Net assets	JPY million	133,049	139,563	137,886	140,633

- (Notes) 1. “Basic earnings per share” is calculated based on the average number of shares of the common stock during the fiscal year.
2. The Company conducted a stock split for its common stock at a four-for-one ratio as of October 1, 2025. In light of this, “Basic earnings per share” is calculated based on the assumption that the stock split had taken place at the beginning of the 86th fiscal year (the fiscal year ended March 31, 2023).

(6) Status of Material Parent Company and Subsidiaries

(i) Relationship with Parent Company

Not applicable.

(ii) Status of Material Subsidiaries

Name	Capital	Company's investment ratio	Principal business activities
GAEART Co., Ltd.	JPY 1,000 million	100%	Contracting of pavement work, civil engineering work, etc. and business related thereto
Technos Co., Ltd.	JPY 470 million	100%	Contracting of civil engineering work, design, production and sales of construction materials and equipment and business related thereto
K&E Co., Ltd.	JPY 300 million	100%	Contracting of renewal and reform work of building and related business thereto
Taiwan Kumagai Co., Ltd.	NTD 1,320 million	100%	Contracting of building construction work, etc. and business related thereto

There are nine (9) consolidated subsidiaries, including the above-mentioned four (4) material subsidiaries, and four (4) equity-method affiliates.

(7) Principal Business Activities

The Group engages mainly in construction business and related surrounding business thereof. As the principal group company, the Company has obtained the approval as a special construction business operator “(Toku-4) No. 1200” from the Minister of Land, Infrastructure, Transport and Tourism pursuant to the Construction Business Act, and engages in civil engineering, building construction business and business related thereto.

(8) Principal Offices, etc.

(i) The Company

Fukui Office: 2-6-8, Chuo, Fukui-shi
Tokyo Head Office: 2-1, Tsukudocho, Shinjuku-ku, Tokyo
Branches: Hokkaido Branch (Sapporo-shi, Hokkaido), Tohoku Branch (Sendai-shi, Miyagi), Metropolitan Branch (Shinjuku-ku, Tokyo), Tokyo Architectural Branch (Shinjuku-ku, Tokyo), Nagoya Branch, Hokuriku Branch (Kanazawa-shi, Ishikawa), Kansai Branch (Osaka-shi, Osaka), Chushikoku Branch (Hiroshima-shi, Hiroshima), Shikoku Branch (Takamatsu-shi, Kagawa), Kyushu Branch

(Fukuoka-shi, Fukuoka), Okinawa Branch (Naha-shi, Okinawa)

Technical Research &

Development Institute: (Tsukuba-shi, Ibaraki)

Overseas Offices: Vietnam, Indonesia, Myanmar

(ii) Principal Subsidiaries

GAEART Co., Ltd. (Shinjuku-ku, Tokyo)

Technos Co., Ltd. (Toyokawa-shi, Aichi)

K&E Co., Ltd. (Chiyoda-ku, Tokyo)

Taiwan Kumagai Co., Ltd. (Taiwan)

(9) Status of Employees

(i) Status of Employees of Group

Number of employees	Changes from end of previous consolidated fiscal year
4,507 people	△29 people

(Note) The number of employees is the number of persons actually working for the Company and group companies.

(ii) Status of Employees of Company

Number of employees	Changes from end of previous fiscal year	Average age	Average number of years of employment
2,740 people	+31 people	44.1 years old	18.6 years

(Note) The number of employees is the number of persons actually working for the Company.

(10) Principal Lenders

Lenders	Borrowed amount
	(JPY million)
Sumitomo Mitsui Banking Corporation	10,550
Sumitomo Mitsui Trust Bank, Limited	5,575
The Gunma Bank, Ltd.	3,230
THE HOKURIKU BANK, LTD.	3,076
MUFG Bank, Ltd.	3,025

(11) Other Significant Matters Concerning Current Status of Group

Not applicable.

2. Matters Regarding Shares of Company

(1) Total Number of Shares Authorized to be Issued

285,600,000 shares

(Note) As the Company conducted a stock split for its common stock at a four-for-one ratio as of October 1, 2025, the total number of shares authorized to be issued increased by 214,200,000 shares in comparison with the previous fiscal year.

(2) Total Number of Shares Issued

173,142,240 shares (including 2,218,412 shares as treasury shares)

(Note) As the Company conducted a stock split for its common stock at a four-for-one ratio as of October 1, 2025, the total number of shares issued increased by 129,856,680 shares in comparison with the previous fiscal year.

(3) Number of Shareholders

37,600 (an increase by 7,656 shareholders, compared to the end of the previous fiscal year)

(4) Principal Shareholders (Top 10 Shareholders)

Name of shareholders	Number of shares held (thousands)	Percentage of shares held (%)
Sumitomo Forestry Co., Ltd.	25,971	15.19
The Master Trust Bank of Japan, Ltd. (Trust Account)	17,322	10.13
STATE STREET BANK AND TRUST COMPANY 505001	13,822	8.09
Custody Bank of Japan, Ltd. (Trust Account)	13,773	8.06
Kumagai Gumi Business Partner Shareholding Association	9,749	5.70
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	4,440	2.60
STATE STREET BANK AND TRUST COMPANY 505103	3,633	2.13
BNP PARIBAS LONDON BRANCH FOR PRIME BROKERAGE CLEARANCE ACC FOR THIRD PARTY	3,293	1.93
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	3,139	1.84
JPMSPLC CLIENT ASSETS CL JPY	2,333	1.37

(Note) The “percentages of shares held” are calculated by excluding the treasury shares.

(5) Status of Shares Granted to Directors, etc. of Company (Including Those who were Directors, etc. of Company) During this Fiscal Year as Consideration for Performance of Duty

Classification of Directors, etc.	Number of shares	Number of grantees
Directors (excluding Audit & Supervisory Committee Members and Outside Directors)	(15,039 shares) 12,449 shares	6 persons

(Note) The number of shares granted under the stock compensation plan using the trust is as stated above. The overview of such stock compensation plan is as described in 4. Matters Regarding Directors, etc. of Company. Under the stock compensation plan, a portion of the shares to which the eligible persons were entitled was granted were sold and converted in cash in the trust, and such cash was granted in lieu of such shares. The number of shares to which the eligible persons were entitled is shown in parentheses.

3. Matters Regarding Stock Acquisition Rights, etc. of Company

Not applicable.

