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Corporate Governance Report

CORPORATE GOVERNANCE

TOA CORPORATION

Last Update: July 1, 2025

TOA CORPORATION

Takeshi Hayakawa, President and Representative Director

Contact: +81-3-6757-3800

Securities code: 1885

<https://www.toa-const.co.jp/eng/>

The corporate governance of TOA CORPORATION (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

Under the management philosophy of “striving for prosperity through advanced technology and fulfilling social responsibilities through sound management,” the Group has set the long-term vision <TOA2030>, which is “Building a prosperous society and connecting people with the world for a better future.” By steadily implementing its domestic civil engineering business, domestic building construction business, overseas business, and other businesses, the Company aims to achieve management practices that are trusted by all stakeholders and meet their expectations. At the same time, the Company will promote ESG management to contribute to a sustainable society and the achievement of the SDGs. Our basic policy is to continually ensure the soundness and transparency of our corporate activities by consistently adhering to laws, regulations, social norms, and corporate ethics, and by establishing a management structure that enables prompt and flexible responses.

Reasons for Non-compliance with the Principles of the Corporate Governance Code

This report is described based on Japan’s Corporate Governance Code revised in June 2021.

The Company implements all principles of that Corporate Governance Code.

Disclosure Based on each Principle of the Corporate Governance Code [Updated]

Supplementary Principle 1.2.4 Creation of an Infrastructure Allowing Electronic Voting; and Provision of English Translations of the Convening Notices of General Shareholder Meetings

The Company uses the Electronic Voting Platform for institutional investors, which is operated by ICJ, Inc.

The Company posts the English translation of the convocation notice with the reference materials for the General Meeting of Shareholders on the Electronic Voting Platform for institutional investors and the Company’s website.

Principle 1.4 Cross-Shareholdings

With regard to cross-shareholdings, based on the policy of reducing cross-shareholdings for which there is no rationale for continued holding, the Company conducts an annual review of the benefits and risks of each equity based on the cost of capital regarding acquisition, continued holding, and sale of cross-shareholdings. In addition, the Company also examines the purpose and economic rationale for holding the shares, including the background to the start of the holding, the status of transactions with such companies, and the outlook for future transactions, to determine whether or not it will contribute to enhancing the Company’s corporate value over the medium to long term.

If, as a result of the examination, it is determined that the significance of holding these shares is no longer recognized or has diminished, the Company will proceed with procedures to sell the shares as appropriate. The Company sold seven issues in FY2022, five issues in FY2023, and seven issues in FY2024. In FY2025 and beyond, the Company will continue to sell issues that are deemed appropriate for sale after individual examination.

In exercising voting rights for shares held, the Company will make a decision for or against each proposal, based on a broad consideration whether or not the proposal will enhance the medium- to long-term corporate value of the company whose shares the Company holds and whether or not it is likely to damage the Company’s share value.

The Company’s policy is to reduce its cross-shareholdings to less than 10% of net assets during the period of the current Medium-term Management Plan (FY2023–FY2025).

As of March 31, 2025, the ratio of cross-shareholdings to net assets was 11.6% and the ratio of cross-shareholdings, including

deemed cross-shareholdings, to net sales was 16.8%.

Principle 1.7 Related Party Transactions

The Company requires prior approval of the Audit & Supervisory Committee and the Board of Directors for any transactions with the Company's Directors that may constitute a competing transaction or conflict of interest. Then, if there are transactions that are subject to disclosure, the Company will disclose them.

Supplementary Principle 2.4.1 Ensuring Diversity in the Promotion to Core Human Resources

In order to realize the long-term vision <TOA2030> "Building a prosperous society and connecting people with the world for a better future," the Company believes it is necessary to secure and develop diverse human resources.

With regard to the promotion of women and foreign nationals to core human resources, the Company's key performance indicators (KPIs) and targets are as follows.

- Number of female employees in semi-executive and executive positions: 30 or more by FY2030
- Number of foreign national employees in semi-executive and executive positions: 10 or more by FY2030

With regard to mid-career hires, the Company has already promoted a certain number of mid-career hires to management positions, and will continue to promote a diverse range of human resources, regardless of whether new graduates or mid-career hires, to core human resources.

In addition, the Company has established the following Basic Policy for Human Resource Development, which is necessary to secure and develop diverse human resources.

