The share exchange described in this document involves securities of a Japanese company. The share exchange is subject to disclosure requirements of Japan that are different from those of the United States. Financial information included in this document, if any, was excerpted from financial statements prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.
It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws, since the issuer is located in Japan and some or all of its officers and directors reside outside of the United States. You may not be able to sue a Japanese company or its officers or directors in a Japanese court for violations of the U.S. securities laws. It may be difficult to compel a Japanese company and its affiliates to subject themselves to a U.S. court's judgment.
You should be aware that the issuer may purchase securities otherwise than under the share exchange, such as in the open market or through privately negotiated purchases.

Other Matters Subject to Measures for Electronic Provision (Matters Omitted from Documents Delivered in Paper-Based Format) for the Extraordinary General Meeting of Shareholders

The financial statements and other documents of TSUKISHIMA HOLDINGS CO., LTD. for the most recent business year (fiscal year ended March 31, 2026), which constitute part of the matters regarding "Proposal No. 3: Approval of the Share Exchange Agreement" in the Reference Documents for the General Meeting of Shareholders
("4. Matters concerning Tsukishima Holdings" on page 33 of the Notice of Extraordinary General Meeting of Shareholders)

Mitsubishi Kakoki Kaisha, Ltd.

The aforementioned matters are not included in the documents to be delivered to shareholders as per the relevant laws and regulations, and Article 15 of the Company's Articles of Incorporation.
Please be advised that for the Extraordinary Shareholders' Meeting, the Company will send a paper-based document stating the matters subject to measures for electronic provision, excluding the aforementioned matters, to all shareholders, irrespective of whether they have requested delivery of paper-based documents.

1 Matters concerning the current status of the corporate group

1. Business Developments and Achievements

During the current consolidated fiscal year, the market environment surrounding the Group remained uncertain mainly due to increased geopolitical risks such as U.S. tariff policies, the prolonged invasion of Ukraine by Russia, and the outbreak of military conflicts in the Middle East. Domestically, although companies' capital investment activities performed steadily, attention was required regarding the impact of rising prices and exchange rate fluctuations on economic activities.

In such an environment, the Group has pursued the enhancement of corporate value by implementing a Medium-Term Management Plan (April 2023 to March 2027) based on the fundamental policies of "Promotion of Sustainability Management," "Expansion of Business Domains and Strengthening of Group Profitability," and "Improvement of Capital Efficiency and Enhancement of Shareholder Returns," with the aim of sustainable growth. As concrete measures, we have sold tangible fixed assets (logistics facilities), acquired and canceled treasury stock, and disposed of policy-held shares.

The initiatives by business segment are as follows.

In the Water Environment Business, we have undertaken sales activities aimed at capturing the demand for the expansion and renewal of water infrastructure, including water supply and sewage systems, sludge recycling treatment, and biomass utilization facilities—as well as facility maintenance and repair work. In addition, to ensure the stable operation of water infrastructure and contribute to greenhouse gas reduction through new energy initiatives, we have expanded orders for public-private partnership projects such as power generation using Private Finance Initiative (PFI) (*1), Design Build Operate (DBO) (*2), Comprehensive O&M Services (*3), and Feed-in Tariff (FIT) (*4), which integrate facility construction with long-term maintenance.

On the other hand, in the Industrial Business, we have promoted sales activities for industrial infrastructure-related equipment such as plants and standalone machinery for the chemical and life sciences sectors (including cosmetics, food, and pharmaceuticals), as well as secondary battery manufacturing-related equipment that contributes to a sustainable society, along with environment-related equipment for liquid waste and solid waste treatment and waste gas and wastewater treatment.

*1: PFI (Private Finance Initiative)
A mechanism that utilizes private funds, technology, and efficient operational know-how in public services involving facility development

*2: DBO (Design Build Operate) business
A method in which the design (Design), construction (Build), and operation (Operate) of facilities are entrusted entirely to an operating company, while facility ownership and funding are handled by the administration

*3: Comprehensive O&M Services
Comprehensive maintenance services that include not only the operation and management of facilities but also facility repairs and the supply of chemicals, among other provisions

*4: FIT (Feed-in Tariff)
A system (the Feed-in Tariff system) that mandates electric utilities to purchase electricity generated from renewable energy at a fixed price

As a result, the performance of the Group for the current consolidated fiscal year was as follows.

Orders amounted to 154.201 billion yen (a decrease of 15.4% compared to the previous fiscal year). Net sales reached a record high of 148.954 billion yen (an increase of 7.0% compared to the previous fiscal year). Regarding profitability, operating profit was 9.842 billion yen (an increase of 10.4% compared to the previous fiscal year), ordinary profit was 10.987 billion yen (an increase of 7.2% compared to the previous fiscal year), and profit attributable to owners of the parent was 16.910 billion yen (an increase of 153.6% compared to the previous fiscal year), all of which were record highs.

The performance by business segment for the current consolidated fiscal year is as follows.

Percentage of Net Sales：66.2%　　Water Environment Business

The Water Environment Business is comprised of water infrastructure (design and construction of equipment and plants) and the lifecycle business (operation, maintenance, repair work, and service operations).

Regarding the business environment, domestic investments related to water infrastructure have been progressing steadily. In addition, orders for multi-year projects and public-private partnership projects that integrate comprehensive O&M Services with facility construction and long-term maintenance have been increasing. On the other hand, it was necessary to remain mindful of the impact of rising prices and exchange rate fluctuations on economic activity.

Under these circumstances, the Group has promoted sales activities for sludge treatment equipment for sewage treatment plants, wastewater treatment equipment for water treatment plants, and fecal sludge treatment equipment to capture the demand for expansion and renewal of domestic sewage, water supply, and sludge regeneration facilities. In the area of O&M Services, we have conducted sales activities for repair work and comprehensive O&M Services. As a result, we secured orders for a pressurized fluidized incineration system for sewage treatment plants, sludge treatment equipment, and chemical injection equipment for water treatment plants. Furthermore, to strengthen after-sales services such as maintenance, we focused on sales activities for comprehensive O&M Services and repair work to secure order volume. In addition, we advanced proposals for public-private partnership projects that leverage technology development contributing to greenhouse gas reduction and the know-how of private companies.

As a result, orders received for the Water Environment Business during the current consolidated fiscal year amounted to 93.6 billion yen (a 31.6% decrease compared to the previous fiscal year). This significant decline compared to the previous fiscal year is attributed to a transitional period for large-scale projects. However, demand for facility upgrades and expansions has remained steady. Net sales were 98.578 billion yen (a 6.4% increase compared to the previous fiscal year), and operating profit was 5.805 billion yen (a 5.4% decrease compared to the previous fiscal year).

Percentage of Net Sales：33.4%　　Industrial Business

The Industrial Business is comprised of industrial infrastructure (design, manufacturing, and construction of equipment and plants) and environment (design, manufacturing, and construction of environmental conservation equipment, and waste treatment operations).

Regarding the business environment, the outlook remains uncertain due to heightened geopolitical risks such as U.S. tariff policies, Russia's invasion of Ukraine, and emerging military conflicts in the Middle East. Domestically, although an increase in investments in environment-related equipment aimed at greenhouse gas reduction is anticipated, it is necessary to remain mindful of the effects of rising prices and exchange rate fluctuations on economic activity.

Under these circumstances, the Group has engaged in sales activities for standalone equipment—including various plant facilities, crystallization apparatuses, dryers, separators, filters, gas holders, and mixers—both domestically and internationally, to capture the capital investment demand for industrial infrastructure related to the chemical field, as well as for life sciences sectors such as cosmetics, food, and pharmaceuticals, and for secondary battery manufacturing-related equipment that contributes to greenhouse gas reduction. In the environmental field, we have conducted sales activities both domestically and internationally for liquid waste incineration systems, solid waste incineration equipment, and equipment for waste gas and wastewater treatment, along with repair work. Moreover, we have worked to enhance the competitiveness of fine particle manufacturing technology and strengthen after-sales services. As a result of these efforts, we secured orders for environment-related equipment such as liquid waste treatment and solid waste treatment systems, and for standalone equipment such as filters and dryers.

As a result, during the current consolidated fiscal year, the order volume for the Industrial Business amounted to 59.960 billion yen (an increase of 36.5% compared to the previous fiscal year), net sales were 49.735 billion yen (an increase of 10.0% compared to the previous fiscal year), and operating profit was 4.148 billion yen (an increase of 95.5% compared to the previous fiscal year).

Percentage of Net Sales：0.4%　　Other

Other businesses primarily involve real estate management and leasing, most of which pertain to the logistics facility jointly developed with Mitsui Fudosan Co., Ltd. on the site of the former Ichikawa Plant. Furthermore, the aforementioned logistics facility was transferred as of September 1, 2025, in accordance with the "Notice Concerning the Transfer of Fixed Assets (Beneficial Interests in Trust), the Recognition of Special Gains, and the Revision of Earnings Forecasts" issued on August 8, 2025.

The order volume for the current consolidated fiscal year was 640 million yen (a 52.1% decrease compared to the previous fiscal year), net sales were 640 million yen (a 52.1% decrease compared to the previous fiscal year), and operating loss was 137 million yen (compared to an operating profit of 680 million yen in the previous fiscal year).

2. Status of Capital Investments, etc.

The total amount of capital investments and other expenditures implemented during the current consolidated fiscal year was 1.604 billion yen. The main items are as follows. Additionally, during the current consolidated fiscal year, tangible fixed assets (logistics facilities) were sold.

(Tsukishima Holdings Co., Ltd.)

IT-Related Investments	412Million yen

(Tsukishima JFE Aqua Solution Co., Ltd.)

R&D Assets	219Million yen
Office Equipment	119Million yen
Maintenance Equipment	83Million yen

(PRIMIX Corporation)

Production Equipment	81Million yen

3. Status of Financing

For the current consolidated fiscal year, there were no noteworthy items regarding financing. Please refer to "Major Lenders" as detailed in item 11 on page 16 below, for information on the Group's lenders.

4. Trends in the Status of Assets and Profit and Loss

(Millions of yen)

Category	FY2022 161st Term	FY2023 162nd Term	FY2024 163rd Term	FY2025 (Current Consolidated Fiscal Year) 164th Term	Year-on-Year Change Rate
Order Volume	106,045	165,287	182,180	154,201	15.4% Decrease
Net Sales	97,778	124,205	139,235	148,954	7.0% Increase
Operating Profit	5,004	6,765	8,915	9,842	10.4% Increase
Ordinary Profit	5,649	7,810	10,254	10,987	7.2% Increase
Profit Attributable to Owners of Parent	4,214	2,675	6,669	16,910	153.6% Increase
Net Income per Share (Yen)	96.16	62.38	154.97	412.69	166.3% Increase
Total Assets	146,462	208,014	192,248	203,021	5.6% Increase
Net Assets	82,688	105,538	112,054	117,466	4.8% Increase
Net Assets per Share (Yen)	1,892.18	2,040.89	2,159.30	2,482.03	14.9% Increase

(Note) 1. The net income per share is calculated based on the number of shares, determined by subtracting the average number of treasury stock during the period from the average number of issued shares during the period.

2. The net asset value per share is calculated based on the number of shares, determined by subtracting the number of treasury stock at the end of the period from the number of issued shares at the end of the period.

3. The "Accounting Standards for Corporate Tax, Inhabitant Tax, and Enterprise Tax, etc." (Corporate Accounting Standard No. 27, October 28, 2022), etc. have been applied from the beginning of the 163rd term.

5. Issues to be Addressed

The Group has positioned its two core business segments as follows: the Water Environment Business, which primarily targets water supply and sewage as well as sludge recycling and biomass utilization facilities; and the Industrial Business, which focuses on industrial infrastructure equipment related to the chemical and life sciences sectors and environment-related equipment for liquid waste and solid waste treatment and waste gas and wastewater treatment. All other activities are categorized as "Other."

The Group has been enhancing corporate value by implementing a Medium-Term Management Plan (April 2023 to March 2027) based on the fundamental policies of "Promotion of Sustainability Management," "Expansion of Business Domains and Strengthening of Group Profitability," and "Improvement of Capital Efficiency and Enhancement of Shareholder Returns," in pursuit of sustainable growth.

For the fiscal year ending March 31, 2027, we are targeting consolidated net sales of 152.0 billion yen, consolidated operating profit of 11.0 billion yen, and profit attributable to the owners of the parent of 8.5 billion yen.

The outlook for the Group's business environment remains uncertain due to geopolitical risks such as U.S. tariff policies and the prolonged invasion of Ukraine by Russia. Domestically, although corporate capital expenditures have been robust, it is necessary to remain mindful of the impact on economic activities caused by soaring raw material and crude oil prices resulting from military conflicts in the Middle East, as well as the procurement of petroleum-related products and fluctuations in exchange rates and commodity prices.

In the domestic water supply and sewage sector, investments in water infrastructure are expected to remain robust, driven by the need to renew aging facilities; however, in the medium to long term, the business environment is anticipated to become more challenging due to a shrinking market caused by a declining population and intensified competition. As part of efforts to stabilize its business foundation and expand its scale, the Group integrated its domestic water engineering business with JFE Engineering Corporation in October 2023, and in January 2026, it acquired East Japan Engineering Co., Ltd., which operates water and sewage treatment management services, which was subsequently absorbed by Tsukishima & J Technology Maintenance Service CO., LTD. in April 2026. We will continue to pursue measures for sustainable growth.

Regarding private capital expenditures, demand is expected to remain robust in the chemical sector, driven by the shift from generic chemicals to high value-added products and the need for environmental technologies in response to greenhouse gas reduction. Conversely, given concerns that heightened tensions in the Middle East could affect customers' investment decisions, we will closely monitor these developments. The Group has responded to these market changes by continuously strengthening its technological capabilities and developing new products to expand orders for equipment and plants in the fields of chemicals, life sciences, and environment-related sectors. Going forward, we will focus on areas such as lithium-ion secondary batteries, which are expected to experience medium- to long-term demand, and strive to enhance competitiveness and secure orders.

In addition, as a strategic investment to implement business portfolio management, we are undertaking initiatives in DX promotion, M&A, and the materialization of alliances.

(1) Promotion of Sustainability Management

In conjunction with the transition to a holding company structure, the Group has defined its purpose as “Contributing to the World and Creating the Future through Environmental Technology” to clarify its direction and raison d'être. In addition, the Company’s traditional corporate philosophy has been redefined as the Group’s corporate policy, and a new long-term vision, “Contributing to the Creation of a Rich Life and Culture and Realizing a Comfortable and Sustainable Society,” has been established for 2030.

The Group is committed to sustainability management to achieve sustainable business growth together with our stakeholders by addressing various environmental and social issues. Regarding contributions to greenhouse gas reduction through our business activities, we have set the most important key performance indicators (KPIs) to achieve a sales ratio of 20% or more for businesses contributing to a decarbonized (net-zero) society in both the Water Environment Business and Industrial Business segments, and a ratio of 30% or more for research and development expenses contributing to a decarbonized (net-zero) society. In the current consolidated fiscal year, the net sales ratio was 38% for the Water Environment Business and 42% for the Industrial Business, while the research and development expense ratio was 35%. We will continue to address environmental challenges such as climate change and contribute to greenhouse gas reduction through our business activities by promoting the utilization of carbon-neutral resources such as sewage sludge energy and expanding sales of equipment for manufacturing materials used in lithium-ion secondary batteries for electric vehicles and other applications.

Within the Group, the Sustainability Committee, chaired by the President and CEO of Tsukishima Holdings Co., Ltd., along with its four subordinate committees, is engaged in the examination and promotion of various measures related to sustainability management.

The key initiatives for the current consolidated fiscal year are as follows.

1. Continued implementation of management measures based on the employee engagement survey: enhancement of employee benefits, provision of training on diversity & inclusion and career development, execution of Business Continuity Plan (BCP) drills in simulation of a metropolitan earthquake, town hall meetings with management, and acquisition of Kurumin certification, among others.
2. Greenhouse gases: Commissioning of solar power generation equipment at the Yachiyo R&D Center and calculation of Scope 3, among other initiatives.
3. Respect for human rights: Implementation of supplier questionnaires and in-house training based on the Human Rights Handbook.
4. DX: Consideration of a DX education program for employees, among other initiatives.

The Group will continue to work on creating a rewarding work environment and systems, as well as promoting diversity & inclusion.

(2) Expansion of Business Domains and Strengthening of Group Profitability

In the Water Environment Business, in October 2023, we integrated the domestic water engineering business of JFE Engineering Corporation. Amid expectations for renewal demand due to the aging of facilities in the domestic water and sewage sectors, we aim to establish a robust position in the water infrastructure industry and become a leading company by consolidating the management resources and expertise of both companies, enhancing technologies and services, and building a strong business foundation. We are also working to create synergies in energy creation businesses, such as converting sewage sludge into renewable energy and biogas power generation projects, as well as expanding sales of the sludge incinerator "OdySSEA-Turbo™ (OdySSEA Turbo)" that combines the technologies of both companies. Regarding public-private partnership projects, such as PFI and DBO projects and Comprehensive O&M Services, which have seen an increase in the number of projects in recent years, we will strengthen our responsiveness by accumulating know-how and achievements through integration effects. In terms of technology development, we are working on phosphorus recovery technology from sewage and ICT/AI utilization technologies that contribute to building a recycling-oriented society, striving to strengthen our business foundation and competitiveness. As an example of achievements in the current consolidated fiscal year, we have started providing the next-generation comprehensive digital solution "OPTINOA®" for water infrastructure operations, which integrates remote support and AI-based autonomous control.