4. Matters Regarding Directors, etc. of Company

(1) Name, etc. of Directors

Title	Name	Role in Company and Status of Major Concurrent Offices
President (Representative Director)	Shin Ueda	
Director (Representative Director)	Koji Okaichi	In charge of Technology, In charge of Safety, In charge of Quality and Environment, In charge of New Business, In charge of International Business, In charge of Promotion of Collaboration with Sumitomo Forestry Co., Ltd.
Director	Hiroyasu Yaguchi	General Manager of the Administration Division, In charge of Compliance, In charge of Crisis Management
Director	Tetsuo Ono	General Manager of the Civil Engineering Management Division
Director	Taiji Ito	General Manager of the Architectural Management Division
Director	Tatsuru Satoh	Senior Advisor of Sumitomo Forestry Co., Ltd.
Director	Shigeru Okada	
Director	Kimie Sakuragi	Adjunct Professor of the University of Aizu Graduate School, Outside Director of Isuzu Motors Limited (Audit and Supervisory Committee Member)
Director	Masaya Nara	Partner at Torikai Law Office, Outside Auditor of RISO KAGAKU CORPORATION
○ Director (Full-Time Audit & Supervisory Committee Member)	Masahiro Kawanowa	
○ Director (Audit & Supervisory Committee Member)	Akio Yamada	Yamada Akio Public Accounting Firm, Outside Company Auditor of NITTAN Corporation, Auditor of Pfizer Health Research Foundation, Outside Audit & Supervisory Board Member of Rakuten Insurance Holdings Co., Ltd., Outside Audit & Supervisory Board Member of UCHIDA YOKO CO., LTD.

○ Director (Audit & Supervisory Committee Member)	Miho Ueda	Partner at Sunrise Law Office, Outside Director of REGAL CORPORATION, Outside Audit & Supervisory Board Member of GECOSS CORPORATION
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- (Notes)
1. Mr. Shigeru Okada, Ms. Kimie Sakuragi, and Mr. Masaya Nara, Directors, are all Outside Directors.
 2. Mr. Akio Yamada and Ms. Miho Ueda, Directors (Audit & Supervisory Committee Members), are both Outside Directors (Audit & Supervisory Committee Members).
 3. Mr. Shigeru Okada, Ms. Kimie Sakuragi, and Mr. Masaya Nara, Directors, and Mr. Akio Yamada and Ms. Miho Ueda, Directors (Audit & Supervisory Committee Members), are registered as independent officers who are not likely to have any conflict of interests with the general shareholders pursuant to the rules of the Tokyo Stock Exchange.
 4. The Directors with a circle (○) were newly appointed as Directors at the 88th ordinary general meeting of shareholders held on June 27, 2025.
 5. Mr. Masahiro Kawanowa has been appointed as a Full-Time Audit & Supervisory Committee Member to enhance the effectiveness of audits and strengthen the audit and supervisory functions through day-to-day information gathering, attendance at important internal meetings, and sufficient coordination with the internal audit department and other relevant functions.
 6. Mr. Masahiro Kawanowa, Director (Full-Time Audit & Supervisory Committee Member), has experience as the General Manager of the Finance Department of the Company and has considerable knowledge concerning finance and accounting.
 7. Mr. Akio Yamada, Director (Audit & Supervisory Committee Member), is qualified as a certified public accountant and has considerable knowledge concerning finance and accounting.
 8. The Directors who retired during this fiscal year:

Chairperson, Director	Yasunori Sakurano	(Retired as of June 27, 2025)
Director	Sakae Yoshida	(Retired as of June 27, 2025)

The Company has introduced the Executive Officer System. The Executive Officers as of March 31, 2026 are as follows:

* Executive President	Shin Ueda	Executive Officer	Tsuyoshi Kinoshita
* Executive Vice President	Koji Okaichi	Executive Officer	Tomohiko Igarashi
* Senior Managing Executive Officer	Hiroyasu Yaguchi	Executive Officer	Yasufumi Kubota
* Senior Managing Executive Officer	Tetsuo Ono	Executive Officer	Hideyuki Sakai
* Senior Managing Executive Officer	Taiji Ito	Executive Officer	Masaharu Yamashita
Senior Managing Executive Officer	Masao Kajiyama	Executive Officer	Hideki Yamasaki
Senior Managing Executive Officer	Takahiko Kashiara	Executive Officer	Tomoo Shimokawa
Managing Executive Officer	Yoshio Hagita	Executive Officer	Hiroshi Takasaki
Managing Executive Officer	Masato Yamashita	Executive Officer	Hajime Iwasaki
Managing Executive Officer	Makoto Wakabayashi	Executive Officer	Shinjiro Omoto
Managing Executive Officer	Yuzuru Hirano	Executive Officer	Naohiro Shimizu
Managing Executive Officer	Hideki Masumori	Executive Officer	Kei Nakamura
Executive Officer	Takeshi Nakayama	Executive Officer	Kiyoshi Ito
Executive Officer	Daisuke Hayashi		

- (Notes) 1. Executive Officers marked with an asterisk (*) are concurrently serving as Directors.
2. Mr. Masao Kajiyama, Senior Managing Executive Officer, retired from his position as Executive Officer as of March 31, 2026.
3. As of April 1, 2026, the titles of the following Executive Officers have changed as follows:
- | | | | |
|-----------------------------------|--------------------|----------------------------|-----------------|
| Senior Managing Executive Officer | Masato Yamashita | Managing Executive Officer | Yasufumi Kubota |
| Managing Executive Officer | Daisuke Hayashi | ○ Executive Officer | Makoto Arai |
| Managing Executive Officer | Tsuyoshi Kinoshita | | |
- (Note) An executive Officer with a circle (○) is a newly appointed Executive Officer.

(2) Summary of Liability Limitation Agreement

The Company has entered into an agreement with each of the Outside Directors (excluding Audit & Supervisory Committee Members), Directors who are Audit & Supervisory Committee Members, and Part-Time Non-Executive Directors which limits the liability for damages set forth in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under said agreement is the amount prescribed in Article 425, Paragraph 1 of the Companies Act.

(3) Outline of Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract set forth in Article 430-3, Paragraph 1 of the Companies Act with an insurance company for an insurance period of one (1) year, and the Company renews such contract every September. Outline of the content of such insurance contract is as follows:

- (i) Scope of the insured
Directors (including Audit & Supervisory Committee Members), Audit & Supervisory Board Members, and Executive Officers of the Company and its subsidiaries
- (ii) Burden of insurance premiums
The Company bears all of the insurance premiums.
- (iii) Outline of insurable contingency subject to coverage
The insured's assumption of the liability for damages in connection with the execution of his/her duties, or the damage occurring in relation to a claim pertaining to the pursuit of such liability (damages, litigation expenses, or other expenses)
- (iv) Measures to ensure that such insurance contract does not impair the appropriateness of execution of duties of the insured Directors, etc. of the Company
Exclusions are provided, such as that the claims for damages arising from the insured's intentional criminal acts, violation of laws and regulations, or any illegally obtained private benefits are not covered.

(4) Compensation, etc. for Directors (including Audit & Supervisory Committee Members) and Audit & Supervisory Board Members relating to this Fiscal Year

- (i) Matters concerning decision-making policy relating to the content of individual compensation, etc. for each Director (excluding Audit & Supervisory Committee Members)

Based on the content of report of the Nomination and Compensation Committee, the Company has resolved, at the Board of Directors meeting, the decision-making policy relating to the content of individual compensation, etc. for each Director. The summary of such resolution is as follows:

1. Basic policy

The basic policy of the compensation for Directors of the Company is to make a compensation system in line with shareholders' interests in order for it to function appropriately as an incentive for sustainable improvement of corporate value, and to set compensation of each Director at an appropriate level based on the responsibilities of each Director. Specifically, the compensation for each Director shall consist of monetary compensation (fixed compensation and bonus) and stock compensation; and in the case of Outside Directors and Part-Time Non-Executive Directors serving supervisory functions, compensation shall be monetary compensation (compensation according to his/her position, which is a part of fixed compensation) only.