- We pursue semi-customized human resource development according to the aptitudes and abilities of individuals, which is different from conventional uniform human resource development, by embracing diversity and inclusion regardless of gender, nationality, age, and other attributes.
- We will systematically secure and develop professional human resources in anticipation of the Company's future business environment and business portfolio.
- We will build an organizational culture and workplace environment that embrace diverse values, and encourage long-term human resource success throughout the lifecycle through individual reskilling and other measures.

Please refer to the Company's website for details on the Basic Policy for Human Resource Development and the environment for ensuring diversity.

(https://www.toa-const.co.jp/esg/human_resource_standard.html) (in Japanese)

Principle 2.6 Roles of Corporate Pension Funds as Asset Owners

In consideration of the stable asset management of the TOA CORPORATION Pension Fund, which manages the pension plan, and its impact on the Company's financial condition, the Company has taken the following actions:

- The Asset Management Committee has been established to provide advice and exchange opinions on asset management by the pension fund, and officers and employees with sufficient business experience and knowledge of finance, etc., and persons equivalent to these officers and employees are appointed as committee members.
- The Asset Management Committee meets quarterly and always seeks the participation of outside consultants with specialized expertise to exchange opinions on asset management policies, etc., referring to their advice for safe and flexible asset management. Moreover, half of the quota of delegates to the Board of Delegates, which is the decision-making body of the pension fund, are elected by the members from among themselves, and the system is designed to appropriately manage conflicts of interest between the Company and the beneficiaries.

Principle 3.1 Full Disclosure

The Company strives to disclose information to enhance effective corporate governance and to provide information with high added value to stakeholders.

i) ii) Please refer to "I. Basic Views" in "I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information" of this report for the management philosophy, management strategy, and basic views and policy on corporate governance.

Please refer to the information materials for the Medium-term Management Plan posted on the Company's website for more information on the management plan.

(<https://www.toa-const.co.jp/eng/ir/plan/>)

iii) Regarding remuneration for senior management and Directors, the evaluation of each senior management executive and Director is conducted in light of items corresponding to each Director's responsibilities from among quantitative evaluation items (the amount of orders received, profit/loss of projects, safety results, expense management, consolidated ordinary profit, consolidated profit, dividends, ESG items, and number of new graduates hired) and qualitative evaluation items (business execution status, organizational vitalization, human resources development, compliance, contribution to improvement of technological strengths, new initiatives, building of relationships with external parties, inculcation of the management philosophy, more comfortable and efficient workplaces, etc.), in order to enhance their awareness about achievement of short-term performance targets and enhancement of corporate value over the medium to long term.

In addition, evaluation is conducted for payment of short-term incentive compensation (once a year) in accordance with the Company's performance (achievement of targets for the amount of orders received, consolidated operating profit, consolidated profit, the Company's share price (compared to TOPIX), etc.), and for granting of stock delivery points through a stock benefit

trust system (in principle, the points are exchanged for Company's shares upon retirement of officers, with a portion paid in cash). Regarding procedures for determining remuneration, in order to ensure fairness, transparency, and objectivity in the determination, the Company consults the Nomination & Remuneration Committee, which is a voluntary committee, with Independent Outside Directors forming a majority and chaired by an Independent Outside Director, on remuneration and the Board of Directors makes decisions based on the Committee's report.

iv) For appointment of Directors and Executive Officers, etc., the Company consults the Nomination & Remuneration Committee on candidates it deems appropriate, taking into consideration their personalities, insight and overall balance, regardless of gender, nationality, etc., and the Board of Directors makes a decision based on the Committee's report. In addition, the Company has formulated the Succession Plan (Executive Talent Development Plan) to systematically develop candidates.

For appointment of Directors who are Audit & Supervisory Committee Members, the Company nominates candidates who are suitable for auditing and supervising the duties of the Directors. The Company also nominates at least one person with sufficient knowledge of finance and accounting. However, for appointment of Directors who are Audit & Supervisory Committee Members, prior consent of the Audit & Supervisory Committee shall be obtained.

v) Reasons for the appointment/dismissal of Directors are stated in the reference materials for the General Meeting of Shareholders.

Supplementary Principle 3.1.2 Provision of English Language Disclosures

The Company has an English version of its website, on which Top Message, Mid-term Management Plan, Integrated Report, ESG Management, IR News, Works, Research & Development, a company introduction video, and other contents are posted to provide information to overseas investors.