In the Industrial Business, in the industrial infrastructure sector, Tsukishima Kikai Co., Ltd. is advancing the enhancement of particle production technologies such as crystallization—which are indispensable for manufacturing active materials for cathode materials that affect the performance of lithium-ion secondary batteries—and has received an order for a test unit of its newly developed "ultra-fine particle crystallization system." In addition, orders have been performing well for PRIMIX Corporation's high-speed agitators in the life sciences sector, including cosmetics, food, and pharmaceuticals, and for Tsukishima Kankyo Engineering Ltd.'s liquid waste incineration and solid waste incineration equipment in the environmental sector. Furthermore, we are focusing on strengthening after-sales services in all fields to secure stable orders and reinforce our revenue base.

As a common initiative for both businesses, we have defined high-value-added areas, such as environmental businesses contributing to greenhouse gas reduction and public-private partnership projects with expected growth potential, as "priority areas" and are shifting our business domains accordingly. For the fiscal year ending March 31, 2027, we aim to achieve net sales of 152.0 billion yen and operating profit of 11.0 billion yen. In the Water Environment Business, we strengthened our business foundation by making East Japan Engineering Co., Ltd., which operates in water and sewage treatment management, a subsidiary in January 2026, and subsequently merging it into Tsukishima & J Technology Maintenance Service CO., LTD. in April of the same year. In the Industrial Business, we are promoting the utilization of ammonia-related technologies and expanding orders for ammonia wastewater treatment projects in semiconductor factories. We will continue to engage in the development and utilization of next-generation energy technologies, such as ammonia, to contribute to greenhouse gas reduction. Additionally, by leveraging the Business Strategy Conference to promote discussions on growth strategies across the Group, we aim to achieve sustainable growth.

(3) Improvement of Capital Efficiency and Enhancement of Shareholder Returns

The Group has established Return on Equity (ROE) and Return on Invested Capital (ROIC) as management indicators, promoting corporate value management with a focus on improving capital efficiency and awareness of capital costs. Additionally, based on the capital allocation formulated in the Medium-Term Management Plan, we will allocate the operating cash flow generated, along with proceeds from the sale of policy-held shares, to strategic investments such as digital transformation (DX) and human capital, in addition to regular capital expenditures and shareholder returns. For large-scale investments such as mergers and acquisitions (M&A), we aim to achieve an optimal capital structure by utilizing debt financing as necessary. During the current consolidated fiscal year, we sold tangible fixed assets (logistics facilities) located on the site of the former Ichikawa Plant. Regarding the sale of policy-held shares, we have set a target of 12.0 billion yen or more during the period of this Medium-Term Management Plan, and over the three years of the plan, we have executed sales amounting to 9.290 billion yen. The funds generated from the sale of policy-held shares will be optimally allocated to growth investments such as M&A and shareholder returns to enhance corporate value over the medium to long term.

With respect to shareholder returns, we have revised our policy as described in “Policy on the Determination of Distribution of Retained Earnings, etc.” in item 6, on page 9 below.

The Company is also engaged in the flexible acquisition of treasury stock. On August 8, 2025, the Company resolved to acquire treasury stock up to 12.0 billion yen (acquisition period: August 12, 2025, to August 10, 2026) and executed the acquisition up to the maximum amount (approximately 3.9 million shares) by October 3 of the same year. Furthermore, on December 5 of the same year, the Company also canceled 4 million shares of treasury stock.

Going forward, we will strive for sustainable growth and enhanced corporate value by further strengthening our profitability and expanding shareholder returns.

6. Policy on the Determination of Distribution of Retained Earnings, etc.

The Company's basic policy on profit distribution is to strive for stable dividends by reinforcing its financial structure and management base and comprehensively considering each fiscal period's performance, new investments, consolidated dividend payout ratio, and other factors.

During the Medium-Term Management Plan period from April 2023 to March 2027, the Company plans to implement investments and shareholder returns aimed at enhancing corporate value. These initiatives will be funded by operating cash flow and proceeds from the sale of assets such as investment securities and real estate, based on the formulated capital allocation strategy.

In our Medium-Term Management Plan, we initially set targets of a total payout ratio of 50% or more and a dividend payout ratio of 40% or more. However, starting with the fiscal year ended March 31, 2026, we have added dividend on equity ratio (DOE) as a new target to more clearly demonstrate our commitment to stable dividends. The revised shareholder return policy states that the level of stable dividends will be set with a minimum DOE of 3.5% and a total payout ratio of 50% or more.

Regarding the flexible acquisition of treasury stock, as stated in the aforementioned "Improvement of Capital Efficiency and Expansion of Shareholder Returns" in item 5.(3) on page 8 above, we will continue to strive for stable dividend payments while flexibly acquiring treasury stock.

The Company has established a system that allows for the distribution of surplus, acquisition of treasury stock, and other actions to be executed by resolution of the Board of Directors in addition to the General Meeting of Shareholders, in order to implement a flexible dividend and capital policy. Regarding the year-end dividend for the current fiscal year, the Board of Directors resolved on May 12, 2026, to set the year-end dividend at 43 yen per share. Consequently, the total dividend for the current fiscal year, including the interim dividend (which includes a commemorative dividend of 2 yen for the 120th anniversary of the Company's founding), amounts to 85 yen per share. For the annual dividend for the fiscal year ending March 31, 2027, the Company plans to distribute 88 yen per share, with an interim dividend of 44 yen and a year-end dividend of 44 yen.

7. Status of Significant Parent and Subsidiary Companies

(1) Status of the Parent Company

Not applicable.

(2) Status of Significant Subsidiaries (as of March 31, 2026)

Company Name	Capital	Voting Rights Ratio	Main Business Activities
Tsukishima JFE Aqua Solution Co., Ltd.	5,000 million yen	60.0%	Design, procurement and construction, and manufacturing and sales of water supply and sewage facilities; and design, procurement, construction and repair of sludge regeneration and biomass utilization facilities
Tsukishima Kikai Co., Ltd.	450 million yen	100.0%	Design, manufacturing, installation, sales, and maintenance of various industrial equipment, as well as design and construction of plant construction projects
Tsukishima Kankyo Engineering Ltd.	455 million yen	100.0%	Design, manufacturing, repair, and sales of equipment for environmental improvement and various apparatus and devices for the chemical and general industrial sectors
SANSHIN KOGYO Co., Ltd.	50 million yen	100.0%	Manufacture of pressure vessels, towers and tanks, heat exchangers, steel structures, and general fabricated products; construction of cleaning facilities; and installation works for machinery and equipment, etc.
PRIMIX Corporation	80 million yen	*100.0%	Design, manufacturing, and sales of agitators, emulsifiers, dispersers, and kneaders, etc.
SUN ECO THERMAL Co., Ltd.	91 million yen	100.0%	Intermediate treatment (incineration) of general waste and industrial waste, and solar power generation
BOKELA GmbH	200 thousand euros	100.0%	Design, manufacturing, repair, and sales of various filtration machines
TSK Engineering (Thailand) Co., Ltd.	20,000 thousand baht	49.0%	Design, procurement, fabrication/installation, and maintenance of plant construction projects for the chemical, resin, and food industries, etc.
Tsukishima Business Support Co., Ltd.	10 million yen	100.0%	Printing and bookbinding of large-scale blueprints and various documents, and management and leasing of office buildings and parking lots

Company Name	Capital	Voting Rights Ratio	Main Business Activities
Tsukishima & J Technology Maintenance Service CO., LTD.	180 million yen	*60.0%	Operation, maintenance, and repair works of water supply and sewage treatment facilities; sale of industrial chemicals; and sale of equipment and accessories related to environmental facilities
Tsukishima & J Aqua Machine and Service Co., Ltd.	30 million yen	*60.0%	Manufacturing, sales, and repair of water supply treatment equipment
Samukawa Water Service Co., Ltd.	50 million yen	*33.0%	Maintenance and management of the wastewater treatment and concentration facilities at the Samukawa Water Treatment Plant, and recycling of water treatment residuals
Owari Water & Energy Co., Ltd.	50 million yen	*36.0%	Development, operation, and maintenance of wastewater treatment and constant power generation facilities, as well as effective utilization of water treatment residuals, at two water treatment plants including the Inuyama Water Treatment Plant
Biocoal Kyoto Toba Co., Ltd.	20 million yen	*60.0%	Operation and maintenance of the Sewage Sludge Solid Fuel Conversion facility at the Toba Water Environment Conservation Center, and effective utilization of sewage sludge solid fuel
Yokohama Nishiya Water Service Co., Ltd.	50 million yen	*48.0%	Development, operation, and maintenance of the Nishiya Water Treatment Plant's wastewater treatment facilities, and effective utilization of water treatment residuals
Ichihara BioCycle Co., Ltd.	65 million yen	*48.0%	Operation and maintenance of the Sewage Sludge Solid Fuel Conversion facility at the Matsugashima Terminal Treatment Plant, and effective utilization of sewage sludge solid fuel
Oyama Energy Cycle Co., Ltd.	50 million yen	*48.0%	Operation and maintenance of sludge treatment, solid fuel production, and digestion gas power generation facilities at the Oyama Water Treatment Center, and effective utilization of sewage sludge solid fuel
bay eggs Co., Ltd.	30 million yen	*42.0%	Development, operation, and maintenance of digestion gas power generation facilities at the Yokohama North Sludge Resource Center
Yokohama Bay Link Co., Ltd.	100 million yen	*30.6%	Development, operation, and maintenance of fuel production, incineration, and improved soil facilities at the North Sludge Resource Center, and effective utilization of sewage sludge fuel and improved soil
HAKONESUIDOU PARTNER'S Co., Ltd.	50 million yen	*30.0%	Management, repair, and renewal of water purification facilities, distribution ponds, and piping in the Hakone area; water supply from intake to taps; and fee collection

Company Name	Capital	Voting Rights Ratio	Main Business Activities
Toyohashi Biowill Co., Ltd.	100 million yen	*36.0%	Development, operation, and maintenance of a composite biomass energy facility using sewage sludge, night soil, septic tank sludge, and food waste as raw materials at the Nakajima Treatment Plant
Nagaoka BioCube Co., Ltd.	30 million yen	*45.6%	Development, operation, and maintenance of a biomass energy facility using food waste as raw material
AquaPex Oyama Co., Ltd.	50 million yen	*48.0%	Development, operation, and maintenance of a night soil treatment facility at the Oyama Wide-Area Clean Center
AquaPex Sakai Co., Ltd.	20 million yen	*60.0%	Development, operation, and maintenance of a night soil treatment facility at the Sakai Clean Center
Green Cycle Power Iwaki Co., Ltd.	90 million yen	*45.0%	Operation and maintenance of sludge treatment and solid fuel production facilities, effective utilization of sewage sludge solid fuel, and digestion gas power generation business at the Iwaki City Central Purification Center and other facilities
Tsubame-Yahiko Water Service Co., Ltd.	50 million yen	*40.2%	Operation and maintenance of the Tsubame City and Yahiko Village Integrated Water Purification Plant and other facilities

Notes: 1. The voting rights ratios marked with an asterisk have been calculated including the voting rights held by subsidiaries. In addition, the voting rights ratios of each subsidiary belonging to the Water Environment Business are presented based on the Company's investment ratio in Tsukishima JFE Aqua Solution Co., Ltd. (60%).

2. There are no subsidiaries that qualify as designated wholly-owned subsidiaries.
3. With regard to TSK Engineering (Thailand) Co., Ltd., although the Company's voting rights ratio is 50% or less, we effectively control the company; therefore, it is treated as a subsidiary.
4. TSK Engineering (China) Co., Ltd., which was a consolidated subsidiary in the previous fiscal year, completed its liquidation in November 2025 and has therefore been excluded from the consolidated subsidiaries.
5. From the current consolidated fiscal year, due to its increased significance, Tsubame-Yahiko Water Service Co., Ltd. has been included within the scope of consolidation.
6. As of the end of March 2026, both Samukawa Water Service Co., Ltd. and AquaPex Sakai Co., Ltd. have ceased operations.

8. Main Business Activities

(as of March 31, 2026)

The Group, comprising the Company, 41 subsidiaries, and 15 associates, is primarily organized into two business segments: the Water Environment Business, which focuses on markets including water supply and sewage, as well as sludge recycling treatment and biomass utilization equipment; and the Industrial Business, which primarily targets industrial infrastructure equipment related to the chemical and life sciences sectors and environment-related equipment for liquid waste and solid waste treatment and waste gas and wastewater treatment. Other businesses are classified under "Other." The main business activities are as follows.

Business Segment	Main Business Activities
Water Environment Business	1) Design and construction of water purification plants, sewage treatment plants, sludge recycling treatment, and biomass utilization plants 2) Design and sales of various standalone equipment such as dewatering machines, dryers, and incinerators used in the aforementioned plants 3) Public-private partnership projects related to the aforementioned plants, including PFI, DBO, digestion gas power generation at sewage treatment plants, and related service operations 4) Operation, maintenance, and repair of the aforementioned plants and equipment, as well as associated tasks
Industrial Business	1) Design, construction, and repair of plants for the chemical field, secondary battery manufacturing facilities, and liquid waste/solid waste treatment 2) Design, manufacturing, and sales of various standalone equipment such as crystallizers, filters, centrifuges, dryers, gas holders, acid recovery devices, and agitators used in the aforementioned plants 3) General and industrial waste treatment business
Other	1) Management and leasing of office buildings, parking lots, and other real estate 2) Printing and bookbinding of large-scale drawings and various documents

9. Main Offices and Factories (as of March 31, 2026)

Company Name	Location	Address
Tsukishima Holdings Co., Ltd.	Head Office	Chuo-ku, Tokyo
	R&D Center	Yachiyo, Chiba
Tsukishima JFE Aqua Solution Co., Ltd.	Head Office	Chuo-ku, Tokyo
	Branch Office	Chuo-ku, Tokyo; Chuo-ku, Osaka
	Branches and Sales Offices	Sapporo, Sendai, Chuo-ku (Tokyo), Yokohama, Nagoya, Chuo-ku (Osaka), Hiroshima, Fukuoka, Urasoe
	Technical Base	Kawasaki
	Representative Office	Hanoi (Vietnam)
Tsukishima Kikai Co., Ltd.	Head Office	Chuo-ku, Tokyo
	Factory	Muroran, Hokkaido
	Representative Office	Jakarta (Indonesia), Mumbai (India), Karlsruhe (Germany)
Tsukishima Kankyo Engineering Ltd.	Head Office and Business Sites	Chuo-ku, Tokyo; Kita-ku, Osaka
SANSHIN KOGYO Co., Ltd.	Head Office and Factory	Kawasaki, Kanagawa
PRIMIX Corporation	Head Office and Factory	Awaji, Hyogo
SUN ECO THERMAL Co., Ltd.	Head Office	Kanuma, Tochigi
BOKELA GmbH	Head Office	Karlsruhe (Germany)
TSK Engineering (Thailand) Co., Ltd.	Head Office	Bangkok (Thailand)
Tsukishima Business Support Co., Ltd.	Head Office	Chuo-ku, Tokyo
Tsukishima & J Technology Maintenance Service CO., LTD.	Head Office	Koto-ku, Tokyo
	Branch Office	Koto-ku, Tokyo; Chuo-ku, Osaka
	Branches and Sales Offices	Takikawa, Sendai, Saitama, Chiba, Yokohama, Nagoya, Kyoto, Okayama, Fukuoka
	Factory	Odate, Akita
Tsukishima & J Aqua Machine and Service Co., Ltd.	Head Office and Factory	Kakegawa, Shizuoka
Samukawa Water Service Co., Ltd.	Head Office	Samukawa-machi, Koza-gun, Kanagawa
Owari Water & Energy Co., Ltd.	Head Office	Nagoya, Aichi

Company Name	Location	Address
Biocoal Kyoto Toba Co., Ltd.	Head Office	Kyoto, Kyoto
Yokohama Nishiya Water Service Co., Ltd.	Head Office	Yokohama, Kanagawa
Ichihara BioCycle Co., Ltd.	Head Office	Ichihara, Chiba
Oyama Energy Cycle Co., Ltd.	Head Office	Oyama, Tochigi
bay eggs Co., Ltd.	Head Office	Yokohama, Kanagawa
Yokohama Bay Link Co., Ltd.	Head Office	Yokohama, Kanagawa
HAKONESUIDOU PARTNER'S Co., Ltd.	Head Office	Yokohama, Kanagawa
Toyohashi Biowill Co., Ltd.	Head Office	Toyohashi, Aichi
Nagaoka BioCube Co., Ltd.	Head Office	Nagaoka, Niigata
AquaPex Oyama Co., Ltd.	Head Office	Oyama, Tochigi
AquaPex Sakai Co., Ltd.	Head Office	Sakai, Fukui
Green Cycle Power Iwaki Co., Ltd.	Head Office	Iwaki, Fukushima
Tsubame-Yahiko Water Service Co., Ltd.	Head Office	Tsubame, Niigata

10. Employee Status (as of March 31, 2026)

(1) Status of the Corporate Group

Business Segment	Number of Employees	Change from Previous Period End
Water Environment Business	2,388Persons	Decrease of 155 persons
Industrial Business	866Persons	Increase of 16 persons
Other	8Persons	Increase of 1 person
Company-wide (Common)	105Persons	Decrease of 5 persons
Total	3,367Persons	Decrease of 143 persons

Note: The employee count represents the number of personnel employed.

(2) Status of the Company

Number of Employees	Change from Previous Period-End	Average Age	Average Years of Service
105Persons	Decrease of 5 persons	45.3Years	14.4Years

Note: The employee count represents the number of personnel employed.