2. Policy on determining the content of individual compensation, etc. and the method of calculating the amount or number of such compensation, etc.

(Fixed compensation)

Fixed compensation, which is a monthly monetary compensation, consists of (i) compensation according to position and (ii) compensation corresponding to contribution to the Company's results of operation, and shall be determined by the Board of Directors, within the limits of the total amount of the compensation of all Directors determined at the general meeting of shareholders, taking into account the salary level of employees and the general market quotes, etc., and based on the results of reports of the Nomination and Compensation Committee. With respect to the compensation corresponding to each Director's contribution to the Company's results of operation, each Director's contribution (evaluation) to the Company's plan of the results of operation for the previous fiscal year will be reflected in the standard compensation amount according to the position which is determined by the Board of Directors. The evaluation of each Director shall be determined by the degree of achievement of the results of operation of the entire company and each division and the degree of fulfillment of his/her role, and the degree of achievement of the non-financial targets (ESG evaluation). In addition, the Board of Directors shall delegate the decision on evaluation to the Representative Director and President, and the Representative Director and President shall be subject to consultation of the Nomination

and Compensation Committee with respect to the evaluation results in order to ensure that such delegation is properly performed.

(Bonus)

Bonus, which is a special monetary compensation, shall be paid on certain occasions based on the Company's results of operation, and shall be determined by the Board of Directors, within the limits of the total amount of the compensation of all Directors determined at the general meeting of shareholders, and comprehensively taking into account the results of operation and contribution to such results, etc. of each fiscal year, and based on the results of the report of the Nomination and Compensation Committee.

(Stock compensation)

Stock compensation shall be granted pursuant to a stock compensation plan utilizing a trust service in which points are granted to Directors (excluding Outside Directors and Part-Time Non-Executive Directors) each fiscal year according to position and the total shareholder return (TSR) compared to other companies in the same industry selected separately by the Company, and shares are generally granted at a predetermined time each year; and the standards and procedures for granting shares shall be determined by the stock granting rules established by the Board of Directors. If any of the events of acquisition of the granted shares without consideration, as separately prescribed by the Company, occurs, and the Board of Directors determines by resolution that it is appropriate for the Company to acquire the granted shares without consideration, the Company shall acquire, without consideration, all or part of the shares delivered as stock compensation.

3. Policy on determining the ratio of content of compensation concerning the amount of individual compensation, etc.

The ratio of the content of compensation of Directors (excluding Outside Directors and Part-Time Non-Executive Directors) shall be determined by the Board of Directors based on the results of the report of the Nomination and Compensation Committee in order for such ratio to function properly to incentivize Directors.

The Board of Directors determined that the content of the individual compensation, etc. of each Director for the fiscal year is in accordance with the above decision-making policy, because the content of the individual compensation of each Director is decided by following the procedures stipulated in the above decision-making policy, particularly it being determined based on careful consideration taken by the Nomination and Compensation Committee, of which the Outside Directors account for the majority of members.

- (ii) Matters concerning the resolution at the general meeting of shareholders regarding compensation, etc. for Directors (including Audit & Supervisory Committee Members) and Audit & Supervisory Board Members

■ Details of the resolution at the general meeting of shareholders regarding compensation, etc. on or prior to June 27, 2025

Amount of monetary compensation for Directors

Resolution date	January 24, 2001 (Extraordinary General Meeting of Shareholders)
Summary of resolution	Up to JPY 30 million per month The amount paid as employee salaries to Directors concurrently serving as employees shall not be included.
Number of Directors relating to resolution	Thirteen (13) Directors

Amount and details of stock compensation for Directors

Resolution date	June 27, 2024 (87th Ordinary General Meeting of Shareholders)
Summary of resolution	Introduce a stock compensation plan, where a trust to which the Company makes financial contributions acquires the shares of the Company and, through a trust, the Company issues the Company's shares to Directors based on the number of points allocated by the Company to each Director. Under such plan, maximum amount of funds contributed by the Company to the trust as funds to acquire the necessary shares of the Company to be granted to Directors shall be the amount obtained by multiplying the number of fiscal years included in the applicable period under such system by JPY 75 million; and the upper limit of the total number of points granted to the eligible Directors under such plan shall be 75,000 points for each fiscal year. Eligible Directors shall be granted points according to their individual position and the degree to which they achieve performance targets, etc., and they shall receive one (1) share per point. However, upon delivery of the shares, the Company and each Director shall enter into a transfer restriction agreement setting forth a transfer restriction period and events of acquisition of shares without consideration.
Number of Directors relating to resolution	Six (6) Directors (excluding Outside Directors)

Amount of monetary compensation for Audit & Supervisory Board Members

Resolution date	December 16, 1988 (51st Ordinary General Meeting of Shareholders)
Summary of resolution	Up to JPY 5 million per month
Number of Audit & Supervisory Board Members relating to resolution	Three (3) Audit & Supervisory Board Members

■ Details of the resolution at the general meeting of shareholders regarding compensation, etc. on or after June 27, 2025

Amount of monetary compensation for Directors (excluding Audit & Supervisory Committee Members)

Resolution date	June 27, 2025 (the 88th Ordinary General Meeting of Shareholders)
Summary of resolution	No more than JPY 450 million per year (including no more than JPY 70 million per year for Outside Directors) The amount paid as employee salaries to Directors concurrently serving as employees shall not be included.
Number of Directors relating to resolution	Nine (9) Directors (excluding Audit & Supervisory Committee Members) (including three (3) Outside Directors)

Amount of monetary compensation for Directors who are Audit & Supervisory Committee Members

Resolution date	June 27, 2025 (the 88th Ordinary General Meeting of Shareholders)
Summary of resolution	No more than JPY 75 million per year
Number of Directors relating to resolution	Three (3) Directors who are Audit & Supervisory Committee Members

Amount and details of stock compensation for Directors (excluding Audit & Supervisory Committee Members and Outside Directors)

Resolution date	June 27, 2025 (the 88th Ordinary General Meeting of Shareholders)
Summary of resolution	Introduce a stock compensation plan, where a trust to which the Company makes financial contributions acquires the shares of the Company and, through a trust, the Company issues the Company's shares to Directors based on the number of points allocated by the Company to each Director. Under such plan, maximum amount of funds contributed by the Company to the trust as funds to acquire the necessary shares of the Company to be granted to Directors shall be the amount obtained by

	multiplying the number of fiscal years included in the applicable period under such system by JPY 75 million; and the upper limit of the total number of points granted to the eligible Directors under such plan shall be 75,000 points for each fiscal year. Eligible Directors shall be granted points according to their individual position and the degree to which they achieve performance targets, etc., and they shall receive one (1) share per point; provided, however, that when an event occurs, including any stock split or stock consolidation, such that would be reasonable to adjust the number of the shares of the Company to be delivered, the number of the shares of the Company per point shall be adjusted in accordance with the ratio of such stock split or stock consolidation, etc. However, upon delivery of the shares, the Company and each Director shall enter into a transfer restriction agreement setting forth a transfer restriction period and events of acquisition of shares without consideration.
Number of Directors relating to resolution	Five (5) Directors (excluding Audit & Supervisory Committee Members and Outside Directors)