The Company discloses and provides summaries of consolidated financial results, including financial statements such as Consolidated Balance Sheets, Consolidated Statements of Income, Consolidated Statements of Comprehensive Income, and Consolidated Statements of Cash Flows, supplementary explanatory materials, transcripts of financial results briefings, performance and financial highlights with graphic easy-to-understand presentation of results, chart generator, etc. The Company also discloses and provides the notice of Ordinary General Meeting of Shareholders in English along with the reference materials for the General Meeting of Shareholders. The Company will continue to consider further expansion of English-language disclosure items, including sponsored research reports.

Supplementary Principle 3.1.3 Initiatives on Sustainability

With regard to sustainability, the Company has set KPIs for resolving important ESG-related issues, formulated specific ESG action plans to achieve the KPIs, and provides explanation about them at financial results briefings and other meetings, taking into account their relevance to management strategies. Going forward, the Company will continue to strive for easier-to-understand disclosure. Please refer to the Company's website for more information on ESG management.

(<https://www.toa-const.co.jp/eng/esg/>)

Moreover, the Company collects, analyzes, and discloses data on the impact of climate change-related risks and earnings opportunities on its own business activities in accordance with TCFD recommendations.

(<https://www.toa-const.co.jp/eng/esg/tcfid/>)

Please refer to the human capital policy as disclosed in the Annual Securities Report.

(<https://www.toa-const.co.jp/ir/library/securities/>) (in Japanese)

The Company will further enhance disclosure while engaging in dialogue with stakeholders.

Supplementary Principle 4.1.1 Scope and Content of the Matters Delegated to the Management

As a company with an Audit & Supervisory Committee, the Board of Directors (which meets at least once a month) focuses its deliberations and decisions on important management issues, and the Management Council deliberates and decides on some important business operations delegated by the Board of Directors (scope of delegation stipulated in the Board of Directors Regulations: matters related to purchase and sale of fixed assets below a certain amount and claims and obligations, participation in PFI and replacement works meeting certain criteria, personnel-related matters, etc.), thereby accelerating management decision-making.

Furthermore, in order to separate decision-making from business execution, the Company has introduced an executive officer system to improve the efficiency of overall business execution and strengthen its functions.

Regarding nomination and remuneration of Directors and Executive Officers, in order to ensure fairness, transparency, and objectivity of the procedures, the Nomination & Remuneration Committee, which is a voluntary committee, with Independent Outside Directors forming a majority and chaired by an Independent Outside Director, deliberates on nomination and remuneration and the Board of Directors makes decisions based on the report of the Committee.

Principle 4.8 Effective Use of Independent Directors

The Company's Board of Directors consists of nine members: five Directors who are not Audit & Supervisory Committee Members (including two Independent Outside Directors) and four Directors who are Audit & Supervisory Committee Members (including three Independent Outside Directors), with Independent Outside Directors accounting for the majority of the entire Board of Directors. The Company amended its Articles of Incorporation to allow Independent Outside Directors to chair meetings of the

Board of Directors. The corporate governance system is designed to maintain management transparency and soundness and to enhance corporate value over the medium to long term. The Audit & Supervisory Committee is also chaired by an Independent Outside Director.

Supplementary Principle 4.8.3 Composition of the Board of Directors or Establishment of a Special Committee in the Case of a Listed Company with a Controlling Shareholder

The Company has no shareholders who fall under the category of a controlling shareholder.

Principle 4.9 Independence Standards and Qualification for Independent Directors

Please refer to “1. Organizational Composition and Operation [Matters Concerning Independent Directors]” in “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight” of this report for the independence criteria of the Company.

Supplementary Principle 4.10.1 Involvement of and Advice from Independent Outside Directors regarding Nomination and Remuneration, etc. by Establishing a Voluntary Advisory Committee

The Company’s Board of Directors consists of nine members: five Directors who are not Audit & Supervisory Committee Members (including two Independent Outside Directors) and four Directors who are Audit & Supervisory Committee Members (including three Independent Outside Directors), with Independent Outside Directors accounting for the majority of the entire Board of Directors.

To ensure independence and neutrality, the Nomination & Remuneration Committee, which is a voluntary committee, consists of five members: three Independent Outside Directors who are Audit & Supervisory Committee Members and two executive Directors, since close coordination with business execution is also required. The Nomination & Remuneration Committee is chaired by an Independent Outside Director.

The Nomination & Remuneration Committee deliberates and reports to the Board of Directors on important matters such as the nomination of senior management and Directors from the perspective of diversity of gender, etc. and skills and in accordance with the Succession Plan (Executive Talent Development Plan) and remuneration that ensures fairness, transparency, and objectivity. In making decisions, the Board of Directors respects the reports of the Nomination & Remuneration Committee to the maximum extent possible.