11. Major Lenders (as of March 31, 2026)

Borrowing Source	Borrowing Amount
THE HYAKUGO BANK, LTD.	3,340Million yen
Saitama Resona Bank, Limited	2,127Million yen
Mizuho Bank, Ltd.	1,614Million yen
The Bank of Yokohama, Ltd.	1,599Million yen
Toyohashi Shinkin Bank	840Million yen
The Ashikaga Bank, Ltd.	747Million yen

Note: 1. The borrowings outstanding as of the end of the consolidated fiscal year are listed.
2. The Group's borrowings consist mainly of funds for acquisitions, working capital, and capital expenditures, as well as borrowings under project finance for PFI projects.

12. Other Important Matters Related to the Corporate Group

Not applicable.

2 Matters related to the Company's shares

(as of March 31, 2026)

1. Total Number of Authorized Shares 180,000,000Shares

2. Total Number of Issued Shares 40,125,800Shares

3. Number of Shareholders 10,615Persons

Note: Due to the cancellation of treasury stock executed on December 5, 2025, the total number of issued shares decreased by 4,000,000 shares during the current fiscal year.

4. Major Shareholders (Top 10)

Shareholder Name	Number of Shares Held (Thousand Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,887	9.82
Tsukishima Holdings Employee Stock Ownership Association	2,130	5.38
The Japan Steel Works, Ltd.	1,770	4.47
Tokyo Century Corporation	1,757	4.44
Tsukishima Holdings Business Partners' Stock Ownership Association	1,218	3.07
Government of Norway	1,032	2.60
MUFG Bank, Ltd.	944	2.38
Toyo Denki Seizo K.K.	880	2.22
Custody Bank of Japan, Ltd. (Trust Account)	826	2.08
Okamura Corporation	758	1.91

Note: The shareholding ratios have been calculated after deducting 565,610 shares of treasury stock.

5. Status of Shares Issued to Company Officers as Consideration for the Performance of Their Duties during the Current Fiscal Year

The details of the stock-based compensation issued during the current fiscal year are as described in "Disposal of Treasury Stock as Restricted Stock Compensation" in item 6.(1) on page 18 below; the status of issuance to company officers is as follows.

Category	Number of Shares	Number of Recipients
Directors (excluding Outside Directors)	12,252 shares	2 persons

6. Other Important Matters Regarding Shares

(1) Disposal of Treasury Stock as Restricted Stock Compensation

The Company resolved at the Board of Directors meeting held on June 23, 2025, to dispose of treasury stock as restricted stock compensation as specified below, and executed the disposal on July 18, 2025.

(i)	Disposal Date:	July 18, 2025		
(ii)	Type and Number of Shares to be Disposed:	The Company's common stock 57,101 shares		
(iii)	Disposal Price:	2,091 yen per share		
(iv)	Total Disposal Amount:	119 million yen		
(v)	Allottees, Number of Allottees, and Number of Shares Disposed:	Directors of the Company (excluding outside directors)	2 persons	12,252 shares
		The Company's Executive Officers	6 persons	3,297 shares
		Some of the directors of the Company's subsidiaries	25 persons	41,552 shares
(vi)	Transfer Restriction Period:	From July 18, 2025 to July 17, 2055		
(vii)	Other:	For other details of the restricted stock compensation, please refer to "Matters Concerning Non-Monetary Compensation, etc." in item 5.(6) of "4. Matters related to the Company's officers" on page 25 below.		

(2) Termination of the Trust-Based Employee Stock Ownership Incentive Plan

The Company reintroduced the "Trust-Based Employee Stock Ownership Incentive Plan" (hereinafter referred to as "the Incentive Plan") on January 26, 2023, for the purpose of providing the Company's employees with incentives to enhance the Company's medium- to long-term corporate value and expanding employee benefits.

Under the Incentive Plan, the Company established the "Tsukishima Holdings Employee Stock Ownership Trust" (hereinafter referred to as "E-Ship Trust") with a trust bank. The E-Ship Trust pre-acquired an expected number of the Company's shares to be obtained by the "Tsukishima Holdings Employee Stock Ownership Association" (hereinafter referred to as the "Employee Stock Ownership Association") over a period of three years following its establishment, and subsequently sold shares to the Employee Stock Ownership Association on a monthly basis until the trust expired. To facilitate the acquisition of the Company's shares, the E-Ship Trust obtained bank loans secured by the Company's guarantee.

On February 17, 2026, the sale of the Company's shares held by the E-Ship Trust was completed, thereby bringing the Incentive Plan to an end. Consequently, as of the end of the fiscal year, the E-Ship Trust holds no shares of the Company.

(3) Disposal of Treasury Stock as Restricted Stock Incentive for the Employee Stock Ownership Association

The Company resolved at the Board of Directors meeting held on May 9, 2025, to dispose of treasury stock as a restricted stock incentive for the Employee Stock Ownership Association as specified below, and executed the disposal on November 28, 2025.

(i)	Disposal Date:	November 28, 2025
(ii)	Type and Number of Shares to be Disposed:	The Company's common stock 236,300 shares
(iii)	Disposal Price:	2,007 yen per share
(iv)	Total Disposal Amount:	474 million yen
(v)	Disposal Method:	By means of third-party allotment
	(Allottee):	(Employee Stock Ownership Association 236,300 shares)
(vi)	Transfer Restriction Period:	From November 28, 2025 to July 31, 2026

(4) Disposal of Treasury Stock Under the Performance-Based Stock Award Plan for the Company's Group Employees

The Company resolved at the Board of Directors meeting held on August 8, 2025, to dispose of treasury stock under the performance-based stock award plan for the Company's group employees as specified below, and executed the disposal on September 4, 2025.

(i)	Disposal Date:	September 4, 2025		
(ii)	Type and Number of Shares to be Disposed:	The Company's common stock 57,097 shares		
(iii)	Disposal Price:	2,395 yen per share		
(iv)	Total Disposal Amount:	136 million yen		
(v)	Allottees, Number of Allottees, and Number of Shares Disposed:	The Company's employees	13 persons	5,647 shares
		Employees of the Company's group companies	111 persons	51,450 shares

(5) Cancellation of Treasury Stock

At the extraordinary Board of Directors meeting held on November 7, 2025, the Company resolved to cancel treasury stock as specified below pursuant to Article 178 of the Companies Act, and canceled it on December 5, 2025.

(i)	Cancellation Date:	December 5, 2025
(ii)	Type and Number of Shares to be Canceled:	The Company's common stock 4,000,000 shares

3 Matters related to the Company's stock acquisition rights, etc.

Not applicable.

4 Matters related to the Company's officers

1. Names of Directors and Corporate Auditors

(as of March 31, 2026)

Position in the Company	Name	Responsibilities and Significant Concurrent Positions
Representative Director and President (President and Executive Officer)	Jun Kawasaki	
Representative Director and Vice President (Vice President and Executive Officer)	Toru Takano	Chief Financial Officer (CFO)
Director	Yoshiyuki Fukuzawa	Tsukishima Kikai Co., Ltd. Representative Director and President, President and Executive Officer
Director	Keita Takatori	Tsukishima JFE Aqua Solution Co., Ltd. Representative Director and President, President and Executive Officer
Director	Nobuya Masuda	Attorney at Law (Representative, Masuda Law Office)
Director	Naoko Shimura	Attorney at Law (Partner, Nishimura & Asahi (Gaikokuho Kyodo Jigyo)) Part-time Lecturer, Department of Business Law, Graduate School of Law, Hitotsubashi University Outside Director, Nxera Pharma Co., Ltd.
Director	Tatsuya Tanaka	Outside Director, Nippon Light Metal Holdings Co., Ltd. Outside Director (Audit and Supervisory Committee Member), UBE Corporation Outside Director, Asahi Mutual Life Insurance Company
Director	Tokuya Wada	Advisor, Hokkaido Government Advisor, JFE Engineering Corporation Advisor, Matsuda & Partners
Full-Time Corporate Auditor	Takashi Kikkawa	
Full-Time Corporate Auditor	Satoshi Yoshika	
Corporate Auditor	Hiroki Kitagata	

(Notes) 1. Directors Nobuya Masuda, Naoko Shimura, Tatsuya Tanaka, and Tokuya Wada are outside directors.

2. Corporate Auditors Satoshi Yoshika and Hiroki Kitagata are outside corporate auditors.

3. Corporate Auditor Satoshi Yoshika served as the General Manager of the Accounting and Operations Office, General Affairs Department, Sakai Works of Nippon Steel Corporation (currently Nippon Steel Corporation), and Corporate Auditor Hiroki Kitagata is a certified public accountant; accordingly, each of them has considerable expertise in finance and accounting.

4. The three outside directors – Nobuya Masuda, Tatsuya Tanaka, and Tokuya Wada – along with the two outside corporate auditors, Satoshi Yoshika and Hiroki Kitagata, satisfy the requirements of the "Independence Standards for Independent Outside Officers" established by the Company, and are independent officers in accordance with the regulations of the Tokyo Stock Exchange.

5. Director Naoko Shimura has assumed the role of outside director (audit and supervisory committee member) at Enigmo Inc. as of April 27, 2026, following the end of the current fiscal year.

2. Details and Overview of the Limited Liability Agreement

The Company has entered into agreements with each outside director and each corporate auditor to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability under such agreements is the minimum liability amount prescribed by laws and regulations.

3. Matters Relating to the Directors' and Officers' Liability Insurance Contract

(1) Scope of the Insured

Directors, corporate auditors, and executive officers of the Company and its subsidiaries

(2) Overview of the Directors' and Officers' Liability Insurance

The Company has entered into a directors' and officers' liability insurance contract with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act, which covers damages that may arise from the insured assuming liability for the execution of their duties as officers, etc. or receiving claims pursuing such liability. However, there are certain exclusions; for example, damages arising from acts committed by the insured with the knowledge that such acts violate laws and regulations are not covered. The Company bears the entire premium, including the premium for riders, and the insured incur no substantive insurance premium burden.

4. Changes in Directors and Corporate Auditors during the Current Fiscal Year

(1) Appointment

- At the 163rd Annual General Meeting of Shareholders held on June 23, 2025, Tatsuya Tanaka and Tokuya Wada were elected as directors and assumed office.
- At the 163rd Annual General Meeting of Shareholders held on June 23, 2025, Takashi Kikkawa and Hiroki Kitagata were elected as corporate auditors and assumed office.

(2) Retirement

- At the conclusion of the 163rd Annual General Meeting of Shareholders held on June 23, 2025, Directors Kazuhiko Yamada, Michiyoshi Mazuka, and Norio Katsuyama retired upon the expiration of their terms.
- At the conclusion of the 163rd Annual General Meeting of Shareholders held on June 23, 2025, Corporate Auditors Masamichi Ouchi and Hidehiro Tsukano retired upon the expiration of their terms.

5. Amount of Compensation for Directors and Corporate Auditors

(1) Matters Concerning the Policy for Determining Individual Directors' Compensation

The Company has established the determination policy (hereinafter referred to as the "Policy") for individual directors' compensation by way of a Board of Directors resolution, following a review of the draft by the Nomination and Compensation Advisory Committee chaired by an independent outside director.

In summary, the Company's compensation for directors is structured as an incentive system that both considers maintaining a level capable of attracting and retaining talented personnel and aims to enhance business performance and continuously increase corporate value. As a fundamental principle, each director's compensation is determined at an appropriate level reflecting their rank, responsibilities, and contribution to performance. Accordingly, for directors other than outside directors, compensation comprises fixed compensation based on rank, restricted stock compensation, and performance-based compensation determined with reference to the Medium-Term Management Plan and the degree of achievement thereof. For outside directors, who serve a supervisory function, compensation is limited to fixed compensation in light of their duties.

The compensation ratios by type for directors (excluding outside directors) are set based on the compensation levels of companies with a business scale and industry characteristics comparable to that of the Company.

Regarding the determination of individual directors' compensation amounts and their composition ratios, the Board of Directors has delegated this responsibility to the President and CEO within the compensation limits established by the resolution of the General Meeting of Shareholders. In deciding individual compensation amounts, the President and CEO is subject to review by the Nomination and Compensation Advisory Committee to ensure consistency with the Policy and fairness. The Committee examines the amounts of fixed compensation and restricted stock compensation based on rank, the amount of performance-based compensation—indexed to consolidated operating profit and consolidated net income—and the appropriateness of individual evaluations, and then submits its recommendation on the final amount of individual compensation and the composition ratios to the President and CEO, who respects the Committee's recommendation to the maximum extent. The Board of Directors has determined that the content of the final decision is in line with the Policy; in making this determination, the Board of Directors receives a report on the summary of the deliberations from the Committee before deciding on the amount of directors' compensation. In addition, from the perspective of independence, corporate auditors receive only fixed compensation, which is determined through consultation among the corporate auditors in accordance with their respective duties.

(2) Matters Concerning the General Meeting of Shareholders' Resolution on Compensation for Directors and Corporate Auditors

The monetary compensation for the Company's directors was resolved at the 149th Annual General Meeting of Shareholders held on June 29, 2011, to be up to an annual amount of 440 million yen (of which, the annual amount for outside directors is up to 30 million yen, excluding salaries for directors concurrently serving as employees). At the conclusion of this Annual General Meeting of Shareholders, the number of directors was 10 (including 3 outside directors). Furthermore, at the 160th Annual General Meeting of Shareholders held on June 24, 2022, it was resolved to maintain the monetary compensation for directors (including compensation for outside directors) up to an annual amount of 440 million yen, while revising the monetary compensation framework for outside directors from up to an annual amount of 30 million yen to up to an annual amount of 70 million yen. At the conclusion of this Annual General Meeting of Shareholders, the number of directors was 8 (including 3 outside directors).

In addition, separately from the aforementioned compensation, at the 157th Annual General Meeting of Shareholders held on June 25, 2019, the Company resolved to grant stock-based compensation to directors (excluding outside directors) at a limit of no more than 80 million yen per annum (excluding the employee portion for director-employees), with a maximum of 93,000 shares per year. At the close of that meeting, the number of directors (excluding outside directors) was 6.

The monetary compensation for the Company's corporate auditors was resolved to be up to an annual amount of 100 million yen at the 161st Annual General Meeting of Shareholders held on June 27, 2023. At the conclusion of this General Meeting, the number of corporate auditors was 3 (including 3 outside corporate auditors).

(3) Matters Concerning the Delegation of the Determination of Individual Directors' Compensation

For the current fiscal year, the determination of individual directors' compensation has been delegated to President and CEO Jun Kawasaki by the Board of Directors, within the compensation limits established by the resolution of the General Meeting of Shareholders. In determining individual compensation amounts, the President and CEO is subject to review by the Nomination and Compensation Advisory Committee and gives utmost consideration to its recommendations to ensure alignment with the Policy and fairness. This delegation was made because the President and CEO, in his capacity to oversee the entire management of the Company, is deemed best positioned to evaluate the achievement of individual performance targets and the implementation of various measures.

(4) Total Compensation for the Current Fiscal Year

Officer Classification	Total amount of compensation, etc. (million yen)	Total by Type of Compensation (Millions of yen)			Number of Recipients (persons)
		Base Compensation		Stock Compensation	
		Fixed Compensation	Performance-based Compensation		
Directors	267	183	55	28	11
(including Outside Directors)	(56)	(56)	(0)	(0)	(6)
Corporate Auditors	60	60	0	0	5
(including Outside Corporate Auditors)	(42)	(42)	(0)	(0)	(4)
Total	328	244	55	28	16
	(99)	(99)	(0)	(0)	(10)

(Note) The number of recipients includes 3 directors and 2 corporate auditors who retired during the current fiscal year.

(5) Matters Concerning Performance-Based Compensation, etc.

The Company's performance-based compensation is determined by taking into account the performance and its level of achievement relative to the targets set in the Medium-Term Management Plan. Specifically, the compensation is based on the planned values for consolidated operating profit and consolidated net income for the fiscal year, adjusted for the achievement rate of the previous fiscal year's plan and individual performance contributions, and is paid as monthly compensation.

The performance indicators have been modified at the Board of Directors meeting in February 2023, based on the recommendations of the Nomination and Compensation Advisory Committee, to include consolidated net income in addition to the conventional consolidated operating profit. This change was made because, in addition to consolidated operating profit, which indicates the profit level of the Group's core operations, the inclusion of consolidated net income—which is the bottom-line profit and is directly linked to ROE, etc.—is considered to contribute comprehensively to enhancing corporate value.

For trends in consolidated operating profit and consolidated net income, including those for the current fiscal year, please refer to "4. Trends in the Status of Assets and Profit and Loss" in item 4 of "1. Matters Concerning the Current Status of the Corporate Group" on page 4 above.

(6) Matters Concerning Non-Monetary Compensation, etc.

In order to provide incentives to continuously enhance the Company's corporate value and to further share value with our shareholders, the Company provides restricted stock compensation as non-monetary compensation to its directors, excluding outside directors.

Restricted stock compensation is provided annually, at a specified time after the close of the annual general meeting of shareholders, whereby all the monetary compensation claims granted according to rank are contributed as property in kind. The restriction period is a period of 3 to 30 years predetermined by the Company's Board of Directors. Should a director retire from the position of director of the Company before the expiration of the restriction period, except in cases of term completion, death, or other legitimate reasons, the Company will acquire the allocated shares free of charge. Furthermore, if there is a legitimate reason for such retirement, the number of shares for which the restriction is to be lifted and the timing of such lifting will be reasonably adjusted as necessary, and at the time immediately following the lifting of the restriction, the Company will acquire any shares for which the restriction has not been removed, free of charge.