- (iii) Matters concerning delegation relating to decision on the content of individual compensation, etc. for each Director (excluding Audit & Supervisory Committee Members)

At the Company, pursuant to the resolution of the Board of Directors, Mr. Shin Ueda, Representative Director and President, decides some of the specific content of the compensation for individual Directors, and the detail of such authority is to decide the evaluation of each Director regarding contribution to the Company's results of operation within the fixed compensation. The reason for delegating this authority was because it was judged that Mr. Ueda would be able to evaluate from, a comprehensive view, each Director's degree of achievement of the results of operation of the entire company, each division and the degree of fulfillment of his/her role, and the degree of achievement of the non-financial targets (ESG evaluation), in light of his/her area in charge. In order to ensure that such delegated authority is properly exercised, the decision on evaluation shall be subject to consultation of the Nomination and Compensation Committee, of which the Outside Directors account for the majority of members.

(iv) Total Amount of Compensation, etc. for Directors (including Audit & Supervisory Committee Members) and Audit & Supervisory Board Members

Classification of Directors, etc.	Total amount of compensation (JPY million)	Total amount by type of compensation (JPY million)			Number of eligible persons
		Fixed compensation	Performance-based compensation	Non-monetary compensation, etc.	
Directors (excluding Audit & Supervisory Committee Members) (of which Outside Directors)	246 (35)	177 (35)	50 (-)	19 (-)	11 (4)
Directors (Audit & Supervisory Committee Members) (of which Outside Directors)	29 (16)	29 (16)	- (-)	- (-)	3 (2)
Audit & Supervisory Board Members (of which Outside Audit & Supervisory Board Members)	9 (5)	9 (5)	- (-)	- (-)	3 (2)

(Notes) 1. The amounts paid to Audit & Supervisory Board Members are for the period prior to the Company's transition to a company with Audit & Supervisory Committee, while the amounts paid to Directors (Audit & Supervisory Committee Members) are for the period after such transition.

2. The provision for share awards for this fiscal year under the stock compensation plan utilizing a trust service is stated as non-monetary compensation, etc. The content of such stock compensation plan is as described in "(ii) Matters concerning the resolution at the general meeting of shareholders regarding compensation, etc. for Directors (including Audit & Supervisory Committee Members) and Audit & Supervisory Board Members" on pages 44 to 46. Furthermore, the Company granted shares to Directors (including those who were Directors) during this fiscal year under such stock compensation plan, and the status of the grant of such shares is as described in "2. Matters Regarding Shares of Company (5)" on page 37.

3. Fixed compensation, which is a monthly monetary compensation, consists of (i) compensation according to position (fixed amount) and (ii) compensation corresponding to contribution to the Company's results of operation (portion reflecting the contribution to the Company's results of operation). The fixed amount is shown in the "Fixed compensation" column, and the portion reflecting the contribution to the Company's results of operation is shown in the "Performance-based compensation" column. The standard compensation ratio of the fixed amount and the portion reflecting the contribution to the Company's results of operation is approximately 70%:30% (only the fixed amount is paid for Outside Directors and Part-Time Non-Executive Directors).

4. The portion reflecting the contribution to the Company's results of operation in the "Performance-based compensation" column is granted after being adjusted within a range of 0% to a maximum of 200% based on the performance contribution in the previous fiscal year. The list below shows the details of evaluation and the indicators used for the portion reflecting the contribution to the Company's results of operation. The evaluation indicators are set in line with the target values set forth in the Company's Mid-term Management Plan.

(a) Evaluation of Directors, etc.

* The weighting for each degree of achievement is set according to the assigned duties.

* The indicators used in this fiscal year for the degree of achievement of the results of operation (entire company and each division) are as set out in the Consolidated Statement of Income and the Nonconsolidated Statement of Income for the previous fiscal year.

- Degree of achievement of the results of operation (entire company): Consolidated ordinary profit

- Degree of achievement of the results of operation (each division): Operating profit by division (including performance of major subsidiaries)
- Degree of fulfillment of assigned role (qualitative evaluation for each individual)

(b) ESG evaluation

* Evaluation on initiatives undertaken during the plan period toward the target values regarding the non-financial targets below set forth in the Mid-term Management Plan

Non-financial Targets:

- (i) Actions to reduce CO2 emissions (Scope 1+2/Scope 3 emissions reduction rates)
- (ii) Increasing employee engagement (engagement rating)
- (iii) Improvement of safety management standards (frequency ratio)
- (iv) Establishment of internal and external systems to prevent legal violations (number of cases of serious violations of law and regulations)

(Reference)

Illustrative compensation structure for Directors (excluding Audit & Supervisory Committee Members)

Figures in parentheses indicate the standard percentage of each component in total compensation.

Performance not reflected (63%)		Performance reflected (37%)	
Amount of monetary compensation (90%)			Stock compensation (10%)
Compensation according to position (fixed amount) (63%)	Portion reflecting the contribution to the Company's results of operation (27%)		RS trusts (10%) (Performance-based in accordance with TSR)
	Amount according to evaluation of Directors, etc. (22%)	Amount according to ESG evaluation (5%)	

* Bonus payments are examined only when performance considerably exceeds the planned targets.

* Outside Directors and Part-Time Non-Executive Directors both serving supervisory functions receive only monetary compensation (compensation according to position (fixed amount), which is a part of fixed compensation).

(5) Matters Regarding Outside Officers

Mr. Shigeru Okada, Ms. Kimie Sakuragi, Mr. Masaya Nara, Mr. Akio Yamada, and Ms. Miho Ueda, Directors, are all Outside Directors.

(i) The Company's Relationship with Organization, etc. Where Outside Officers Hold Material Concurrent Office

Ms. Sakuragi, Director, is an Adjunct Professor of the University of Aizu Graduate School and an Outside Director of Isuzu Motors Limited (Audit and Supervisory Committee Member). The Company has no material relationships with the companies where Ms. Sakuragi holds concurrent offices.

Mr. Nara, Director, is a Partner at Torikai Law Office and an Outside Auditor of RISO KAGAKU CORPORATION. The Company has no material relationships with the organizations where Mr. Nara holds concurrent offices.

Mr. Yamada, Director, is a certified public accountant of Yamada Akio Public Accounting Firm, an Outside Company Auditor of NITTAN Corporation, an Auditor of Pfizer Health Research Foundation, an Outside Audit & Supervisory Board Member of Rakuten Insurance Holdings Co., Ltd. and an Outside Audit & Supervisory Board Member of UCHIDA YOKO CO., LTD. The Company has no material relationships with the organizations where Mr. Yamada holds concurrent offices.

Ms. Ueda, Director, is a Partner at Sunrise Law Office, an Outside Director of REGAL CORPORATION, and an Outside Audit & Supervisory Board Member of GECOSS CORPORATION. The Company has no material relationships with the organizations where Ms. Ueda holds concurrent offices.