Supplementary Principle 4.11.1 View on the Appropriate Balance between Knowledge, Experience and Skills of the Board as a Whole, and on Diversity and Appropriate Board Size; and Policies and Procedures for Nominating Directors

The Company’s Board of Directors makes decisions on important matters related to corporate management policies and execution, and thus, is composed of persons who are suitable for enhancing corporate value, nominated from among persons with expertise, experience, and abilities in technology, sales, legal affairs, finance, and human resource development necessary for the execution of each business, taking into account diverse aspects including gender, internationality, career, and age.

The Board of Directors consults with the Nomination & Remuneration Committee regarding Director candidates who have been systematically developed in accordance with the Succession Plan (Executive Talent Development Plan). The Nomination & Remuneration Committee fairly evaluates the overall balance among the candidates’ career, ability, personality, insight, and expertise and diversity in each business unit and reports to the Board of Directors. The Board of Directors then makes a decision.

For candidates for Independent Outside Directors, the Company selects persons with a wealth of experience and knowledge who can contribute mainly to strengthening supervision of the Directors’ execution of their duties, and includes persons with management experience at other companies.

The number of Directors is stipulated by the Articles on Incorporation to be no more than ten Directors who are not Audit & Supervisory Committee Members and four or five Directors who are members of the Audit & Supervisory Committee.

Currently, Independent Outside Directors constitute a majority of the Board of Directors, and the ratio of female Directors on the Board of Directors is 22.2%. The Company will continue its efforts to ensure the functioning and diversity of the Board of Directors.

A skills matrix listing the knowledge, experience, and abilities of each Director is provided on the last page of this report.

Supplementary Principle 4.11.2 Status of Concurrent Positions of Directors

No Director holds concurrent positions with other companies that would prevent them from properly fulfilling their roles and responsibilities. The Company discloses the status of Directors’ important concurrent positions in the Business Report and the notice of General Meeting of Shareholders every year.

Supplementary Principle 4.11.3 Analysis and Evaluation of Effectiveness of the Board of Directors as a Whole

The Company conducts evaluation (self-assessment with the support of an independent third-party organization and external experts for FY2024) of the effectiveness of the Board of Directors in order to verify whether the Board of Directors is fulfilling its functions and to strengthen the governance functions.

(Overview of evaluation results for FY2024)

The management of the Board of Directors and the management of the Nomination & Remuneration Committee were generally

appropriate, and the Board of Directors was evaluated as functioning effectively with its effectiveness ensured.

The communication with shareholders and investors was also generally positive. However, despite the presence of open and frank discussions, there was an opinion suggesting that further improvements should be considered in the management and discussion within the Board of Directors.

(Major future initiatives)

(1) Ensure effective and strategic operation of the Board of Directors as an oversight body following the transition to a Board structure in which a majority of Directors are Outside Directors.

(2) Allocate greater time and focus to discussions of the medium- to long-term strategic direction and management strategy as a result of the revision of the Standards for Board of Directors Meeting Agenda and delegate greater authority to the Management Council.

(3) Enhance the risk management framework centered on the ESG Committee and, in cooperation with the executive side, conduct cross-organizational and companywide deliberations on key risks to improve the effectiveness of responses.

(4) Regularly discuss a plan for executive development at meetings of the Board of Directors and establish a structured succession plan.

Based on the results of this effectiveness evaluation, the Company will strive to further enhance the effectiveness of the Board of Directors through enriched deliberations and constructive discussions.

For more information, please refer to the “Overview of the Evaluation Results on the Effectiveness of the Board of Directors” released on June 13, 2025.

(<https://pdf.irpocket.com/C1885/A2Jy/hwIB/PiQg.pdf>)

Supplementary Principle 4.14.2 Training Policy for Directors

The Company continuously offers all Directors the necessary training and seminars to effectively fulfill their respective roles and responsibilities. Additionally, the Company provides Independent Outside Directors with opportunities to acquire essential knowledge and information about the Group’s business, financial affairs, and organizational structure.

Principle 5.1 Policy for Constructive Dialogue with Shareholders

The Company emphasizes constructive dialogue with shareholders and investors, and the Director in charge of the Corporate Management General Headquarters that oversees management planning, finance, administration, legal affairs, corporate communication etc. promotes the activities.