For the status of delivery of the stock compensation, please refer to "Status of Shares Issued to Company Officers as Consideration for the Performance of Their Duties during the Current Fiscal Year" in item 5 of "2 Matters related to the Company's shares" on page 17 above.

6. Matters Concerning Outside Officers

(1) Status of Significant Concurrent Positions and Relationships between the Company and Other Organizations Where Concurrent Positions Are Held

Position	Name	Status of Significant Concurrent Positions
Directors	Nobuya Masuda	Attorney (Representative, Masuda Law Office)
	Naoko Shimura	Attorney (Partner, Nishimura & Asahi (Gaikokuho Kyodo Jigyo)) Part-time Lecturer, Department of Business Law, Graduate School of Law, Hitotsubashi University Outside Director, Nxera Pharma Co., Ltd.
	Tatsuya Tanaka	Outside Director, Nippon Light Metal Holdings Co., Ltd. Outside Director (Audit and Supervisory Committee Member), UBE Corporation Outside Director, Asahi Mutual Life Insurance Company
	Tokuya Wada	Advisor, Hokkaido Government Advisor, JFE Engineering Corporation Advisor, Matsuda & Partners

(Note) There is no special relationship between the Company and any of the organizations where the above concurrent positions are held.

(2) Principal Activities During the Current Fiscal Year

Category	Name	Main Activities
Outside Director	Nobuya Masuda	As an Outside Director, it is expected that he will provide appropriate guidance drawn from his advanced legal knowledge and extensive experience in organizational management. He attended all 13 Board of Directors meetings held during the current fiscal year, offering significant insights into decision-making based on his long-standing experience and expertise in the legal profession over many years, as well as providing useful observations and important advice on the management of the Group. In addition, as a member of the Nomination and Compensation Advisory Committee, he attended the meetings of the Committee held during the current fiscal year and provided objective, impartial opinions on executive appointments and the compensation system.
Outside Director	Naoko Shimura	As an Outside Director, it is expected that she will provide appropriate guidance based on her extensive expertise in corporate legal affairs. She attended all 13 Board of Directors meetings held during the current fiscal year, offering important insights into decision-making with her well-developed experience and knowledge as a corporate lawyer, as well as providing useful observations and important advice on the management of the Group. Furthermore, as a member of the Nomination and Compensation Advisory Committee, she attended the meetings of the Committee held during the current fiscal year and delivered objective, impartial opinions regarding executive appointments and the compensation system.

Category	Name	Main Activities
Outside Director	Tatsuya Tanaka	As an Outside Director, it is expected that he will provide appropriate guidance based on his profound insights into corporate management. Since his appointment as a director on June 23, 2025, he has attended all 9 Board of Directors meetings held, offering significant opinions on decision-making drawn from his extensive experience and knowledge as a corporate executive over many years, as well as providing useful observations and important advice on the management of the Group. In addition, as the Chair of the Nomination and Compensation Advisory Committee, he attended the meetings of the Committee held during the current fiscal year and provided objective, impartial opinions on executive appointments and the compensation system while leading and managing the Committee.
Outside Director	Tokuya Wada	As an Outside Director, it is expected that he will provide appropriate guidance drawing on his deep expertise in environmental policy. Since his appointment as a director on June 23, 2025, he has attended all 9 Board of Directors meetings held, offering important opinions on decision-making based on his knowledge as a leading expert in environmental policy, as well as providing useful observations and important advice on the management of the Group. In addition, as a member of the Nomination and Compensation Advisory Committee, he attended the meetings of the Committee held during the current fiscal year and provided objective, impartial opinions on executive appointments and the compensation system.
Outside Corporate Auditor	Satoshi Yoshika	He attended all 13 Board of Directors meetings and all 11 Board of Corporate Auditors meetings held during the current fiscal year, providing fair audit opinions on business execution and management matters. Drawing on his extensive experience as a long-time business executive and his specialized expertise in finance and accounting, he offered recommendations to ensure the appropriateness of the Group’s decision-making.
Outside Corporate Auditor	Hiroki Kitagata	Since his appointment as a corporate auditor on June 23, 2025, he has attended all 9 Board of Directors meetings and all 9 Board of Corporate Auditors meetings held, providing unbiased audit opinions on business execution and management matters. Moreover, as a certified public accountant, he offered recommendations from a professional perspective to ensure the appropriateness of the Group’s decision-making.

5 Status of Accounting Auditor

1. Name of the Accounting Auditor

Inoue Audit Corporation

2. Amount of Fees, etc., for the Accounting Auditor for the Current Fiscal Year

(1) Fees for Audit Services under Article 2, Paragraph 1 of the Certified Public Accountants Act

34 million yen

(2) Total Amount of Monetary and Other Economic Benefits to be Paid by the Company and its Subsidiaries

55 million yen

(Notes) 1. Since the audit fees for audits conducted under the Companies Act and those under the Financial Instruments and Exchange Act are not clearly segregated and cannot be practically distinguished in the audit agreement between the Company and the accounting auditor, the amount in (1) is stated as a total.

2. Among the Company's significant subsidiaries, some special purpose companies (SPC) and overseas subsidiaries are audited by accounting auditors other than the Company's accounting auditor.

3. The board of corporate auditors, after conducting the necessary verification to determine whether the content of the accounting auditor's audit plan, the execution status of the audit duties, and the basis for fee estimation are appropriate, has given its consent to the accounting auditor's fees, etc.

3. Policy on the Dismissal or Non-reappointment of the Accounting Auditor

The board of corporate auditors may dismiss the accounting auditor, based on the unanimous consent of all corporate auditors, if it determines that the accounting auditor falls under any of the dismissal grounds stipulated in each item of Article 340, Paragraph 1 of the Companies Act. In such a case, the corporate auditor appointed by the board of corporate auditors shall report the dismissal of the accounting auditor and the reasons for the dismissal at the first general meeting of shareholders convened thereafter.

Furthermore, in addition to the aforementioned cases, the board of corporate auditors, taking into account factors such as the audit quality, the effectiveness and efficiency of the audit process, and the continuity of the audit engagement, will decide on the proposal regarding the dismissal or non-reappointment of the accounting auditor to be submitted at the general meeting of shareholders if it determines that the accounting auditor is unsuitable.

(Notes) 1. The figures presented in the business report are shown with values below the unit truncated.

2. The share counts, expressed in thousands, in the business report are displayed after truncating amounts less than one thousand.

Company Structure and Policy

Pursuant to the provisions of the Companies Act on "establishing a system to ensure that the directors' performance of their duties complies with laws and the Articles of Incorporation, and other systems prescribed by Ordinance of the Ministry of Justice for ensuring the proper conduct of business by the Company and the corporate group consisting of the Company and its subsidiaries"—the Board of Directors resolved the basic policy on the development of internal control systems for the Company and its subsidiaries as follows at its meeting held on May 12, 2023.

Basic Policy on the Establishment of Internal Control Systems

The Company will implement the following measures to ensure the proper conduct of business throughout the Company and its subsidiaries.

1. A system to ensure that the execution of duties by the directors, etc., and employees of the Company and its subsidiaries complies with laws and the Articles of Incorporation

(1) In order to ensure that the performance of duties by the directors and employees of the Company and its subsidiaries complies with laws and the Articles of Incorporation, the Company has established the "Tsukishima Holdings Group Purpose" and the "Tsukishima Holdings Group Corporate Policy." Furthermore, the Company has established the "Tsukishima Holdings Group Corporate Code of Conduct – Our Five Commitments" and the "Tsukishima Holdings Group Corporate Conduct Standards," which are to be observed by all officers and employees of the Company and its subsidiaries.

[Tsukishima Holdings Group Purpose]

Contributing to the World and Building a Better Tomorrow with Environmental Technologies

[Tsukishima Holdings Group Corporate Policy]

1. To make contribution to the society, the Company will dedicate to the industry development and environmental protection by making advantage of its leading edge technology.
1. Primarily targeting satisfaction of market demand, the Company will provide best products and services possible to customers.
1. While adhering to originality and vitality-based sustainable development, the Company is proud to be a profitable enterprise that deserves the loyalty of its staff.

[Tsukishima Holdings Group Corporate Code of Conduct – Our Five Commitments]

1. We will continue to be a sound and honest corporate group.
2. We will observe laws and regulations and base our actions on ethics.
3. We will protect the global environment and contribute to our society through our technology and services.
4. We will respect human rights.
5. We will create a safe and rewarding work environment.

(2) The Company stipulates that its Board of Directors shall have full oversight of the execution of directors' duties, and to enable prompt implementation of management decisions based on such oversight, directors responsible for execution shall concurrently serve as executive officers, while outside directors independently provide effective supervision and checks on business execution.

(3) The Company shall deliberate on and approve, or receive reports on and acknowledge, important matters concerning the management of the Company and its subsidiaries at the Management Meeting—comprising directors with executive authority and held weekly in principle—as stipulated in our internal regulations. Additionally, matters submitted to the Board of Directors under the Regulations on Duties and Authority, or those that have a significant impact on the management of the Company or its subsidiaries, shall be deliberated on and approved, or reported to and acknowledged by, the Board of Directors.

(4) The Company and its subsidiaries shall clarify responsibilities and business execution procedures based on job assignments and authority regulations in accordance with decisions made at the Management Meeting and the Board of Directors.

(5) The Company and its subsidiaries shall specify the details in the "Tsukishima Holdings Group Corporate Conduct Standards" and various internal regulations (for example, the Basic Guidelines for Personal Information Protection, Trade Secret Management Regulations, Antimonopoly Compliance Program, and Insider Trading Prevention Regulations) in order to embody the "Tsukishima Holdings Group Corporate Code of Conduct – Our Five Commitments."

(6) To ensure the effectiveness of these regulations, the Company shall establish the "Tsukishima Holdings Group Compliance Committee" with the Representative Director and President serving as Chair. The officer in charge of the Compliance Committee shall be appointed as its Vice Chair to ensure thorough dissemination within the Company and its subsidiaries. Additionally, an Internal Audit Department shall be established and a "Tsukishima Holdings Group Corporate Ethics Hotline" set up to prevent and detect, at an early stage, any actions that do not comply with laws or the Articles of Incorporation. Along with the Company's internal hotline and third-party dedicated reporting center, external lawyers and the Company's full-time corporate auditor shall be designated as recipients for the Hotline.

(7) The Company and its subsidiaries, with the objective of completely severing ties with antisocial forces, shall stipulate within the "Tsukishima Holdings Group Corporate Conduct Standards" the basic stance and guidelines for employee conduct in dealing with such forces. Based on these provisions, they will cooperate with the police and other relevant authorities and respond resolutely to any involvement with antisocial forces.

(8) In order to verify the implementation of the foregoing, the Company's Internal Audit Department shall conduct an internal audit in accordance with the regulations and report the results to the Board of Directors and the Board of Corporate Auditors.

2. System for the Preservation and Management of Information Related to the Execution of Directors' Duties by the Company

(1) The Company, in accordance with the "Document Management Regulations," shall preserve and manage information related to the execution of directors' duties, ensuring that both directors and corporate auditors have continuous access to these documents.

(2) These records are preserved for a minimum of 10 years in either electronic or paper form, with a review of the recording methods as necessary in the future.

3. Regulations and Other Systems for Managing the Risk of Loss for the Company and its Subsidiaries

(1) In order to manage the risk of loss for the Company and its subsidiaries, the Company has established the "Tsukishima Holdings Group Risk Management Regulations." In the event of a crisis, the "Crisis Management Committee"—comprising directors from the Company and its subsidiaries—will oversee crisis management for the subsidiaries. As its standing body, the Crisis Management Committee shall set up a "Crisis Management Committee Secretariat" composed of the General Affairs Department and other related departments to execute necessary crisis management activities. During normal operations, the Compliance Promotion Department shall conduct risk analyses and collect and manage risk-related information, reporting to management as required.

(2) In the event that large-scale disasters or similar incidents occur that materially impact the overall management of the Company and its subsidiaries, the Company will establish a "Response Headquarters" headed by the Representative Director and President, and will institute measures to minimize damages and other impacts.

(3) The Company and its subsidiaries shall specify detailed crisis response measures in various manuals (for example, disaster prevention handbooks, earthquake disaster prevention manuals, and emergency contact manuals) to ensure prompt action in emergencies.

(4) To prevent incidents and accidents related to information security, the Company will establish the "Basic Information Security Policy" and "Information Security Measures Standards" and implement comprehensive information security measures covering both human and IT system aspects. On the human side, employee training and awareness initiatives regarding information security will be promoted, while on the system side, continuous improvements and upgrades will be pursued to keep security measures current, thereby minimizing risks.

4. System to Ensure the Efficient Execution of Duties by the Company's and its Subsidiaries' Directors, etc.

(1) The Company and its subsidiaries shall establish a Medium-Term Management Plan and corresponding annual plans, set specific objectives for each business division and department, and review these objectives monthly to enhance the likelihood of target achievement and ensure operational efficiency.

(2) The Company and its subsidiaries shall clarify the duties and authorities of each position through the Regulations on Duties and Authority, thereby efficiently executing the decisions of the Board of Directors and allocating responsibilities accordingly.

5. System to Ensure the Evaluation and Audit of Internal Controls over Financial Reporting

The Company, in compliance with the "Evaluation of Internal Controls over Financial Reporting by Management and Audit by Certified Public Accountants, etc." mandated under the Financial Instruments and Exchange Act (effective since the fiscal year beginning April 1, 2008), has established an internal control framework for itself and its consolidated subsidiaries. With advice from external experts, the Company assesses and evaluates the status and effectiveness of internal controls at both an enterprise-wide and key business process level in accordance with the Financial Instruments and Exchange Act and related guidelines, rectifies any deficiencies, and prepares an internal control report for audit by an accounting firm.

6. System to Ensure the Proper Conduct of Operations within the Corporate Group Consisting of the Company and its Subsidiaries

(1) The Company and its subsidiaries have established a three-line defense system consisting of business divisions (first line), administrative divisions (second line), and internal audit divisions (third line) to ensure the appropriateness of their operations and to develop governance and risk management systems. Additionally, the Company appoints directors of its subsidiaries as "Compliance Officers" to provide guidance on the "Tsukishima Holdings Group Corporate Conduct Standards" and includes them as members of the "Tsukishima Holdings Group Compliance Committee," thereby establishing a system to ensure the appropriateness of operations within the corporate group.

(2) The Company and its subsidiaries shall set forth a Medium-Term Management Plan, corresponding annual plans, and specific targets to ensure proper operations. The Company will enhance the likelihood of achieving these targets and ensure operational efficiency by reviewing the subsidiaries' performance at the quarterly Group Progress Review Committee.

(3) With respect to the management of its subsidiaries, while respecting their autonomy, the Company shall require regular reporting and seek prior consent for significant matters in accordance with the Tsukishima Holdings Group Company Management Regulations. To monitor and appropriately guide subsidiary activities, the Company will establish a compliance framework centered on the Tsukishima Holdings Group Compliance Committee.

(4) In addition, the Company will dispatch "Directors and Corporate Auditors" to its subsidiaries. Moreover, the Company's internal audit department will conduct internal audits and report the findings to the Board of Directors and the Board of Corporate Auditors.

7. Matters Concerning Employees to Assist the Company's Corporate Auditors When So Requested, and the Independence of Such Employees from Directors

The Company, upon receiving a request from its corporate auditors for assistance, will hold prior consultations between directors and corporate auditors regarding the personnel and the independence of such employees from the directors, and will establish a system for appointing employees to assist the corporate auditors.

8. Matters Concerning the Effectiveness of Instructions to Employees Appointed to Assist the Company's Corporate Auditors

Such employees shall carry out their supporting duties under the direction and orders of the corporate auditors, independent of any orders from the directors.

9. System for Reporting to the Company's Corporate Auditors

(1) The Company shall define the information necessary for the corporate auditors to perform their duties as "matters to be reported by directors and employees" and ensure that such information is provided to the corporate auditors. Furthermore, a system will be established to secure opportunities for corporate auditors to attend important meetings related to business decision-making and to circulate regular reports and key documents to the corporate auditors.

(2) The Company's corporate auditors shall regularly hold opinion exchange meetings with the Company's representative directors and the auditing firm.

(3) The officers and employees of the Company and its subsidiaries shall promptly provide an appropriate report when requested by the Company's corporate auditors regarding business operations.

(4) The Company's internal audit department shall periodically report to the Company's corporate auditors on the status of internal audits conducted by the Company and its subsidiaries. In addition, the Company's compliance promotion department shall periodically report to the Company's corporate auditors on matters such as compliance and internal reporting via the Tsukishima Holdings Group Corporate Ethics Hotline.

10. A System to Ensure That Persons Who Have Reported to the Company's Corporate Auditors Are Not Subject to Any Disadvantageous Treatment Solely on the Basis of Such Reporting

The Company prohibits any disadvantageous treatment based on reporting to the Company's corporate auditors for officers and employees of the Company and its subsidiaries, and makes this policy known to all such personnel.

11. Matters Concerning the Policies for Handling Expenses or Liabilities Arising from the Execution of Duties by the Company's Corporate Auditors

The Company allocates a fixed annual budget to cover expenses incurred by the Company's corporate auditors in the execution of their duties. Furthermore, if the corporate auditors submit a request for advance payment or similar claims

exceeding the fixed budget, such expenses or liabilities shall be promptly processed after due deliberation.