(ii) Status of Principal Activities

Mr. Okada, Director, has attended all eighteen (18) meetings of the Board of Directors held during this fiscal year, and has spoken, as necessary, mainly based on his abundant experience and extensive knowledge he acquired through management experience as a management personnel member in a different industry. In addition, as a chairman of the Nomination and Compensation Committee, Mr. Okada, Director, has attended and presided over all five (5) meetings of the Committee held during this fiscal year, and supervised the Board of Directors by examining the personnel affairs of Directors and evaluation of each Director from an independent and objective position.

Ms. Sakuragi, Director, has attended all eighteen (18) meetings of the Board of Directors held during this fiscal year, and has spoken, as necessary, mainly based on her abundant experience in the fields of business ethics and compliance, etc. and extensive knowledge she acquired as an outside director in a different industry and in other positions. In addition, as a member of the Nomination and Compensation Committee, Ms. Sakuragi, Director, has attended all five (5) meetings of the Committee held during this fiscal year, and supervised the Board of Directors by examining the personnel affairs of Directors and evaluation of each Director from an independent and objective position.

Mr. Nara, Director, has attended all eighteen (18) meetings of the Board of Directors held during this fiscal year, and has spoken, as necessary, based on his abundant experience from his participation and involvement in management as an officer of the operation planning department of a financial institution and as a full-time audit & supervisory board member, from a professional perspective as an attorney-at-law, and based on the extensive knowledge he acquired as an outside auditor in a different industry and in other positions. In addition, as a member of the Nomination and Compensation Committee, Mr. Nara, Director, has attended all five (5) meetings of the Committee held during this fiscal year,

and supervised the Board of Directors by examining the personnel affairs of Directors and evaluation of each Director from an independent and objective position.

Mr. Yamada, Director, has attended, during this fiscal year, in his capacity as an Audit & Supervisory Board Member, all four (4) meetings of the Board of Directors and all three (3) meetings of the Audit & Supervisory Board held on or prior to June 26, 2025, and, in his capacity as a Director who is an Audit & Supervisory Committee Member, all fourteen (14) meetings of the Board of Directors and all ten (10) meetings of the Audit & Supervisory Committee held on or after June 27, 2025, and has spoken, as necessary, mainly from a professional perspective as a certified public accountant.

Ms. Ueda, Director, has attended, during this fiscal year, in her capacity as an Audit & Supervisory Board Member, all four (4) meetings of the Board of Directors and all three (3) meetings of the Audit & Supervisory Board held on or prior to June 26, 2025, and, in her capacity as a Director who is an Audit & Supervisory Committee Member, all fourteen (14) meetings of the Board of Directors and all ten (10) meetings of the Audit & Supervisory Committee held on or after June 27, 2025, and has spoken, as necessary, mainly from a professional perspective as an attorney-at-law. In addition, given that the Audit & Supervisory Committee is granted the right to express its opinions regarding the nomination and compensation, etc. of Directors (excluding Audit & Supervisory Committee Members) at general meetings of shareholders, Ms. Ueda has attended as an observer all three (3) meetings of the Nomination and Compensation Committee held on or after June 27, 2025, and has fulfilled her supervisory responsibilities in her capacity as an Audit & Supervisory Committee Member.

5. Status of Accounting Auditor

(1) Name of Accounting Auditor

GYOSEI & CO.

(2) Amount of Compensation, etc. of Accounting Auditors for this Fiscal Year

- (i) Amount of Compensation, etc. Relating to Services Set Forth in Article 2, Paragraph 1 of the Certified Public Accountants Act
JPY 62 million
- (ii) Total Amount of Cash or Other Economic Benefits Payable from Company or Its Subsidiaries
JPY 88 million

The Company transitioned from a company with Audit & Supervisory Board to a company with Audit & Supervisory Committee at the 88th Ordinary General Meeting of Shareholders held on June 27, 2025. The amount of compensation, etc. of Accounting Auditors for this fiscal year was determined at the meeting of the Audit & Supervisory Board held on June 3, 2025, prior to the transition, and, the Company has continued to follow the matters determined by the Audit & Supervisory Board after the transition.

- (Notes)
- 1. Based on the “Practical Guidance Concerning Cooperation with Accounting Auditors” released by the Japan Audit & Supervisory Board Members Association, the Audit & Supervisory Board of the Company confirmed the audit hours by audit items, changes in audit compensations as well as the performance status to the audit plans of the prior periods, and as a result of considering the audit hours of this fiscal year and the appropriateness of the compensation amount, it gave the consent prescribed in Article 399, Paragraph 1 of the Companies Act with respect to the compensation, etc. of the Accounting Auditors.
 - 2. The audit contract between the Company and the Accounting Auditor does not separate the compensation for the audit under the Companies Act from the compensation for the audit under the Financial Instruments and Exchange Act. Accordingly, the amount stated in (i) above includes the amount of compensation, etc. for audit under the Financial Instruments and Exchange Act.
 - 3. The Company entrusted to the Accounting Auditor, and remunerated the Accounting Auditor for, preparation of comfort letters, which constituted services other than those under Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).
 - 4. GAEART Co., Ltd., a subsidiary of the Company, entrusted to and remunerated the Accounting Auditor for “agreed-upon procedures” in relation to the use of documents for confirmation of the measures of additional points for companies implementing wage increases in the comprehensive evaluation bidding system; and the said procedures constituted services other than those under Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).
 - 5. Taiwan Kumagai Co., Ltd., a subsidiary of the Company, is audited by a certified public accountant other than the Accounting Auditor of the Company.

(3) Policy for Determination of Dismissal or Non-reappointment of Accounting Auditors

The Audit & Supervisory Board dismisses an Accounting Auditor pursuant to the Rules of the Audit & Supervisory Board and upon the unanimous consent of all Members of the Audit & Supervisory Board in the case where the Company decides that such Accounting Auditor

falls under Article 340, Paragraph 1 of the Companies Act. In such case, the Audit & Supervisory Board Members designated by the Audit & Supervisory Board will explain the dismissal of such Accounting Auditor and the reason for such dismissal at the first general meeting of shareholders after such dismissal. Furthermore, when the Accounting Auditor is determined to pose problem as Accounting Auditor, a proposal of dismissal or non-reappointment will be submitted to the general meeting of shareholders pursuant to the resolution of the Audit & Supervisory Board. The Company transitioned from a company with Audit & Supervisory Board to a company with Audit & Supervisory Committee at the 88th Ordinary General Meeting of Shareholders held on June 27, 2025. The Policy for Determination of Dismissal or Non-reappointment of Accounting Auditors for this fiscal year was determined at the meeting of the Audit & Supervisory Board held on May 14, 2025, prior to the transition, and the Company has continued to follow the matters determined by the Audit & Supervisory Board after the transition.