Regarding dialogue with institutional investors, the Company holds financial results briefings for full-year and semi-annual financial closing on the outline and progress of the Medium-term Management Plan, performance and business conditions in each fiscal year, the policy on shareholder returns, etc. Financial results briefings are valuable opportunities for direct dialogue with institutional investors from a long-term perspective for enhancing the Company’s corporate value, and the President, the Executive Officer overseeing finance, and senior management participate in the briefings to provide explanations. Moreover, the Director in charge of management planning is responsible for responses to individual and group meetings with domestic and overseas institutional investors. Furthermore, the Director in charge of the Corporate Management General Headquarters oversees shareholder relations (SR), that is, dialogues with institutional investors who hold the Company’s shares. In addition, in order to facilitate a better understanding of the Company’s business, etc., the Company provides opportunities for dialogue between the Company’s management and institutional investors, including periodic holding of tours of construction sites where the Company is executing projects and of the research center.

Questions raised during the above briefings and meetings, as well as opinions received from institutional investors, are reported to the Board of Directors as appropriate and reflected on the management of the Company.

Furthermore, in order to facilitate dialogue with individual shareholders, the Company holds financial results briefings for individual investors and materials and videos are made available. Going forward, the Company will continue to implement similar initiatives.

Additionally, as part of initiatives to promote understanding of the Company’s business and to encourage long-term holding of the Company shares, the Company provides an “IR e-mail distribution service” that sends e-mail notifications of the latest topics, including timely disclosure information, to those who have registered their e-mail addresses with the Company. “IR Inquiries Contact Point” is also available on the Company’s website. (<https://www.toa-const.co.jp/ir/inquiry/>) (in Japanese)

Actions to achieve management conscious of cost of capital and share price [English disclosure available]

In order to achieve sustainable growth and enhance corporate value over the medium to long term, the Company has formulated the “Action Plan to Improve Price-to-Book Ratio 2025.” Please refer to it posted on the Company’s website. (<https://www.toa-const.co.jp/eng/ir/plan/>)

Status of dialogue with shareholders, etc.

Please refer to the Company’s website for the results of dialogue with shareholders and institutional investors and the main opinions, etc. obtained through such dialogue.

- Action Plan to Improve Price-to-Book Ratio 2025” (<https://www.toa-const.co.jp/eng/ir/plan/>)

- Financial Results Briefing Materials for FY2024 (Term ended March 2025) (<https://www.toa-const.co.jp/eng/ir/presentation/>)

2. Capital Structure

Foreign Shareholding Ratio	10% or more but less than 20%
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Status of Major Shareholders [Updated]

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,849,300	10.76
Taiheiyo Cement Corporation	4,274,372	5.20
Custody Bank of Japan, Ltd. (Trust Account)	3,711,600	4.51
Meiji Yasuda Life Insurance Company	3,082,400	3.75
Custody Bank of Japan, Ltd. (Trust Account E)	2,900,380	3.53
TOA CORPORATION Tsuru Kabu Kai	2,698,800	3.28
TOA CORPORATION Employee Shareholding Association	2,496,452	3.04
Morgan Stanley MUFG Securities Co., Ltd.	1,279,775	1.56
The Nomura Trust and Banking Co., Ltd. (Trust Account 2052256)	1,267,200	1.54
Aioi Nissay Dowa Insurance Co., Ltd.	1,250,136	1.52

Name of Controlling Shareholder, if applicable
(excluding Parent Companies)

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Name of Parent Company, if applicable

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Supplementary Explanation [Updated]

The above “Status of Major Shareholders” is as of March 31, 2025.

As of March 31, 2025, the Company owned 5,725,660 treasury shares (6.51% of the total number of issued shares).

Mizuho Bank, Ltd. and its joint holders Mizuho Trust & Banking Co., Ltd. and Asset Management One Co., Ltd. submitted a large volume holding report (change report No. 79) dated June 20, 2025, stating that they hold the following shares as of June 13, 2025. However, since the Company is unable to confirm the number of shares beneficially held by them as of March 31, 2025, the above Status of Major Shareholders is based on the shareholder registry.