12. Other System to Ensure the Effective Conduct of Audits by the Company's Corporate Auditors

(1) The Company's corporate auditors shall, in the performance of their audit duties, focus on preventing misconduct in advance and emphasize audits related to compliance, risk management, and internal control.

(2) The Company's Board of Corporate Auditors shall appoint outside corporate auditors from among highly experienced directors of other companies, former directors, lawyers, certified public accountants, academics, or other individuals with equivalent qualifications of business activities, in order to check and maintain independence from the Company's Board of Directors.

Overview of the operational status of the internal control system

The Company is committed to the proper implementation of its basic policy for establishing an internal control system. The following is an overview of the operational status for the current fiscal year.

1. Status of Compliance Initiatives

(1) Status of Initiatives concerning Organization and Structure

At the Company and its subsidiaries, a three-line defense system—comprising the business division (first line), the administrative division (second line), and the internal audit department (third line)—has been established and is in operation. In addition, the Tsukishima Holdings Group Compliance Committee, consisting of the Company's Representative Director and President (Chair), the officer in charge of the Compliance Committee (Vice Chair), heads of departments within Tsukishima Holdings (Committee Members), and compliance officers of each subsidiary (Members), monitors the status of compliance operations and implements corrective actions and improvements as necessary to enhance effectiveness. For particularly important subsidiaries, measures such as establishing an internal audit department and appointing a full-time corporate auditor have been taken to strengthen the system. Moreover, an internal reporting system, the "Tsukishima Holdings Group Corporate Ethics Hotline," has been established for use by all officers and employees of the Company and its subsidiaries. This internal reporting system clearly stipulates in its operational regulations that complainants or informants shall not suffer any disadvantage, and, in addition to in-house and dedicated reporting centers, external lawyers and the Company's full-time corporate auditor are appointed as recipients (persons engaged in responding to whistleblowing reports) and bound by confidentiality obligations. "Corporate Ethics Hotline Usage Cards" are also distributed to all personnel to ensure widespread awareness and to help prevent and promptly detect any non-compliant behavior.

(2) Status of Initiatives concerning Regulations and Rules

The Group has defined its social significance as the "Tsukishima Holdings Group Purpose" and positioned it as the highest management philosophy. In addition, the Group's aspirations and desired future are established as the "Tsukishima Holdings Group Corporate Policy." To achieve these, the mode of conduct is defined in the "Tsukishima Holdings Group Corporate Code of Conduct – Our Five Commitments," and the specific guidelines for individual behavior based on these principles are set forth in the "Tsukishima Holdings Group Corporate Conduct Standards."

Furthermore, the Group revises its various regulations as necessary and communicates them to the Company and its subsidiaries while conducting training to promote compliance. In the current fiscal year, in response to heightened awareness of business and human rights principles both domestically and internationally, supplier surveys have been conducted and in-house training based on the "Tsukishima Holdings Group Human Rights Handbook" has been implemented.

(3) Status of Initiatives concerning Education

Every October is designated as Tsukishima Holdings Group Corporate Ethics Month, during which various awareness activities related to compliance are conducted, and e-learning programs are employed to ensure that compliance awareness permeates the organization.

2. Status of Initiatives to Ensure the Appropriateness and Efficient Execution of Directors' Duties

The Company's Board of Directors is composed of 8 directors, including 4 outside directors, and attended by 3 corporate auditors (of whom 2 are outside corporate auditors). During the current fiscal year, the board held 13 meetings, during which directors and corporate auditors actively exchanged views on agenda items to ensure effective decision-making and oversight.

In addition, the effectiveness of the Board of Directors is analyzed and evaluated based on the results of surveys conducted among directors and corporate auditors.

Furthermore, we have established a Medium-Term Management Plan along with an annual plan based on it, and we review and verify the situation on a monthly basis, devising and implementing countermeasures as needed. With respect to decisions made by the Board of Directors, we clearly define the duties and authorities of each position in accordance with the Regulations on Duties and Authority, thereby ensuring their execution in an organized and efficient manner.

3. Status of Initiatives concerning Management of Risk of Loss

With regard to risks that could significantly impact the business operations of the Company and its subsidiaries, we have established the Tsukishima Holdings Group Risk Management Regulations and are addressing these risks primarily through the Crisis Management Committee.

In this fiscal year, we have conducted Business Continuity Plan (BCP) drills based on the revised regulations related to the BCP to enhance our emergency response capabilities.

Following the amendment and entry into force of the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (the Subcontract Act), we have implemented in-house education and training on the Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment (the SME Transactions Act), thereby ensuring fair transactions and strengthening our legal compliance framework.

Furthermore, regarding information security measures, in addition to the conventional dissemination of rules and training, we have initiated the implementation of automated management and monitoring systems to strengthen controls that do not rely on human judgment. Through this initiative, we aim to enhance the effectiveness of our information security measures and ensure the stable operation of our internal control systems.

In addition, as part of our initiatives to respect human rights, we conducted a survey on the status of human rights initiatives among our business partners involved in our operations. This effort aims to identify human rights risks within the supply chain and to ensure the proper operation of our internal control systems.

4. Status of Initiatives to Ensure the Appropriateness of Operations at the Company and its Subsidiaries

By appointing our directors and executive officers to the boards of our subsidiaries, we oversee whether the execution of duties by the directors, etc. of our subsidiaries is carried out in an appropriate and efficient manner.

Regarding the management of our subsidiaries, our Corporate Planning Division and various committees have established and oversee the management system for our subsidiaries. In accordance with the Tsukishima Holdings Group Company Management Regulations, subsidiaries submit prior approval requests and regular reports on significant matters to the relevant department of the Company. In addition, the Company holds a Group Progress Review Committee on a quarterly basis to review the progress of the annual plans derived from the subsidiaries' Medium-Term Management Plans.

Furthermore, our Internal Audit Department conducts internal audits of the Company and its subsidiaries based on the internal audit plan, and reports the results to the Board of Directors and the Board of Corporate Auditors.

5. Status of Initiatives to Ensure the Effective Performance of Corporate Auditors' Duties

The Board of Corporate Auditors, which is composed of three corporate auditors including two full-time corporate auditors, held 11 meetings during the current fiscal year, during which it discussed and resolved audit-related matters. In addition, the necessary expenses for audits have been budgeted. A system is in place under which the Company's Internal Audit Department, serving as the secretariat of the Board of Corporate Auditors, assists the corporate auditors in the execution of their duties.

The corporate auditors regularly exchange views with the Company's Representative Director and President and other directors, as well as with the accounting auditor, and attend important meetings such as the Board of Directors and Management Meeting. They conduct audits of the execution of directors' duties while also reviewing the establishment and operation of the internal control systems.

Furthermore, the Company's Internal Audit Department regularly reports on the status of internal audits at the Company and its subsidiaries to the corporate auditors. Meanwhile, the Company's Compliance Promotion Department also regularly reports to the corporate auditors on matters such as compliance and internal reporting through the "Tsukishima Holdings Group Corporate Ethics Hotline," and at the same time ensures that all officers and employees of the Company and its subsidiaries are made fully aware that they will not be subject to any disadvantageous treatment for having reported to the corporate auditors.

Consolidated Balance Sheet (as of March 31, 2026)

(Millions of yen)

Item	Amount
Assets	
Current assets	131,548
Cash and deposits	30,046
Bills receivable】	61
Electronically recorded monetary claims	3,042
Accounts receivable	42,372
Contract assets	37,398
Securities	10,100
Merchandise and manufactured goods	127
Work in process	3,191
Raw materials and materials	857
Other	4,476
Allowance for doubtful accounts	(127)
Fixed assets	71,473
Tangible fixed assets	32,222
Buildings and structures	11,570
Machinery, equipment and equipment for transportation	11,803
Land	7,125
Leased assets	1,050
Construction in progress	194
Other	477
Intangible fixed assets	5,874
Goodwill	2,280
Customer-related assets	2,504
Other	1,088
Investments and other assets	33,377
Investment securities	27,060
Long-term loans	89
Deferred tax assets	2,547
Net defined benefit asset	1,536
Other	2,249
Allowance for doubtful accounts	(106)
Total assets	203,021

Item	Amount
Liabilities	
Current liabilities	55,998
Bills and accounts payable	18,212
Electronically recorded monetary obligations	2,193
Short-term borrowings	50
long-term borrowings that will be paid within one year	1,736
Lease obligations	292
Accrued corporate tax, etc.	8,118
Contract liabilities	9,764
Allowance for bonus	3,713
Allowance for warranties for completed construction	924
Allowance for loss on construction	1,165
Allowance for disaster losses	1
Other	9,822
Fixed liabilities	29,557
Bonds	5,000
Long-term borrowings	9,952
Lease obligations	632
Deferred tax liabilities	7,035
Allowance for retirement benefits for officers	238
Allowance for share-based payments	103
Liabilities regarding retirement benefit	3,778
Asset retirement obligations	1,083
Other	1,732
Total liabilities	85,555
Net assets	
Shareholders' equity	83,348
Stated capital	6,646
Capital surplus	6,054
Retained earnings	72,196
Treasury stock	(1,549)
Other accumulated comprehensive income	14,841
Valuation difference on other marketable securities	12,325
Deferred gains or losses on hedges	24
Exchange conversion adjustment accounts	780
Remeasurements of defined benefit plans	1,710
Non-controlling interests	19,276
Total net assets	117,466
Total liabilities and net assets	203,021

Consolidated Statement of Income

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

(Millions of yen)

Item	Amount	
Net sales		148,954
Cost of sales		117,832
Gross profit		31,122
Selling, general and administrative expenses		21,279
Operating profit		9,842
Non-operating revenues		
Interest income	284	
Dividend income	773	
Investment returns calculated when the equity method is applied	91	
Gain on investments in silent partnerships	371	
Other	146	1,666
Non-operating expenses		
Interest expenses	111	
Commission expenses	260	
Foreign exchange losses	47	
Other	101	521
Ordinary income		10,987
Extraordinary profit		
Gain on sale of fixed assets	12,032	
Gain on sale of investment securities	3,314	
Gain on liquidation of affiliates	121	
Insurance income	151	15,619
Extraordinary losses		
Loss on sale and retirement of fixed assets	187	
Impairment losses	180	
Loss on disaster	145	513
Net profit before income tax adjustment		26,093
Corporation tax, residents tax and business tax	9,221	
Adjustments for corporation tax, etc.	(1,739)	7,482
Net profit		18,611
Net profit attributable to non-controlling interests		1,700
Net profit attributable to owners of the parent		16,910

Consolidated Statement of Changes in Equity (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	6,646	6,055	70,445	(1,047)	82,101
Changes during period					
Dividends of surplus			(3,937)		(3,937)
Profit attributable to owners of parent			16,910		16,910
Purchase of treasury stock				(12,797)	(12,797)
Disposal of treasury stock		(130)		1,277	1,146
Cancellation of treasury stock		(11,017)		11,017	-
Changes in scope of consolidation			(74)		(74)
Transfer from retained earnings to cover negative balance of other capital surplus		11,148	(11,148)		-
Change in ownership interest of parent due to purchase of shares of consolidated subsidiaries		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	1,751	(502)	1,247
Balance at end of period	6,646	6,054	72,196	(1,549)	83,348

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	9,732	(1)	500	728	10,960	18,993	112,054
Changes during period							
Dividends of surplus							(3,937)
Profit attributable to owners of parent							16,910
Purchase of treasury stock							(12,797)
Disposal of treasury stock							1,146
Cancellation of treasury stock							-
Changes in scope of consolidation							(74)
Transfer from retained earnings to cover negative balance of other capital surplus							-
Change in ownership interest of parent due to purchase of shares of consolidated subsidiaries							(0)
Net changes in items other than shareholders' equity	2,593	25	279	981	3,880	282	4,163
Total changes during period	2,593	25	279	981	3,880	282	5,411
Balance at end of period	12,325	24	780	1,710	14,841	19,276	117,466

(Reference) Consolidated Statement of Cash Flows (Summary)

(Millions of yen)

Category	Previous Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Consolidated Fiscal Year (From April 1, 2025 to March 31, 2026)
Cash flows from operating activities	18,463	5,161
Cash flows from investing activities	1,434	27,168
Cash flows from financing activities	(20,473)	(21,638)
Translation differences on cash and cash equivalents	346	348
Net increase (decrease) in cash and cash equivalents	(227)	11,039
Cash and cash equivalents at beginning of the fiscal year	27,601	27,465
Increase in cash and cash equivalents due to new consolidation	91	46
Increase in cash and cash equivalents due to exclusion from consolidation	-	(385)
Cash and cash equivalents at end of the fiscal year	27,465	38,166

○Cash flows from operating activities

Cash and cash equivalents (hereinafter referred to as "funds") generated from operating activities amounted to 5.161 billion yen (compared to 18.463 billion yen in the previous consolidated fiscal year). This was primarily due to factors decreasing funds, such as an increase of 10.4 billion yen in trade receivables and contract assets and income taxes paid of 2.727 billion yen, offset by factors increasing funds, including the recording of profit before income tax adjustments of 26.093 billion yen.

○Cash flows from investing activities

Funds obtained as a result of investing activities amounted to 27.168 billion yen (compared to 1.434 billion yen in the previous consolidated fiscal year). This was primarily due to factors such as proceeds from sales of tangible fixed assets, including the sale of logistics facilities, of 22.158 billion yen, and proceeds from the sale and redemption of securities and investment securities, which amounted to 5.096 billion yen.

○Cash flows from financing activities

The funds used as a result of financing activities amounted to 21.638 billion yen (compared to an expenditure of 20.473 billion yen in the previous consolidated fiscal year). This was primarily due to factors such as a decrease in funds resulting from an expenditure of 12.797 billion yen for the acquisition of treasury stock, an expenditure of 3.937 billion yen for dividend payments, and an expenditure of 3.925 billion yen for the repayment of long-term borrowings.

Consolidated Notes

(Notes on key matters fundamental to the preparation of the consolidated financial statements)

1. Matters Related to the Scope of Consolidation

(1) Consolidated Subsidiaries

Number of companies …… 29 companies

Company Name ……Tsukishima JFE Aqua Solution Co., Ltd.
Tsukishima Kikai Co., Ltd.
Tsukishima & J Technology Maintenance Service CO., LTD.
SUN ECO THERMAL Co., Ltd.
Tsukishima Kankyo Engineering Ltd.
Samukawa Water Service Co., Ltd.
Tsukishima Business Support Co., Ltd.
TSK Engineering (Thailand) Co., Ltd.
BOKELA GmbH
Owari Water & Energy Co., Ltd.
SANSHIN KOGYO Co., Ltd.
Advance Three Co., Ltd.
PRIMIX Holdings Co., Ltd.
PRIMIX Corporation
PRIMIX Plus Co., Ltd.
Biocoal Kyoto Toba Co., Ltd.
Yokohama Nishiya Water Service Co., Ltd.
Ichihara BioCycle Co., Ltd.
Tsukishima & J Aqua Machine and Service Co., Ltd.
Yokohama Bay Link Co., Ltd.
bay eggs Co., Ltd.
HAKONESUIDOU PARTNER'S Co., Ltd.
Nagaoka BioCube Co., Ltd.
Toyohashi Biowill Co., Ltd.
AquaPex Oyama Co., Ltd.
AquaPex Sakai Co., Ltd.
Oyama Energy Cycle Co., Ltd.
Green Cycle Power Iwaki Co., Ltd.
Tsubame-Yahiko Water Service Co., Ltd.

Additionally, Tsubame-Yahiko Water Service Co., Ltd., which had been a non-consolidated subsidiary up to the previous consolidated fiscal year, has been included in the scope of consolidation from the current consolidated fiscal year due to its increased significance.

Furthermore, as TSK Engineering (China) Co., Ltd., which had been a consolidated subsidiary, has been liquidated, it has been excluded from the scope of consolidation from the current consolidated fiscal year.

(2) Major Non-Consolidated Subsidiaries

Company Name ……Tsukishima Engineering Malaysia Sdn. Bhd.

(Reason for Exclusion from the Consolidated Scope)

The 12 non-consolidated subsidiaries are all small-scale companies, and their combined total assets, net sales, profit or loss (in proportion to their shareholdings) and retained earnings (in proportion to their shareholdings) etc. have no material impact on the consolidated financial statements.

2. Matters Related to the Application of the Equity Method

(1) Affiliated Companies Subject to the Equity Method

Number of companies ……10 companies

Company Name ……Edogawa Water Service Co., Ltd.
Biocoal Hiroshima West Co., Ltd.
Biocoal Plant Service Co., Ltd.
Biocoal Kumamoto South Co., Ltd.
Hybrid Chemical Co., Ltd.
Biocoal Osaka Hirano Co., Ltd.
Biocoal Yokohama South Co., Ltd.
Biocoal Kyoto Rakusai Co., Ltd.
Biocoal Fukuoka Mikasagawa Co., Ltd.
Hamamatsu Water Symphony K.K.

(2) With respect to the non-consolidated subsidiaries (Tsukishima Engineering Malaysia Sdn. Bhd. and 11 other companies) and the affiliated companies (5 companies), because their profit or loss (in proportion to their shareholdings) and retained earnings (in proportion to their shareholdings), etc., even if excluded from the scope of the equity method, have an immaterial impact on the consolidated financial statements and are not material as a whole, they have been excluded from the scope of application of the equity method.