Consolidated Balance Sheet

(As of March 31, 2026)

ASSETS		LIABILITIES	
CURRENT ASSETS	(JPY million) [337,919]	CURRENT LIABILITIES	(JPY million) [207,740]
Cash and deposits	64,679	Notes payable, accounts payable for construction contracts and other	78,356
Notes receivable, accounts receivable from completed construction contracts and other	240,570	Electronically recorded obligations - operating	30,222
Costs on construction contracts in progress	7,692	Short-term borrowings	11,575
Accounts receivable - other	22,433	Income taxes payable	8,372
Other	2,610	Advances received on construction contracts in progress	18,149
Allowance for doubtful accounts	△67	Deposits received	40,604
NON-CURRENT ASSETS	[110,998]	Provision for warranties for completed construction	574
PROPERTY, PLANT AND EQUIPMENT	(37,260)	Provision for loss on construction contracts	875
Buildings and structures	9,783	Provision for bonuses	4,618
Machinery, vehicles, tools, furniture and fixtures	2,259	Other	14,391
Land	19,470	NON-CURRENT LIABILITIES	[53,310]
Leased assets	258	Bonds payable	8,500
Construction in progress	5,488	Long-term borrowings	29,658
INTANGIBLE ASSETS	(2,012)	Provision for share awards	205
INVESTMENTS AND OTHER ASSETS	(71,726)	Retirement benefit liability	14,056
Investment securities	49,226	Deferred tax liabilities	23
Long-term loans receivable	8,460	Other	867
Long-term non-operating accounts receivable	101	TOTAL LIABILITIES	261,050
Distressed receivables	30	NET ASSETS	
Deferred tax assets	4,024	Shareholders' equity	[175,344]
Other	10,048	Share capital	30,108
Allowance for doubtful accounts	△166	Capital surplus	15,166
		Retained earnings	134,447
		Treasury shares	△4,377
		Accumulated other comprehensive income	[12,521]
		Valuation difference on available-for-sale securities	8,604
		Deferred gains or losses on hedges	70
		Foreign currency translation adjustment	2,646
		Remeasurements of defined benefit plans	1,200
		Non-controlling interests	[0]
		TOTAL NET ASSETS	187,867
TOTAL ASSETS	448,918	TOTAL LIABILITIES AND NET ASSETS	448,918

Consolidated Statement of Income

(From April 1, 2025 to March 31, 2026)

NET SALES	(JPY million)	(JPY million)
Net sales of completed construction contracts		487,698
COST OF SALES		
Cost of sales of completed construction contracts		434,458
GROSS PROFIT		
Gross profit on completed construction contracts		53,239
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		26,147
Operating profit		27,092
NON-OPERATING INCOME		
Interest and dividend income	1,451	
Other	636	2,088
NON-OPERATING EXPENSES		
Interest expenses	998	
Loss on investments in investment partnerships	470	
Loss on sale of receivables	248	
Other	413	2,130
Ordinary profit		27,049
EXTRAORDINARY INCOME		
Gain on sale of investment securities	4,209	
Other	69	4,279
EXTRAORDINARY LOSSES		
Impairment losses	735	
Loss on litigation	429	
Other	230	1,394
Profit before income taxes		29,934
Income taxes – current	9,714	
Income taxes – deferred	153	9,868
Profit		20,066
Loss attributable to non-controlling interests		△2
Profit attributable to owners of parent		20,068

Nonconsolidated Balance Sheet

(As of March 31, 2026)

ASSETS		LIABILITIES	
	(JPY million)		(JPY million)
CURRENT ASSETS	[266,657]	CURRENT LIABILITIES	[172,891]
Cash and deposits	33,861	Electronically recorded obligations - operating	28,003
Notes receivable - trade	112	Accounts payable for construction contracts	50,586
Accounts receivable from completed construction contracts	205,300	Short-term borrowings	17,375
Costs on construction contracts in progress	6,694	Lease liabilities	22
Accounts receivable - other	18,054	Income taxes payable	6,829
Other	2,660	Advances received on construction contracts in progress	16,309
Allowance for doubtful accounts	△26	Deposits received	38,401
NON-CURRENT ASSETS	[98,355]	Provision for warranties for completed construction	543
PROPERTY, PLANT AND EQUIPMENT	(24,055)	Provision for loss on construction contracts	711
Buildings and structures	5,980	Provision for bonuses	2,997
Machinery and vehicles	733	Other	11,110
Tools, furniture and fixtures	462	NON-CURRENT LIABILITIES	[51,488]
Land	16,551	Bonds payable	8,500
Leased assets	102	Long-term borrowings	28,801
Construction in progress	224	Lease liabilities	78
INTANGIBLE ASSETS	(1,898)	Provision for share awards	205
INVESTMENTS AND OTHER ASSETS	(72,401)	Provision for retirement benefits	13,496
Investment securities	14,132	Other	406
Shares of subsidiaries and associates	27,245	TOTAL LIABILITIES	224,379
Investments in other securities of subsidiaries and associates	11,643	NET ASSETS	
Long-term loans receivable	13,139	Shareholders' equity	[132,139]
Long-term prepaid expenses	56	Share capital	30,108
Deferred tax assets	3,403	Capital surplus	15,171
Other	2,782	Legal capital surplus	7,000
Allowance for doubtful accounts	△1	Other capital surplus	8,171
		Retained earnings	91,104
		Legal retained earnings	559
		Other retained earnings	90,544
		Retained earnings brought forward	90,544
		Treasury shares	△4,243
		Valuation and translation adjustments	[8,494]
		Valuation difference on available-for-sale securities	8,494
		Deferred gains or losses on hedges	△0
		TOTAL NET ASSETS	140,633
TOTAL ASSETS	365,013	TOTAL LIABILITIES AND NET ASSETS	365,013

Nonconsolidated Statement of Income

(From April 1, 2025 to March 31, 2026)

NET SALES	(JPY million)	(JPY million)
Net sales of completed construction contracts		373,085
COST OF SALES		
Cost of sales of completed construction contracts		332,772
GROSS PROFIT		
Gross profit on completed construction contracts		40,312
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		<u>20,098</u>
Operating profit		20,214
NON-OPERATING INCOME		
Interest and dividend income	4,164	
Other	<u>394</u>	4,558
NON-OPERATING EXPENSES		
Interest expenses	1,007	
Loss on investments in investment partnerships	470	
Loss on sale of receivables	246	
Other	<u>286</u>	2,011
Ordinary profit		22,762
EXTRAORDINARY INCOME		
Gain on sale of shares of subsidiaries and associates	3,763	
Gain on sale of investment securities	446	
Other	<u>35</u>	4,244
EXTRAORDINARY LOSSES		
Impairment losses	548	
Loss on litigation	429	
Other	<u>149</u>	1,126
Profit before income taxes		25,881
Income taxes – current	7,440	
Income taxes – deferred	<u>303</u>	7,744
Profit		18,136

[Translation]

Accounting Auditor's Audit Report Relating to the Consolidated Financial Statements

Independent Auditor's Audit Report

May 14, 2026

The Board of Directors
Kumagai Gumi Co., Ltd.

GYOSEI & CO.
Tokyo Office
Naoko Enomoto
Certified Public Accountant
Designated Partner
Engagement Partner

Susumu Sugeno
Certified Public Accountant
Designated Partner
Engagement Partner

Audit Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the Consolidated Balance Sheet, the Consolidated Statement of Income, the Consolidated Statements of Changes in Equity and the Notes to the Consolidated Financial Statements of Kumagai Gumi Co., Ltd. (the "Company") applicable to this fiscal year from April 1, 2025 through March 31, 2026.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the group, consisting of the Company and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2026, in conformity with corporate accounting standards generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility in respect of auditing standards is described in "Auditor's Responsibility in Auditing Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries and fulfill other ethical responsibilities as an auditor in accordance with the provisions of professional ethics in Japan (including provisions applicable to audits of financial statements of entities that have a high social impact). We believe that we have

obtained the audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.

Other Statements

Other statements consist of the Business Report and supplementary schedules thereto. The responsibility of management is to prepare and disclose these other statements. The responsibility of the Audit & Supervisory Committee is to oversee the execution of duties by Directors in designing and operating the reporting processes in respect of the other statements.

The other statements are not included in the scope of our audit opinion on the consolidated financial statements, and we do not express an opinion on the other statements.

Our responsibility in respect of auditing the consolidated financial statements is to peruse the other statements and, in the process, examine whether there are any material differences between the contents of the other statements and the consolidated financial statements or the knowledge we acquired in the course of our auditing, and to pay attention to whether there are any indications of material errors in the other statements, other than such material differences.

If we judge that there are material errors in the other statements based on the work performed by us, we are required to report such fact.

There are no matters that we ought to report with respect to the contents of the other statements.

Responsibility of Management and Audit & Supervisory Committee for Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with corporate accounting standards generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management shall evaluate whether it is appropriate to prepare the same on a going concern basis, and if required to disclose matters relating to the going concern in accordance with corporate accounting standards generally accepted in Japan, management shall be responsible for disclosing such matters.

The responsibility of the Audit & Supervisory Committee is to oversee the execution of duties by Directors in designing and operating the financial reporting processes.

Auditor's Responsibility in Auditing Consolidated Financial Statements

The auditor is responsible for providing an independent opinion on the consolidated financial statements in the audit report based on an audit performed by the auditor, upon obtaining reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error. Misstatements can arise from fraud

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making of readers of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, the auditor shall and perform the following upon exercising professional judgment and maintaining professional skepticism throughout the audit:

- Identify and evaluate the risk of material misstatement, whether due to fraud or error. Design and perform audit procedures responsive to such risk of material misstatement. The audit procedures to be selected and applied depend on the auditor's judgment. Furthermore, obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinions;
- The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of entity's internal control, but in making these risk assessments, the auditor considers internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances;
- Evaluate the appropriateness of accounting policies used and their application and the reasonableness of accounting estimates made by management and the adequacy of related notes;
- Make a conclusion on the appropriateness of the preparation of the consolidated financial statements by management on a going concern basis, and based on the audit evidence obtained, on whether any material uncertainty is found in relation to the events or conditions that may cast significant doubt on the ability to continue as a going concern. If the auditor finds material uncertainty regarding a going concern basis, the auditor is required to draw attention to the same in the notes to the consolidated financial statements in the auditor's report, or if such notes to the consolidated financial statements regarding material uncertainty are inappropriate, the auditor is required to render an except-for opinion in respect of the consolidated financial statements. The auditor's conclusion is based on the audit evidence obtained up to the date of the audit report, but future events or conditions may cause the entity to cease to be able to continue as a going concern;
- Evaluate whether the presentation of consolidated financial statements and notes is in accordance with corporate accounting standards generally accepted in Japan, and the presentation, structure and content of the consolidated financial statements, including related notes, and whether the underlying transactions and accounting events are presented fairly in the consolidated financial statements; and
- Plan and perform the audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the entity and its consolidated subsidiaries as a basis for expressing opinions on the consolidated financial statements. The auditor is responsible for the direction, supervision, and review of the audit of the consolidated financial statements. The auditor is solely responsible for the

auditor's opinion.

The auditor reports to the Audit & Supervisory Committee regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control identified during the audit, as well as other matters required by the audit standards.

The auditor reports to the Audit & Supervisory Committee that it has complied with the provisions of professional ethics in Japan regarding independence, and also reports matters that may reasonably be considered to affect the independence of the auditor; and if measures to eliminate impediments have been implemented, or safeguards to mitigate impediments to an acceptable level have been applied, the auditor reports the content of such measures or safeguards.

Conflicts of Interest

We have no interest in the Company or the consolidated subsidiaries which should be disclosed in compliance with the Certified Public Accountants Act.

[End]

[Translation]

Accounting Auditor's Audit Report Relating to the Financial Statements

Independent Auditor's Audit Report

May 14, 2026

The Board of Directors
Kumagai Gumi Co., Ltd.

GYOSEI & CO.
Tokyo Office
Naoko Enomoto
Certified Public Accountant
Designated Partner
Engagement Partner

Susumu Sugeno
Certified Public Accountant
Designated Partner
Engagement Partner

Audit Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying nonconsolidated financial statements, which comprise the Nonconsolidated Balance Sheet, the Nonconsolidated Statement of Income, the Nonconsolidated Statements of Changes in Equity, the Notes to the Nonconsolidated Financial Statements and supplementary schedules thereto (the "Financial Statements, etc.") of Kumagai Gumi Co., Ltd. (the "Company") applicable to the 89th fiscal year from April 1, 2025 through March 31, 2026.

In our opinion, the Financial Statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations for the fiscal year ended March 31, 2026 relating to such Financial Statements, etc., in conformity with corporate accounting standards generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility in respect of auditing standards is described in "Auditor's Responsibility in Auditing Financial Statements, etc." We are independent of the Company and fulfill other ethical responsibilities as an auditor in accordance with the provisions of professional ethics in Japan (including provisions applicable to audits of financial statements of entities that have a high social impact). We believe that we have obtained the audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.

Other Statements

Other statements consist of the Business Report and supplementary schedules thereto. The responsibility of management is to prepare and disclose these other statements. The responsibility of the Audit & Supervisory Committee is to oversee the execution of duties by Directors in designing and operating the reporting processes in respect of the other statements.

The other statements are not included in the scope of our audit opinion on the Financial Statements, etc., and we do not express an opinion on the other statements.

Our responsibility in respect of auditing the Financial Statements, etc. is to peruse the other statements and, in the process, examine whether there are any material differences between the contents of the other statements and the Financial Statements, etc. or the knowledge we acquired in the course of our auditing, and to pay attention to whether there are any indications of material errors in the other statements, other than such material differences.

If we judge that there are material errors in the other statements based on the work performed by us, we are required to report such fact.

There are no matters that we ought to report with respect to the contents of the other statements.

Responsibility of Management and Audit & Supervisory Committee for Financial Statements, etc.

Management is responsible for the preparation and fair presentation of these Financial Statements, etc. in accordance with corporate accounting standards generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the Financial Statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, etc., management shall evaluate whether it is appropriate to prepare the same on a going concern basis, and if required to disclose matters relating to the going concern in accordance with corporate accounting standards generally accepted in Japan, management shall be responsible for disclosing such matters.