3. Matters Concerning Accounting Policies

(1) Criteria and Methods for the Valuation of Significant Assets

(i) Valuation Criteria and Methods for Securities

•Bonds held to maturity …… Amortized cost method (straight-line method)

•Other securities

Securities other than Shares, etc. without market prices	……	Fair value method (with all valuation differences reported directly in net assets, and the cost of securities sold calculated using the moving average method)
Shares, etc. without market prices	……	Cost method using the moving average method Additionally, for investments in partnerships based on silent partnership agreements (deemed securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Act), the Company's share of the net profit or loss of the partnership is incorporated.

(ii) Valuation Criteria and Methods for Derivative Transactions

Fair value method

(iii) Valuation Criteria and Methods for Inventories

Inventories held for ordinary sales purposes

The valuation basis adopted is the cost method (a method of writing down book value in response to a decline in profitability)

•Work in process	……	Specific identification method
•Raw materials	……	Periodic average method
•Supplies	……	Moving average method

(2) Method of Depreciation for Significant Depreciable Assets

(i) Property, plant and equipment (excluding leased assets)

The Company and its domestic consolidated subsidiaries apply the declining balance method, while its overseas consolidated subsidiaries use the straight-line method.

However, for buildings (excluding building-related equipment) acquired by the Company and domestic consolidated subsidiaries on or after April 1, 1998, as well as for building-related equipment, structures, and machinery and equipment related to power generation acquired on or after April 1, 2016, the straight-line method is adopted.

In addition, for assets acquired on or before March 31, 2007, an equal depreciation method is applied over a period of 5 years beginning with the consolidated fiscal year following the year in which depreciation up to the depreciable limit was completed.

(ii) Intangible assets (excluding leased assets)

The straight-line method is adopted.

Furthermore, software for internal use is amortized based on its estimated useful life within the Company (5 years).

In addition, customer-related intangible assets are based on the period during which their effects apply (5 to 23 years).

(iii) Leased assets

Leased assets pertaining to finance lease transactions without transfer of ownership

The straight-line method is adopted, with the lease term as the useful life and a residual value of zero.

(3) Significant Recognition Criteria for Provisions

(i) Allowance for doubtful accounts	…… ……	To prepare for bad debt losses on trade receivables, loans, etc., an amount is recorded based on the historical bad debt rate for general receivables, and for specific receivables such as doubtful receivables, the estimated uncollectible amount is recorded based on an individual assessment of collectability.
(ii) Provision for bonuses	…… ……	To provide for the payment of bonuses to be paid to employees, an estimated amount based on the estimated payment is recorded.
(iii) Provision for warranties for completed construction	……	To prepare for costs based on liability for non-conformity with the contract related to completed construction and costs for free services, a provision is recorded based on a certain calculation standard derived from past experience rates (calculated separately for domestic and overseas construction). For specific individual construction projects, the necessary amount is estimated and recorded.

(iv)	Provision for loss on construction contracts ……	To prepare for losses on contracted construction, the estimated amount of such losses is recorded as a provision for construction projects among undelivered works at the end of the current consolidated fiscal year for which losses are expected to occur and the amount of such losses can be reasonably estimated.
(v)	Provision for retirement benefits for directors (and other officers) ……	Some consolidated subsidiaries record the amount required to be paid at the end of the current consolidated fiscal year based on internal regulations to allocate retirement benefits to be paid upon the retirement of officers.
(vi)	Provision for share-based payments ……	To prepare for the future delivery of the Company's shares, etc. to employees, the portion of the estimated payment amount that is deemed to have been incurred as of the end of the current consolidated fiscal year is recorded.

(4) Accounting Treatment for Retirement Benefits

(i) Method for Allocating the Projected Retirement Benefit Amount Over the Period

In calculating retirement benefit obligations, the method of attributing the projected retirement benefit amount to the period up to the end of the current consolidated fiscal year is based on the benefit formula basis.

(ii) Methods for Recognizing the Expense for Actuarial Differences and Past Service Costs

Actuarial differences are expensed from the consolidated fiscal year following the year in which they occur, based on the straight-line method over a fixed period of 7 years within the average remaining service period of employees at the time of occurrence.

Past service costs are expensed using the straight-line method over a fixed period within the average remaining service period at the time of occurrence (14 years for the Company, and 13 to 14 years for some consolidated subsidiaries).

(iii) Adoption of a Simplified Method for Small Enterprises, etc.

Some consolidated subsidiaries apply a simplified method in the calculation of retirement benefit liabilities and expenses, whereby the amount that would be payable if all eligible employees voluntarily retired at the end of the fiscal year is treated as the retirement benefit obligation.

(5) Significant Recognition Criteria for Revenue and Expenses

Net sales arising from contracts with customers

The Group determines the method of revenue recognition based on the following five steps: (1) identifying the contract, (2) identifying the performance obligations, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations, and (5) recognizing revenue upon satisfaction of the performance obligations.

In the Water Environment Business, the primary activities include contract construction of plants such as water purification plants and sewage treatment plants, the sale of various equipment used in these plants, and the provision of operation and maintenance services for water purification plants and sewage treatment facilities.

In the Industrial Business, the primary activities include contract construction of plants in the chemical and life sciences sectors, as well as facilities for treating liquid waste, solid waste, exhaust gas, and wastewater, and the sale of equipment used in these plants.

For revenue arising from contract construction, revenue is recognized over the contract period as performance obligations are satisfied, based on the estimated percentage of completion determined by the ratio of incurred costs to the estimated total contract cost. Where a performance obligation is not satisfied over time, it is deemed to be satisfied at a point in time, and revenue is recognized when control of the goods or services is transferred to the customer, such as upon completion of the customer's inspection, depending on the terms of the contract.

Additionally, revenue from operation and maintenance services is recognized over the contract period in which the services are provided, in accordance with the duration of the service.

The consideration for these transactions typically comes due in the short term and does not include any significant financial component in the contracts.

(6) Other Important Matters for the Preparation of Consolidated Financial Statements

(i)	Accounting treatment of consumption taxes	…… Non-deductible consumption taxes and local consumption taxes related to assets are treated as expenses for the current consolidated fiscal year.
(ii)	Significant hedge accounting methods	…… In principle, deferred hedge accounting is applied. For forward foreign exchange contracts meeting the allocation treatment requirements, allocation treatment is applied. For interest rate swaps meeting the special treatment requirements, special treatment is applied. For interest rate currency swaps meeting the integrated treatment requirements (special treatment and allocation treatment), integrated treatment is applied.
(iii)	Goodwill amortization method and period	…… Goodwill is amortized using the straight-line method over a period of 10 to 20 years.
(iv)	Deferred asset treatment Bond issuance costs	…… The entire amount is expensed as incurred.

4. Notes on Changes in Presentation

(Consolidated Balance Sheet)

In the previous consolidated fiscal year, “Securities” that were included in the “Other” category of current assets have become more material in amount, and as such, have been presented separately from the current consolidated fiscal year onward.

(Consolidated Statement of Income)

In the previous consolidated fiscal year, the “Gain on investments in silent partnerships” that was included under “Other” in “Non-operating income” has been separately disclosed from the current consolidated fiscal year due to its increased materiality.

In the previous consolidated fiscal year, the “Reversal of allowance for doubtful accounts” in “Non-operating income,” which had been presented separately, is now included under “Other” in “Non-operating income” in the current consolidated fiscal year due to its diminished materiality.

In addition, in the previous consolidated fiscal year, the “Guarantee commission expenses” under “Non-operating expenses,” which had been disclosed separately, are now included under “Other” in “Non-operating expenses” in the current consolidated fiscal year due to their reduced materiality.

5. Notes on Accounting Estimates

(1) Revenue from Construction Contracts

(i) The amount recognized in the consolidated financial statements for the current consolidated fiscal year

Accounts receivable	42,372Million yen
Contract assets	37,398Million yen
Contract liabilities	9,764Million yen
Net sales	148,954Million yen

(ii) Other information that aids the understanding of the users of the consolidated financial statements regarding the accounting estimates

Revenue from construction contracts is recognized over a period as the Company and its consolidated subsidiaries, in principle, satisfy the performance obligations. The method used to estimate the progress rate for fulfilling these performance obligations is primarily based on an input method using the costs incurred. Due to the possibility of changes in costs incurred as construction advances, the estimates and assumptions are continuously reviewed. In the current consolidated fiscal year, the revenue recognized by this method amounted to 76,737 million yen.

(Notes on the Consolidated Balance Sheet)

1. Secured Assets and Secured Liabilities

The assets pledged as collateral are as follows.

Deposits	1,836Million yen
Accounts receivable	9,590Million yen
Short-term loans receivable	11Million yen
Accounts receivable - other	11Million yen
Investment securities	176Million yen
Long-term loans receivable	89Million yen
Total	11,717Million yen

The secured liabilities corresponding to the above are as follows.

(1) Deposits, accounts receivable, and accounts receivable - other

Current portion of long-term borrowings	874Million yen
Long-term borrowings	9,758Million yen
Total	10,633Million yen

(2) Short-term loans receivable, investment securities, and long-term loans receivable

This relates to borrowings of 3,005 million yen by subsidiaries and associates, etc. from financial institutions.

In addition to the above secured assets, investment securities amounting to 184 million yen have been provided to the City of Osaka as a guarantee deposit for a power generation business contract.

2. Accumulated depreciation of property, plant and equipment 25,161Million yen

(Notes on the Consolidated Statement of Changes in Equity)

1. Total number of issued shares as of the end of the consolidated fiscal year

Common Stock 40,125,800Shares

2. Matters Relating to the Distribution of Surplus

(1) Dividend Payment Amount

Resolution	Type of Stock	Total dividends (million yen)	Dividend per Share (Yen)	Record Date	Effective Date
Board of Directors meeting held on May 9, 2025	Common Stock	2,262	52.00	March 31, 2025	June 3, 2025
Board of Directors meeting held on November 7, 2025	Common Stock	1,674	42.00	September 30, 2025	December 1, 2025

(Notes) 1. The total dividend amount resolved by the Board of Directors on May 9, 2025, includes dividends of 21 million yen for the Company's shares held by the E-Ship Trust.

2. The total amount of dividends resolved by the Board of Directors on November 7, 2025, includes dividends of 10 million yen for the Company's shares held by the E-Ship Trust.

(2) Dividends with a record date in the current consolidated fiscal year and an effective date in the following consolidated fiscal year

Resolution	Type of Stock	Source of Dividends	Total dividends (million yen)	Dividend per Share (Yen)	Record Date	Effective Date
Board of Directors meeting held on May 12, 2026	Common Stock	Retained Earnings	1,701	43.00	March 31, 2026	June 4, 2026

(Notes on Financial Instruments)

1. Matters Concerning the Status of Financial Instruments

(1) Policy on Financial Instruments

The Group limits its investment activities to short-term deposits, etc., and in principle utilizes bank borrowings for fund procurement. Derivative transactions are employed to hedge against the risk of interest rate fluctuations on borrowings and foreign exchange risks on foreign currency-denominated claims and liabilities, and are not conducted for speculative purposes.

(2) The Content of Financial Instruments, Their Risks, and the Risk Management Framework

Notes receivable, accounts receivable, electronically recorded monetary claims - operating, and contract assets are exposed to customer credit risk. In this regard, the Company adheres to its credit management regulations by managing due dates and balances for each counterparty and by reviewing each counterparty's credit status on an annual basis. Furthermore, foreign currency-denominated trade receivables are exposed to exchange rate risk, but are in principle hedged using forward foreign exchange contracts.

Investment securities mainly consist of stocks of companies with which the Company has business relationships, and their fair values, determined on a regular basis, are reported to the Board of Directors.

Notes payable, accounts payable, and electronically recorded obligations - operating have payment due dates within one year. Some foreign currency-denominated trade payables are exposed to exchange rate fluctuations; however, these are hedged using forward foreign exchange contracts.

Among borrowings, short-term borrowings are primarily used for working capital financing. In addition, long-term borrowings are mainly obtained from financial institutions for project finance, acquisition financing, and capital expenditure. Although the borrowings with variable interest rates are exposed to interest rate risk, the long-term borrowings among these are hedged through derivative transactions (namely, interest rate swaps and interest rate currency swaps) on a contract-by-contract basis to mitigate the risk of fluctuating interest payments and to secure fixed interest expenses.

Derivative transactions include forward foreign exchange contracts aimed at hedging the exchange rate risk on foreign currency-denominated claims and liabilities, interest rate swap transactions intended to hedge against fluctuations in borrowing interest rates, and interest rate currency swap transactions designed to hedge both foreign exchange and interest rate risks associated with foreign currency borrowings. The execution and management of these derivative transactions are carried out by the relevant departments and the finance department in accordance with internal regulations. Furthermore, because counterparties for derivative transactions are limited to highly rated financial institutions, the credit risk is considered to be minimal.

Trade payables and borrowings are exposed to liquidity risk; however, within the Group, they are managed by each entity through measures such as preparing monthly cash flow plans.

(3) Supplementary Explanation Concerning the Fair Values of Financial Instruments

In determining the fair values of financial instruments, in addition to prices based on market quotations, reasonably determined values are included when quoted prices are not available. Because various influencing factors are incorporated in the valuation, adopting different assumptions may cause the determined values to fluctuate.

2. Matters Concerning the Fair Values of Financial Instruments

As of March 31, 2026 (the consolidated balance sheet date for the current period), the amounts recorded on the consolidated balance sheet, their fair values, and the differences between these figures are as follows. Cash is omitted from the notes, and deposits, notes receivable, electronically recorded monetary claims, notes payable and accounts payable, electronically recorded obligations, as well as short-term borrowings are omitted because they are settled within a short period and their fair values approximate their book values. Furthermore, items with insignificant amounts on the consolidated balance sheet are also omitted.

	Consolidated Balance Sheet Amount (million yen)	Fair value (million yen)	Difference (million yen)
(1) Accounts Receivable	42,372	40,144	(2,228)
(2) Securities and Investment Securities (*1)			
(1) Bonds Held to Maturity	693	652	(40)
(2) Other Securities	24,179	24,179	-
Total Assets	67,245	64,976	(2,268)
(3) Bonds payable	5,000	4,841	(158)
(4) Long-term borrowings (including current portion)	11,689	9,902	(1,786)
Total Liabilities	16,689	14,744	(1,945)
(5) Derivative Transactions (*2)	34	34	-

(*1) Negotiable certificates of deposit are not included in "(2) Securities and Investment Securities" because, being settled within a short period, their fair values closely approximate their book values.

(*2) Net receivables and payables arising from derivative transactions are presented on a net basis.

(Note 1) Shares, etc. without market prices are not included in "(2) Securities and Investment Securities." The amounts recorded on the consolidated balance sheet for these financial instruments are as follows.

(Millions of yen)

Category	Current Consolidated Fiscal Year (March 31, 2026)
Unlisted shares	487
Shares of non-consolidated subsidiaries and associates	1,798
Investment in limited liability companies	2

3. Matters Concerning the Breakdown by Fair Value Levels of Financial Instruments

The fair values of financial instruments are classified into the following three levels based on the observability and importance of the inputs used in their valuation.

Level 1 Fair Value	Fair value measured using observable inputs, i.e., quoted prices in active markets for the identical assets or liabilities subject to the fair value measurement.
Level 2 Fair Value	Fair value measured using observable inputs other than Level 1 inputs.
Level 3 Fair Value	Fair value measured using unobservable inputs.

When multiple inputs that significantly influence the valuation are used, the fair value is classified at the lowest priority level among the respective levels to which these inputs belong.

(1) Financial instruments recorded on the consolidated balance sheet at fair value

Category	Fair Value (Unit: Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment Securities				
Other Securities				
Stocks	24,179	-	-	24,179
Others	-	-	-	-
Derivative Transactions				
Currency-Related	-	37	-	37
Interest-Related	-	0	-	0
Total Assets	24,179	37	-	24,216
Derivative Transactions				
Currency-Related	-	2	-	2
Interest-Related	-	-	-	-
Total Liabilities	-	2	-	2

(2) Financial instruments other than those recorded on the consolidated balance sheet at fair value

Category	Fair Value (Unit: Millions of yen)			
	Level 1	Level 2	Level 3	Total
Accounts Receivable	-	40,144	-	40,144
Securities and Investment Securities				
Government Bonds	162	-	-	162
Corporate Bonds	-	490	-	490
Total Assets	162	40,635	-	40,797
Corporate Bonds	-	4,841	-	4,841
Long-term Borrowings (including current portion)	-	9,902	-	9,902
Total Liabilities	-	14,744	-	14,744

(Note) Explanation of the valuation techniques and inputs used in determining fair values:

Securities and Investment Securities

Listed stocks and government bonds are valued using quoted prices. Because they are actively traded in the market, their fair values are classified as Level 1.

Corporate bonds are measured based on quoted prices, and their fair values are classified as Level 2.

Derivative transactions

The fair values of forward foreign exchange contracts and interest rate swaps are determined based on prices and other data provided by counterparty financial institutions, and are classified as Level 2.

Accounts receivable

They are measured using the discounted present value method for each receivable segmented by period, based on the claim amount, the remaining term to maturity, and an interest rate that reflects credit risk, and are classified as Level 2.

Corporate Bonds

The fair values of the bonds issued by the Company are determined based on market prices, and are classified as Level 2.

Long-term borrowings (including current portion)

The fair values of these instruments are determined based on the present value calculated by discounting the total amount of principal and interest at a rate that adds a credit spread to an appropriate benchmark such as the yield on government bonds, and are classified as Level 2.

Additionally, among the long-term borrowings with variable interest rates, those subject to the integrated treatment (special treatment and allocation treatment) of interest rate currency swap and special treatment of interest rate swaps are measured by discounting the total amount of principal and interest processed together with the respective swaps, using a reasonably estimated rate applicable for similar borrowings, and are classified as Level 2.