The responsibility of the Audit & Supervisory Committee is to oversee the execution of duties by Directors in designing and operating the financial reporting processes.

Auditor's Responsibility in Auditing Financial Statements, etc.

The auditor is responsible for providing an independent opinion on the Financial Statements, etc. in the audit report based on an audit performed by the auditor, upon obtaining reasonable assurance about whether the Financial Statements, etc. as a whole are free from material misstatement, whether due to fraud or error. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making of readers of these Financial Statements, etc.

In accordance with auditing standards generally accepted in Japan, the auditor shall and perform the following upon exercising professional judgment and maintaining professional skepticism throughout the audit:

- Identify and evaluate the risk of material misstatement, whether due to fraud or error. Design and perform audit procedures responsive to such risk of material misstatement. The audit procedures to be selected and applied depend on the auditor's judgment. Furthermore, obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinions;
- The purpose of an audit of the Financial Statements, etc. is not to express an opinion on the effectiveness of entity's internal control, but in making these risk assessments, the auditor considers internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances;
- Evaluate the appropriateness of accounting policies used and their application and the reasonableness of accounting estimates made by management and the adequacy of related notes;
- Make a conclusion on the appropriateness of the preparation of the Financial Statements, etc. by management on a going concern basis, and based on the audit evidence obtained, on whether any material uncertainty is found in relation to the events or conditions that may cast significant doubt on the ability to continue as a going concern. If the auditor finds material uncertainty regarding a going concern basis, the auditor is required to draw attention to the same in the notes to the Financial Statements, etc. in the auditor's report, or if such notes to the Financial Statements, etc. regarding material uncertainty are inappropriate, the auditor is required to render an except-for opinion in respect of the Financial Statements, etc. The auditor's conclusion is based on the audit evidence obtained up to the date of the audit report, but future events or conditions may cause the entity to cease to be able to continue as a going concern; and
- Evaluate whether the presentation of Financial Statements, etc. and notes is in accordance with corporate accounting standards generally accepted in Japan, and the presentation, structure and content of the Financial Statements, etc., including related notes, and whether underlying transactions and accounting events are presented fairly in the Financial Statements, etc.

The auditor reports to the Audit & Supervisory Committee regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control identified during the audit, as well as other matters required by the audit standards.

The auditor reports to the Audit & Supervisory Committee that it has complied with the provisions of professional ethics in Japan regarding independence, and also reports matters that may reasonably be considered to affect the independence of the auditor; and if measures to eliminate impediments have been implemented, or safeguards to mitigate impediments to an acceptable level have been applied, the auditor reports the content of such measures or

safeguards.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

[End]

[Translation]

The Audit & Supervisory Committee's Audit Report

Audit Report

The Audit & Supervisory Committee audited the performance by the Company's Directors of their duties during the 89th fiscal year from April 1, 2025 to March 31, 2026. The auditing method and the audit results are as reported below. The Company transitioned from a company with Audit & Supervisory Board to a company with Audit & Supervisory Committee at the 88th Ordinary General Meeting of Shareholders held on June 27, 2025. The Audit & Supervisory Committee took over the audit work performed by the Audit & Supervisory Board Members (the Audit & Supervisory Board) for the period from April 1, 2025 to the closing of the 88th Ordinary General Meeting of Shareholders on June 27, 2025 prior to the transition, and, after confirming the content thereof, adopted such audit work as part of this audit report for this fiscal year.

1. Auditing Method and Details Thereof

With respect to the content of the resolution of the Board of Directors concerning the matters set forth in Article 399-13, Paragraph 1, Item 1, Sub-items (b) and (c) of the Companies Act and the structure developed based on such resolution (an internal control system), the Audit & Supervisory Committee received periodic reports from the Directors, employees, etc. on the status of construction and operation thereof, and, when necessary, requested explanations regarding such reports and expressed its opinions. Further, the Audit & Supervisory Committee performed audits by the methods described below

- (i) In accordance with the auditing policy and the assigned duties established by the Audit & Supervisory Committee, and in coordination with the Company's internal audit department, the Audit & Supervisory Committee attended the meetings of the Board of Directors and other important meetings, received from the Directors, employees, etc. reports on the matters regarding the performance of their duties, and, when necessary, requested explanations regarding such reports, inspected important authorized documents and associated information, and examined the business and financial position of the Head Office and major offices. Furthermore, as for the subsidiaries of the Company, the Audit & Supervisory Committee has communicated and shared information with the directors and corporate auditors, etc. of the subsidiaries and, when necessary, received reports from the subsidiaries regarding their businesses.
- (ii) The Audit & Supervisory Committee monitored and examined whether the Accounting Auditors maintained their independence and carried out audits in an

appropriate manner. The Audit & Supervisory Committee received from the Accounting Auditors reports on the performance of their duties and, when necessary, requested explanations regarding those reports. The Audit & Supervisory Committee also received notification from the Accounting Auditors that the “Structure to ensure that the duties of the independent auditors are appropriately executed” (as enumerated in each Item of Article 131 of the Company Calculation Regulations) is being developed in accordance with the “Standards for Quality Control of Audits” (Business Accounting Council), etc. When necessary, the Audit & Supervisory Committee requested explanations on such notification.

Based on the foregoing method, for this fiscal year, the Audit & Supervisory Committee reviewed the Business Report and supplementary schedules thereto, nonconsolidated financial statements (the Nonconsolidated Balance Sheet, Nonconsolidated Statement of Income, Nonconsolidated Statements of Changes in Equity and Notes to the Nonconsolidated Financial Statements) and supplementary schedules thereto as well as the consolidated financial statements (the Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statements of Changes in Equity and Notes to the Consolidated Financial Statements).

2. Audit Results

(1) Audit Results on Business Report, etc.

- (i) In our opinion, the Business Report and the supplementary schedules thereto fairly represent the Company’s condition in conformity with the applicable laws and regulations of Japan as well as the Articles of Incorporation of the Company.
- (ii) With regard to the execution of duties by the Directors, we have found no evidence of misconduct or material facts in violation of the applicable laws and regulations of Japan or the Articles of Incorporation of the Company in the course of the execution of duties of the Directors.
- (iii) In our opinion, the content of the resolutions of the Board of Directors regarding the internal control systems is appropriate. We have not found anything to be pointed out on the description regarding the internal control systems set out in the Business Report or on the performance of duties of the Directors.

(2) Results of Audit of Nonconsolidated Financial Statements and Supplementary Schedules thereto

In our opinion, the method and results of the audit employed and rendered by GYOSEI & CO., the Accounting Auditors, are fair and reasonable.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the method and results of the audit employed and rendered by GYOSEI & CO., the Accounting Auditors, are fair and reasonable.

May 14, 2026

Kumagai Gumi Co., Ltd., Audit & Supervisory Committee

Masahiro Kawanowa, Full-time Audit & Supervisory Committee
Member

Akio Yamada, Audit & Supervisory Committee Member

Miho Ueda, Audit & Supervisory Committee Member

(Note) Mr. Akio Yamada and Ms. Miho Ueda, Audit & Supervisory Committee Members, are Outside Directors as prescribed in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

[End of Document]