For all others, because they are considered to reflect market interest rates over a short period, the fair value is taken to be the book value.

(Notes on rental and other real estate)

As they are not material, disclosure has been omitted.

(Notes on revenue recognition)

1. Information Disaggregating Revenue Arising from Contracts with Customers

Disaggregation by type of goods and services

(Millions of yen)

	Reportable Segment			Other (Note) 4	Total
	Water Environment Business	Industrial Business	Subtotal		
Plant/Standalone Equipment	26,384	29,059	55,443	-	55,443
Lifecycle Business (Note 1)	37,557	-	37,557	-	37,557
Incineration (Note 2)	-	8,332	8,332	-	8,332
O&M (Note 3)	34,637	10,410	45,047	-	45,047
Waste Treatment	-	1,932	1,932	-	1,932
Other	-	-	-	0	0
Revenue from Contracts with Customers	98,578	49,735	148,314	0	148,314
Other Revenue	-	-	-	640	640
Net Sales to External Customers	98,578	49,735	148,314	640	148,954

(Notes) 1. Includes PFI, DBO, Comprehensive O&M Services, and digestion gas power generation business, among others.
2. Includes liquid waste and solid waste treatment plants and standalone equipment in Industrial Business.
3. Includes parts, repairs, operation management, etc. for plants/standalone equipment and incineration.
4. The "Other" category comprises business segments not included in the reportable segments, and includes real estate rental, printing, and bookbinding, among others.

2. Basic Information for Understanding Revenue Arising from Contracts with Customers

The basic information for understanding revenue arising from contracts with customers is as described in "Notes on key matters fundamental to the preparation of the consolidated financial statements – 3. Matters Concerning Accounting Policies (5) Significant Recognition Criteria for Revenue and Expenses."

3. Information for Understanding the Amount of Revenue for the Current and Subsequent Consolidated Fiscal Years

Of the revenue recognized in the current consolidated fiscal year, the amount included in the contract liabilities at the beginning of the period is 6,377 million yen.

Furthermore, changes in contract assets arise primarily from revenue recognition (an increase in contract assets) and from the receipt of consideration (a decrease therein), while changes in contract liabilities mainly result from the receipt of advance payments (an increase in contract liabilities) and revenue recognition (a decrease therein). Moreover, revenue recognized for performance obligations that were satisfied (or partially satisfied) in past periods is not material.

The total transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations is 323,517 million yen for the current consolidated fiscal year. Of this amount, approximately 34% pertains to construction contracts and similar agreements, which are expected to be recognized as net sales within 15 years based on the progress of construction and related activities. Additionally, approximately 66% pertains to operation and maintenance service contracts and similar agreements, which are expected to be recognized as net sales within 23 years as services are provided over the contract period.

(Notes on per share information)

1. Net assets per share	2,482.03 yen
2. Profit per share	412.69 yen

(Notes on significant subsequent events)

Not applicable.

Balance Sheet (as of March 31, 2026)

(Millions of yen)

Item	Amount
Assets	
Current assets	46,275
Cash and deposits	17,303
Securities	10,000
Accounts receivable - other	398
Short-term loans receivable	600
Deposits	17,946
Other	27
Allowance for doubtful accounts	(1)
Fixed assets	64,730
Tangible fixed assets	10,068
Buildings	4,677
Structures	207
Machinery and equipment	120
Vehicles and transport equipment	0
Tools, instruments, and equipment	70
Land	4,389
Leased assets	602
Intangible fixed assets	855
Software	769
Other	85
Investments and other assets	53,806
Investment securities	24,583
Affiliated company shares	19,550
Long-term loans	9,445
Prepaid pension costs	30
Other	278
Allowance for doubtful accounts	(81)
Total assets	111,005

Item	Amount
Liabilities	
Current liabilities	27,169
Electronically recorded monetary obligations	0
long-term borrowings that will be paid within one year	862
Lease obligations	176
Accounts payable	685
Accrued expenses	42
Accrued corporate tax, etc	5,471
Deposits	18,273
Allowance for bonuses	155
Other	1,502
Fixed liabilities	12,710
Bonds	5,000
Long-term borrowings	194
Lease obligations	486
Deferred tax liabilities	5,762
Allowance for share-based payments	9
Allowance for retirement benefits	194
Other	1,063
Total liabilities	39,880
Net assets	
Shareholders' equity	58,804
Stated capital	6,646
Capital surplus	5,485
Legal capital reserve	5,485
Retained earnings	48,221
Retained earnings reserves	1,026
Other retained earnings	47,194
Reserve for advanced depreciation of fixed assets	2,088
Deferred earnings brought forward	45,105
Treasury stock	(1,549)
Valuation and translation adjustments	12,320
Valuation difference on other marektable securities	12,320
Total net assets	71,125
Total liabilities and net assets	111,005

Profits and Losses Statement (from April 1, 2025 to March 31, 2026)

(Millions of yen)

Item	Amount	
Operating revenue		
Management advisory fees	958	
administrative outsourcing fees	3,019	
Dividends received from affiliates	1,258	
Real estate rental income	1,290	6,526
Operating expenses		
Real estate rental expenses	819	
General and administrative expenses	4,603	5,422
Operating profit		1,103
Non-operating revenues		
Interest income	279	
Dividend income	588	
Other	35	903
Non-operating expenses		
Interest expenses	70	
Commission expenses	260	
Other	18	349
Ordinary income		1,657
Extraordinary profit		
Gain on sale of fixed assets	12,027	
Gain on sale of investment securities	3,313	
Gain on liquidation of affiliates	186	15,527
Extraordinary losses		
Loss on sale and retirement of fixed assets	149	149
Profit before income tax adjustments		17,036
Corporation tax, resident tax and business tax	5,631	
Adjustments for corporation tax, etc.	(911)	4,720
Net profit		12,315

Statement of Changes in Shareholders' Equity

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

(Unit: Millions of yen)

	Shareholders' equity									
		Capital surplus			Retained earnings					
						Other retained earnings				
	Share capital	Legal capital reserve	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward	Total retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	6,646	5,485	-	5,485	1,026	4,195	45,769	50,991	(1,047)	62,076
Changes during period										
Reversal of reserve for tax purpose reduction entry of non-current assets						(2,106)	2,106	-		-
Dividends of surplus							(3,937)	(3,937)		(3,937)
Profit for the year							12,315	12,315		12,315
Purchase of treasury stock									(12,797)	(12,797)
Disposal of treasury stock			(130)	(130)					1,277	1,146
Cancellation of treasury stock			(11,017)	(11,017)					11,017	-
Transfer from retained earnings to cover the negative balance of other capital surplus			11,148	11,148			(11,148)	(11,148)		-
Net changes in items other than shareholders' equity										
Total changes during period	-	-	-	-	-	(2,106)	(663)	(2,770)	(502)	(3,272)
Balance at end of period	6,646	5,485	-	5,485	1,026	2,088	45,105	48,221	(1,549)	58,804

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	9,719	9,719	71,796
Changes during period			
Reversal of reserve for tax purpose reduction entry of non-current assets			-
Dividends of surplus			(3,937)
Profit for the year			12,315
Purchase of treasury stock			(12,797)
Disposal of treasury stock			1,146
Cancellation of treasury stock			-
Transfer from retained earnings to cover the negative balance of other capital surplus			-
Net changes in items other than shareholders' equity	2,601	2,601	2,601
Total changes during period	2,601	2,601	(670)
Balance at end of period	12,320	12,320	71,125

Notes to the Non-Consolidated Financial Statements

(Notes on significant Accounting Policies)

1. Criteria and Methods for Asset Valuation

Valuation Criteria and Methods for Securities

(1) Bonds held-to-maturity	……	Amortized cost method (straight-line method)
(2) Subsidiary Shares	……	Cost method using moving average method
(3) Other Securities		
Shares, etc. other than those without market prices	……	Fair value method (with all valuation differences reported directly in net assets, and the cost of securities sold calculated using the moving average method)
Shares, etc. without market prices	……	Cost method using moving average method

2. Methods of Depreciation for Fixed Assets

(1) Property, Plant and equipment (excluding leased assets)

The declining balance method is adopted.

However, for buildings acquired on or after April 1, 1998 (excluding building-related equipment), and for building-related equipment and structures acquired on or after April 1, 2016, the straight-line method is used.

Furthermore, for assets acquired on or before March 31, 2007, an equal depreciation method is applied over five years starting from the fiscal year following the year in which depreciation up to the depreciable limit has been completed.

(2) Intangible Fixed Assets (excluding leased assets)

The straight-line method is adopted.

In addition, software for internal use is amortized based on its estimated useful life within the Company (5 years).

(3) Leased Assets

Leased assets under non-transfer-of-title finance lease transactions

The straight-line method is adopted, with the lease term as the useful life and a residual value of zero.

3. Basis for Provision Recognition

(1) Allowance for Doubtful Accounts …… To prepare for bad debt losses on trade receivables, loans, etc., an amount is recorded based on the historical bad debt rate for general receivables, and for specific receivables such as doubtful receivables, the estimated uncollectible amount is recorded based on an individual assessment of collectability.

(2) Provision for Bonuses …… To provide for the payment of bonuses to employees, an amount based on the estimated payment is recorded.

(3) Provision for share-based payments …… To prepare for the future delivery of the Company's shares, etc. to employees, the portion of the estimated payment amount that is deemed to have been incurred as of the end of the fiscal year is recorded.

(4) Provision for Retirement Benefits …… To prepare for retirement benefits for employees, the amount deemed to have been incurred as of the end of the fiscal year is recorded based on the estimated retirement benefit obligations and pension assets at the fiscal year-end.

(i) Period Allocation Method for Projected Retirement Benefit Amounts

In determining retirement benefit obligations, the method of attributing the projected retirement benefit amounts to the period up to the end of the fiscal year is based on the benefit formula basis.

(ii) Methods for Expense Recognition of Actuarial Differences and Past Service Costs

Actuarial differences are recognized as expenses in the fiscal year following their occurrence, by allocating the amount calculated using the straight-line method over a fixed period of 7 years, which is within the average remaining service period of employees at the time of occurrence.

Past service costs are recognized as expenses using the straight-line method over a fixed period of 14 years, which is within the average remaining service period of employees at the time of occurrence.

4. Criteria for Recognition of Significant Revenues and Expenses

The Company, as a holding company, has an obligation to provide management guidance and contracted services mainly to its subsidiaries under contractual arrangements. As the subsidiaries benefit from the fulfillment of these obligations over time, the Company determines that these performance obligations are satisfied over time and recognizes revenue accordingly. In addition, the consideration for the transactions does not include any significant financial component.

For dividends received from subsidiaries, revenue is recognized on the effective date of the dividend.

For real estate rental income, revenue is recognized over the lease term.

5. Other Significant Matters Underlying the Preparation of Financial Statements

(1) Accounting Treatment of Consumption Taxes …… Non-deductible consumption taxes and local consumption taxes related to assets are treated as expenses for the current fiscal year.

(2) Accounting Treatment of Retirement Benefits …… The accounting treatment of unrecognized actuarial differences and unrecognized past service costs related to retirement benefits differs from the methods used in the consolidated financial statements.

(3) Treatment of Deferred Assets …… The entire amount is expensed as incurred.
Bond Issuance Costs

6. Notes on Accounting Estimates

Valuation of Affiliated Company Shares

(1) Amounts Recorded in the Financial Statements

Affiliated company shares 19,550Million yen

(2) Other Information to Assist Users of the Financial Statements in Understanding Accounting Estimates

The evaluation of investments in subsidiaries and associates is carried out by comparing the net asset value reflecting excess earning power, with the book value to determine whether there has been any significant decline in the net asset value. If a significant decline is observed, an appropriate reduction is applied to those shares, and the corresponding decrease in book value is recorded as a loss on valuation of affiliated company shares.

In evaluating excess earning power, estimates are based on the business plans for the subsequent fiscal years of the affiliated company; these plans are formulated on assumptions that take into account the latest operating results, the management environment, and the degree of achievement of previous business plans.

Business plans may be affected by fluctuations in uncertain future economic conditions. If actual results deviate from the plans, it may impact the financial statements for the following fiscal year.

(Notes on the Balance Sheet)

1. Accumulated depreciation of property, plant and equipment 4,106Million yen

2. Guarantee Obligations

We provide guarantees for borrowings, etc., from financial institutions for the companies listed below

(Affiliated company)

BOKELA GmbH 1,194Million yen

3. Monetary Receivables and Payables with Affiliated Companies

Short-term monetary receivables	18,930Million yen
Short-term monetary payables	18,308Million yen
Long-term monetary receivables	9,445Million yen

(Notes on the Statement of Income)

Transaction volume with affiliated companies

Transaction volume from operating activities	
Operating revenue	5,977Million yen
Operating expenses	57Million yen
Transaction volume from non-operating activities	181Million yen

(Notes on the Statement of Changes in Equity)

Matters Related to the Types and Number of Treasury Stock

Types of shares	Number of shares at the beginning of the fiscal year (Thousand shares)	Number of shares increased during the fiscal year (Thousand shares)	Number of shares decreased during the fiscal year (Thousand shares)	Number of shares at the end of the fiscal year (Thousand shares)
Common stock (Note)	1,027	4,299	4,761	565

(Note) (Summary of Reasons for Change)

The increase of 4,299 thousand shares in treasury stock consists of 395 thousand shares acquired pursuant to the board resolution on December 3, 2024, 3,900 thousand shares acquired pursuant to the board resolutions on May 9, 2025 and August 8, 2025, as well as 2 thousand shares acquired without consideration out of the shares previously disposed of as restricted stock compensation and an increase of 0 thousand shares through the repurchase of shares less than one unit.

The decrease of 4,761 thousand shares in treasury stock comprises 236 thousand shares disposed of as restricted-stock incentives for the employee stock ownership plan on November 28, 2025, pursuant to the board resolution on May 9, 2025; 57 thousand shares disposed of as restricted-stock compensation on July 18, 2025, pursuant to the board resolution on June 23, 2025; 57 thousand shares disposed of under the performance-based stock award plan on September 4, 2025, pursuant to the board resolution on August 8, 2025; a cancellation of 4,000 thousand shares pursuant to the board resolution on November 7, 2025; and a decrease of 411 thousand shares resulting from a sale from the E-Ship Trust to the Employee Stock Ownership Association.

(Notes on Income Tax Accounting)

1. Breakdown of the Main Causes for the Occurrence of Deferred Tax Assets and Deferred Tax Liabilities

Deferred tax assets

Provision for bonuses	49Million yen
Accrued business taxes	276Million yen
Provision for retirement benefits	331Million yen
Allowance for doubtful accounts	25Million yen
Loss on valuation of affiliated company shares	1,597Million yen
Deemed dividend	540Million yen
Investment book value adjustment	3,642Million yen
Adjustment for affiliated company shares due to company split	2,207Million yen
Other	285Million yen
Subtotal of deferred tax assets	8,956Million yen
Valuation allowance	(6,602)Million yen
Total deferred tax assets	2,353Million yen

Deferred tax liabilities

Reserve for tax purpose reduction entry of non-current assets	(961)Million yen
Valuation difference on available-for-sale securities	(5,670)Million yen
Gain on establishment of retirement benefit trust	(119)Million yen
Loss on transfer of affiliated company shares due to capital reduction	(680)Million yen
Adjustment for affiliated company shares due to company split	(677)Million yen
Other	(5)Million yen
Total deferred tax liabilities	(8,116)Million yen
Net deferred tax liabilities	(5,762)Million yen

2. Accounting Treatment of Corporate Tax and Local Corporate Tax and the Related Tax Effect Accounting

The Company applies the group tax sharing system and conducts the accounting treatment of corporate tax and local corporate tax and the related tax effect accounting in accordance with the “Practical Solution on Accounting and Disclosure Under the Group Tax Sharing System” (Practical Implementation Report No. 42, August 12, 2021).

(Notes on Transactions with Related Parties)

Subsidiaries and Affiliates, etc.

Type	Name of Company, etc.	Ownership (held) ratio of voting rights, etc.	Relationship with Related Parties	Nature of Transaction	Transaction Amount (Note 5) (million yen)	Item	Balance at Period End (Note 5) (million yen)
Subsidiary	Tsukishima JFE Aqua Solution Co., Ltd.	Owned Directly 60.0%	Receipt of Management Advisory Fees, etc. Interlocking Directorate Lending/ Borrowing of Funds	Entrusted Management Guidance and Operations (Note 1) Real Estate Leasing (Note 2) Funds Deposited (Note 3) Receipt of Interest (Note 3) Payment of Interest (Note 3)	2,532 137 8,840 80 2	Deposits paid	17,336
Subsidiary	Tsukishima Kikai Co., Ltd.	Owned Directly 100%	Receipt of Management Advisory Fees, etc. Interlocking Directorate Lending/ Borrowing of Funds	Entrusted Management Guidance and Operations (Note 1) Real Estate Leasing (Note 2) Funds Received (Note 3) Receipt of Interest (Note 3) Payment of Interest (Note 3)	1,038 223 (1,031) 0 2	Deposits received	372
Subsidiary	Tsukishima & J Technology Maintenance Service CO., LTD.	Owned Indirectly 60.0%	Lending/ Borrowing of Funds	Real Estate Leasing (Note 2) Funds Received (Note 3) Payment of Interest (Note 3)	69 (979) 10	Deposits received	5,215
Subsidiary	Tsukishima Kankyo Engineering Ltd.	Owned Directly 100%	Receipt of Management Advisory Fees, etc. Interlocking Directorate Lending/ Borrowing of Funds	Entrusted Management Guidance and Operations (Note 1) Real Estate Leasing (Note 2) Funds Received (Note 3) Payment of Interest (Note 3)	236 126 4,969 8	Deposits received	8,288
Subsidiary	SUN ECO THERMAL Co., Ltd.	Owned Directly 100%	Receipt of Management Advisory Fees, etc. Lending/ Borrowing of Funds	Entrusted Management Guidance and Operations (Note 1) Funds Lent (Note 3) Receipt of Interest (Note 3) Payment of Interest (Note 3)	20 (600) 45 0	Short-term loans receivable Long-term loans receivable	600 5,950
Subsidiary	SANSHIN KOGYO Co., Ltd.	Owned Directly 100%	Receipt of Management Advisory Fees, etc. Interlocking Directorate Lending/ Borrowing of Funds	Entrusted Management Guidance and Operations (Note 1) Funds Received (Note 3) Payment of Interest (Note 3)	67 1,975 4	Deposits received	4,207
Subsidiary	PRIMIX Holdings Co., Ltd.	Owned Directly 99.0% Indirectly 1.0%	Lending/ Borrowing of Funds	Funds Lent (Note 3) Receipt of Interest (Note 3)	- 47	Long-term loans receivable	3,495

Type	Name of Company, etc.	Ownership (held) ratio of voting rights, etc.	Relationship with Related Parties	Nature of Transaction	Transaction Amount (Note 5) (million yen)	Item	Balance at Period End (Note 5) (million yen)
Subsidiary	PRIMIX Corporation	Owned Indirectly 100%	Receipt of Management Advisory Fees, etc. Interlocking Directorate Lending/ Borrowing of Funds	Entrusted Management Guidance and Operations (Note 1) Real Estate Leasing (Note 2) Funds Deposited (Note 3) Funds Lent (Note 3) Receipt of Interest (Note 3) Payment of Interest (Note 3)	78 7 425 (830) 6 0	Deposits paid	425
Subsidiary	BOKELA GmbH	Owned Directly 100%	Guarantee Obligations	Guarantee Obligations (Note 4)	1,194	-	-

Transaction Conditions and the Policies for their Determination, etc.

(Note 1) The amounts have been determined based on certain reasonable criteria for purposes such as management oversight.

(Note 2) The receipt of rent has been reasonably determined based on the usage area, taking into account necessary expenses.

(Note 3) For the receipt and lending of funds, interest rates have been reasonably determined based on market interest rates. The "transaction amount" represents the net annual increase or decrease.

(Note 4) Guarantees have been provided for borrowings, etc., from financial institutions, and guarantee fees have been received.

(Note 5) The transaction amount does not include consumption tax, whereas the year-end balance includes consumption tax.

(Notes on Revenue Recognition)

The information that forms the basis for understanding revenue arising from contracts with customers is as described in "(Notes on Important Accounting Policies) – 4. Criteria for Recognition of Significant Revenues and Expenses."

(Notes on per share information)

1. Net assets per share 1,797.89 yen
2. Net income per share 300.55 yen

(Notes on significant subsequent events)

Not applicable.

Audit Report on Consolidated Financial Statements

Independent Auditor's Report

May 15, 2026

Tsukishima Holdings Co., Ltd.
To the Board of Directors

Inoue Audit Corporation

Chiyoda-ku, Tokyo

Designated Partner, Managing Member	Certified Public Accountant	Masami Hiramatsu
Designated Partner, Managing Member	Certified Public Accountant	Hideo Hayashi
Designated Partner, Managing Member	Certified Public Accountant	Satoshi Fukai

Audit Opinion

Based on the provisions of Article 444, Paragraph 4 of the Companies Act, we conducted an audit of the consolidated financial statements for the consolidated fiscal year from April 1, 2025, to March 31, 2026, namely, the consolidated balance sheet, the profit and loss statement, the consolidated statement of changes in shareholders' equity and the consolidated tables of explanatory notes of Tsukishima Holdings Co., Ltd.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the status of property and profits and losses of Tsukishima Holdings Co., Ltd. and its consolidated subsidiaries for the relevant period, in accordance with generally accepted accounting principles in Japan.

Basis for Audit Opinion

We conducted the audit in accordance with generally accepted auditing standards in Japan. Our responsibilities under these standards are described in the section "Auditor's Responsibilities in the Audit of Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions of professional ethics in Japan (including provisions applicable to audits of financial statements of entities with high social impact) and have fulfilled other ethical responsibilities as auditors. We have determined that sufficient and appropriate audit evidence has been obtained to provide a basis for our opinion.

Other Information

Other information refers to the business report and its attached detailed statements. Management is responsible for preparing and disclosing other information. Additionally, the responsibilities of the corporate auditors and the board of corporate auditors include monitoring the execution of directors' duties in the preparation and operation of the reporting process for other information.

The scope of our audit opinion on the consolidated financial statements does not include other information, and we do not express an opinion on other information.

Our responsibilities in the audit of consolidated financial statements include reading other information and, during this review, considering whether there are material discrepancies between other information and the consolidated financial statements or the knowledge obtained during the audit process, as well as paying attention to indications of material errors in other information beyond such material discrepancies.

Based on the work performed, we are required to report any material errors identified in other information.

Regarding other information, hawse have no matters to report.

Responsibilities of Management, Corporate Auditors and the Board of Corporate Auditors for Consolidated Financial Statements

Management is responsible for preparing and fairly presenting consolidated financial statements in accordance with generally accepted accounting principles in Japan. This responsibility includes establishing and operating internal controls deemed necessary by management to prepare and fairly present consolidated financial statements free from material misstatement due to fraud or error.

In preparing consolidated financial statements, management is responsible for evaluating whether it is appropriate to prepare the consolidated financial statements on a going concern assumption, and for disclosing, where required by generally accepted accounting principles in Japan, matters related to the going concern assumption.

The responsibilities of the corporate auditors and the board of corporate auditors include monitoring the execution of directors' duties in the preparation and operation of the financial reporting process.

Auditor's Responsibilities in the Audit of Consolidated Financial Statements

The auditor's responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error, based on the audit conducted, and to express an independent opinion on the consolidated financial statements in the audit report. Misstatements may arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the decisions of users of the consolidated financial statements.

The auditor conducts the audit in accordance with generally accepted auditing standards in Japan, exercising professional judgment and maintaining professional skepticism throughout the audit process, and performs the following:

- Identify and assess the risks of material misstatement due to fraud or error, and design and perform audit procedures responsive to those risks. The selection and application of audit procedures are at the auditor's discretion. Additionally, obtain sufficient and appropriate audit evidence to provide a basis for the opinion.
- While the purpose of the audit of consolidated financial statements is not to express an opinion on the effectiveness of internal controls, in making those risk assessments, the auditor considers internal controls related to the audit to design appropriate audit procedures based on the circumstances.
- Evaluate the appropriateness of accounting policies used and the method of their application adopted by management and the reasonableness of accounting estimates and related disclosures made by management.
- Assess whether it is appropriate for management to prepare consolidated financial statements on a going concern basis and, based on audit evidence obtained, conclude whether there is material uncertainty regarding events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if the disclosures are inadequate, to express a modified opinion on the consolidated financial statements. The auditor's conclusions are based on audit evidence obtained up to the date of the audit report, but future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements comply with generally accepted accounting principles in Japan, including the presentation, structure, and content of the consolidated financial statements, and whether the consolidated financial statements appropriately represent the underlying transactions and accounting events.
- Plan and conduct the audit to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries, which forms the basis for the opinion on the consolidated financial statements. The auditor is responsible for directing, supervising, and reviewing the audit of consolidated financial statements. The auditor is solely responsible for the audit opinion.

The auditor reports to the corporate auditors and the board of corporate auditors on the planned scope and timing of the audit, significant findings from the audit, including significant deficiencies in internal controls identified during the audit process, and other matters required by auditing standards.

The auditor reports to the corporate auditors and the board of corporate auditors on compliance with professional ethics provisions regarding independence in Japan, as well as matters reasonably considered to affect the auditor's independence, and, where applicable, the details of actions taken to eliminate threats to independence or safeguards applied to reduce such threats to an acceptable level.

Interests

There are no interests between the Company and its consolidated subsidiaries and our audit corporation or its management partners that are required to be disclosed under the provisions of the Certified Public Accountants Act.

End

Audit Report on Financial Statements

Independent Auditor's Report

May 15, 2026

Tsukishima Holdings Co., Ltd.
To the Board of Directors

Inoue Audit Corporation

Chiyoda-ku, Tokyo

Designated Partner, Management Partner	Certified Public Accountant	Masami Hiramatsu
Designated Partner, Management Partner	Certified Public Accountant	Hideo Hayashi
Designated Partner, Management Partner	Certified Public Accountant	Satoshi Fukai

Audit Opinion

In accordance with Article 436, Paragraph 2, Item 1 of the Companies Act, we conducted an audit of the financial statements of Tsukishima Holdings Co., Ltd. for its 164th business year, covering the period from April 1, 2025 to March 31, 2026. These financial statements, namely, the balance sheet, profit and loss statement, statement of changes in shareholders' equity, and the individual tables of explanatory notes on unconsolidated financial statements along with their attached detailed statements (hereinafter referred to as the "Financial Statements, etc."), were audited.

In our opinion, the Financial Statements, etc. referred to above present fairly, in all material respects, the status of property and profits and losses for the period covered by the Financial Statements, etc., in accordance with generally accepted accounting principles in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with the generally accepted auditing standards in Japan. Our responsibilities with respect to the audit are described in "Responsibility of the auditor in auditing the Financial Statements, etc." We are independent of the Company in accordance with the ethical requirements in Japan (including those applicable to the audit of financial statements for entities with high social impact), and we have fulfilled our other ethical responsibilities as auditors. We believe that we have obtained sufficient and appropriate audit evidence on which to base our opinion.

Other Information

The other information refers to the business report and its attached details. The management is responsible for preparing and disclosing the other information. In addition, the corporate auditors and the board of corporate auditors are responsible for monitoring the directors' execution of duties in preparing and operating the reporting process for the other information.

The scope of our audit opinion on the Financial Statements, etc. does not include the other information, and we do not express an opinion on the other information.

Our responsibility in auditing the Financial Statements, etc. includes reading through the other information and, during this review, considering whether there are any material discrepancies between the other information and the Financial Statements, etc. or with the knowledge we obtained during the audit, as well as paying attention to any indications of material misstatement in the other information beyond such material discrepancies.

If, based on the procedures performed, we determine that there are material misstatements in the other information, we are required to report that fact.

There are no matters regarding the other information that we are required to report.

Responsibility of Management, Corporate Auditors and the Board of Corporate Auditors regarding the Financial Statements, etc.

Management's responsibility is to prepare and present the Financial Statements, etc. in accordance with generally accepted accounting principles in Japan. This includes establishing and operating internal controls that management deems necessary to appropriately prepare and present the Financial Statements, etc. free from material misstatement due to fraud or error.

When preparing the Financial Statements, etc., management is responsible for evaluating whether it is appropriate to prepare the financial statements on a going concern basis, and if disclosure of matters related to going concern is required under generally accepted accounting principles in Japan, management shall ensure such disclosure.

The responsibility of corporate auditors and the board of corporate auditors is to oversee the execution of the directors' duties in establishing and operating the financial reporting process.

Responsibility of the auditor in auditing the Financial Statements, etc.

The auditor's responsibility is to obtain reasonable assurance, based on the audit performed, that the Financial Statements, etc. as a whole are free from material misstatement due to fraud or error, and to express an independent opinion on the Financial Statements, etc. in the audit report. A misstatement is considered material if, individually or in aggregate, it is reasonably expected to influence the users' decisions regarding the Financial Statements, etc., and it may arise from fraud or error.

In accordance with generally accepted auditing standards in Japan, the auditor shall exercise professional judgment throughout the audit process and maintain professional skepticism by performing the following:

- Identify and assess the risk of material misstatement due to fraud or error. In addition, plan and execute audit procedures in response to those risks. The selection and application of audit procedures are at the auditor's discretion. Furthermore, obtain sufficient and appropriate audit evidence as a basis for the opinion expressed.
- Although the purpose of the audit of the Financial Statements, etc. is not to express an opinion on the effectiveness of internal controls, the auditor shall, when performing risk assessments, review the internal controls relevant to the audit in order to plan appropriate audit procedures as circumstances warrant.
- Evaluate the appropriateness of the accounting policies adopted by management and their application, as well as the reasonableness of the accounting estimates made by management and the adequacy of the related disclosures.
- Conclude, based on the audit evidence obtained, whether it is appropriate for management to prepare the Financial Statements, etc. on a going concern basis and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If a material uncertainty regarding the going concern assumption exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the Financial Statements, etc. or, if the related disclosures are inadequate, to express a modified opinion on the Financial Statements, etc. The auditor's conclusion is based on the audit evidence obtained up to the date of the audit report; however, due to future events or circumstances, the Company may not be able to continue as a going concern.
- Evaluate whether the presentation and related disclosures in the Financial Statements, etc. comply with generally accepted accounting principles in Japan, and whether the Financial Statements, etc., including their structure and content, as well as the representation of the underlying transactions or events, are appropriately presented.

The auditor shall report to the corporate auditors and the board of corporate auditors on the planned scope and timing of the audit, significant issues identified during the audit, including significant deficiencies in internal control, and other matters required by auditing standards.

The auditor shall report to the corporate auditors and the board of corporate auditors on whether the auditor has complied with the applicable professional ethics regarding independence in Japan, as well as on any matters that may reasonably affect the auditor's independence, and, where applicable, on the measures taken to eliminate such threats or the safeguards applied to reduce such impairments to an acceptable level.

Interests

There are no interests, as required to be disclosed under the Certified Public Accountants Act, between the Company and our audit firm or its management partners.

End

Audit Report by the Board of Corporate Auditors

Audit Report

The board of corporate auditors has prepared this audit report after deliberation based on the audit reports prepared by each corporate auditor regarding the execution of duties by the directors for the 164th fiscal year from April 1, 2025 to March 31, 2026, and reports as follows.

1. Methods and Content of Audits by the Corporate Auditors and the Board of Corporate Auditors

(1) The board of corporate auditors determined the audit policy, division of duties, etc., received reports from each corporate auditor on the status and results of their audits, and received reports from directors and the accounting auditor on the execution of their duties, requesting explanations as necessary.

(2) Each corporate auditor conducted audits in accordance with the standards for audits by corporate auditors established by the board of corporate auditors, and in line with the audit policy and division of duties, while also utilizing means such as telephone lines and the Internet, communicated with directors, the audit department, and other employees, collected information, and established the audit environment. They also conducted audits using the following methods.

(i) Attended important meetings such as board of directors meetings, received reports from directors and employees on the execution of their duties, requested explanations as necessary, reviewed important decision documents, and investigated the status of operations and assets at the head office and major business locations. For subsidiaries, they communicated and exchanged information with directors and corporate auditors of the subsidiaries and received reports on business as necessary.

(ii) Reviewed the content of resolutions by the board of directors regarding the establishment of systems to ensure compliance with laws and regulations and the Articles of Incorporation in the execution of duties by directors, as well as systems necessary to ensure the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries, as stipulated in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, and the status of the development and operation of such systems (internal control systems), as described in the business report, receiving reports from directors and employees, requesting explanations as necessary, and expressing opinions.

(iii) Monitored and verified whether the accounting auditor maintained independence and conducted appropriate audits, received reports from the accounting auditor on the execution of their duties, and requested explanations as necessary. Additionally, received notifications from the accounting auditor that they had established a system to ensure the proper execution of duties (matters listed in each item of Article 131 of the Ordinance on Company Accounting) in accordance with the “Quality Control Standards for Audits” (Business Accounting Council) or other standards and requested explanations as necessary.

Based on the above methods, we reviewed the business report and its attached detailed statements, the financial statements (balance sheet, profits and losses statement, statement of changes in shareholders’ equity, and table of explanatory notes on unconsolidated financial statements) and their supplementary schedules, as well as the consolidated financial statements (consolidated balance sheet, consolidated profits and losses statement, consolidated statement of changes in shareholders’ equity, and table of explanatory notes) for the fiscal year.

2. Audit Results

(1) Results of audit of the business report, etc.

(i) The business report and its attached detailed statements are recognized as accurately reflecting the Company's status in accordance with laws and the articles of incorporation.

(ii) No fraudulent acts or significant violations of laws or the articles of incorporation regarding the execution of duties by directors have been identified.

(iii) The resolution of the board of directors regarding the internal control system is deemed appropriate. Furthermore, no matters requiring attention are recognized in the content of the business report concerning the internal control system or in the execution of duties by the directors.

(2) Audit results of financial statements and their attached detailed statements

We acknowledge that the audit methods and results of the accounting auditor, Inoue Audit Corporation, are appropriate.

(3) Audit results of consolidated financial statements

We acknowledge that the audit methods and results of the accounting auditor, Inoue Audit Corporation, are appropriate.

May 15, 2026

Tsukishima Holdings Co., Ltd. Board of Corporate Auditors

Full-Time Corporate Auditor	Takashi Kikkawa	Seal
Full-Time Corporate Auditor	Satoshi Yoshika	Seal
Corporate Auditor	Hiroki Kitagata	Seal

(Note) Full-Time Corporate Auditor Satoshi Yoshika and Corporate Auditor Hiroki Kitagata are outside corporate auditors as defined in Article 2, Item 16, and Article 335, Paragraph 3 of the Companies Act.

End