Number of shares held: 7,541,000 shares

Percentage of shares held to total number of issued shares: 8.57%

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange, Prime Market; Sapporo Securities Exchange, Existing Market
Fiscal Year-End	March
Business Sector	Construction
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥100 billion or more but less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Fewer than 10

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have a Material Impact on Corporate Governance

At present, there are no facts that have a material impact on the Company's corporate governance.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit & Supervisory Committee
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Directors

Number of Directors Stipulated in Articles of Incorporation	15
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board [Updated]	Outside Director
Number of Directors [Updated]	9
Election of Outside Directors	Elected
Number of Outside Directors	5
Number of Independent Directors	5

Outside Directors' Relationship with the Company (1) [Updated]

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Shiro Kuniya	Lawyer											
Kanako Sekine	From another company											
Masahiko Okamura	From another company											
Michi Handa (Sasano)	CPA											
Satoshi Tamai	CPA											

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

a. Person who executes business for the Company or its subsidiary

- b. Person who executes business for a non-executive director of the Company's parent company
- c. Person who executes business for a fellow subsidiary
- d. Person/entity for which the Company is a major client or a person who executes business for said person/entity
- e. Major client of the Company or a person who executes business for said client
- f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/company auditor
- g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- i. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- k. Other

Outside Directors' Relationship with the Company (2) [Updated]

Name	Membership of Audit & Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Shiro Kuniya		○	—	Mr. Shiro Kuniya has abundant experience and profound insight on corporate legal affairs and international legal affairs as a legal professional. He has also served as an outside auditor and outside director at other companies for many years and has therefore gained global and advanced knowledge on corporate management. The Company has determined that he is capable of fulfilling the role of enhancing supervision over the execution of duties by Directors of the Company. Accordingly, the Company has appointed him an Outside Director. Additionally, the Company has designated him as an independent director because he satisfies the independence standards stipulated by the Tokyo Stock Exchange and the Independence Standards for Outside Officers stipulated by the Company (see Supplementary Explanation in Section 4) and therefore, there is no risk of conflict of interest with general shareholders.
Kanako Sekine		○	—	Ms. Kanako Sekine has held senior positions at financial institutions and international organizations in the U.S., Europe, and other countries that are at the forefront of multinational, multicultural, and diversity-related development. She has profound insight, a global perspective and abundant experience in sustainability-focused investment, corporate governance, and risk management. The Company has determined that she is capable of enhancing the supervision of the execution of duties by Directors of the Company. Accordingly, the Company has appointed her an Outside Director. Additionally, the Company has designated her as an independent director because she satisfies the independence standards stipulated by the Tokyo Stock Exchange and the Independence Standards for Outside Officers stipulated by the Company (see Supplementary Explanation in Section 4) and therefore, there is no risk of conflict of interest with general shareholders.

Name	Membership of Audit & Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Masahiko Okamura	○	○	—	Mr. Masahiko Okamura held important positions at a leading trading company. The Company thus believes that he has sufficient insight to enhance the audit and supervision of the execution of duties by Directors of the Company based on his abundant experiences. The Company has determined that he is well-qualified to appropriately perform the duties of an Outside Director, and accordingly, has appointed him an Outside Director. Additionally, the Company has designated him as an independent director because he satisfies the independence standards stipulated by the Tokyo Stock Exchange and the Independence Standards for Outside Officers stipulated by the Company (see Supplementary Explanation in Section 4) and therefore, there is no risk of conflict of interest with general shareholders.
Michi Handa (Sasano)	○	○	—	Ms. Michi Handa has abundant experience and profound insight as a certified public accountant and certified tax accountant, having served in top management of a consulting company specializing in internal control, risk management, etc. and having been involved in support for the establishment of internal control as a management consultant. The Company has determined that she is capable of fulfilling the role of enhancing the audit and supervision over the execution of duties by Directors of the Company. Accordingly, the Company has appointed her an Outside Director. Additionally, the Company has designated her as an independent director because she satisfies the independence standards stipulated by the Tokyo Stock Exchange and the Independence Standards for Outside Officers stipulated by the Company (see Supplementary Explanation in Section 4) and therefore, there is no risk of conflict of interest with general shareholders.
Satoshi Tamai	○	○	—	Mr. Satoshi Tamai has abundant experience and profound insight as a certified public accountant. The Company has determined that he is capable of fulfilling the role of enhancing the audit and supervision over the execution of duties by Directors of the Company. Accordingly, the Company has appointed him an Outside Director. Additionally, the Company has designated him as an independent director because he satisfies the independence standards stipulated by the Tokyo Stock Exchange and the Independence Standards for Outside Officers stipulated by the Company (see Supplementary Explanation in Section 4) and therefore, there is no risk of conflict of interest with general shareholders.

Audit & Supervisory Committee

Composition of Audit & Supervisory Committee and Attributes of the Chairperson

All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
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Audit & Supervisory Committee	4	1	1	3	Outside Director
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Appointment of Directors and/or Staff to Support the Audit & Supervisory Committee	Appointed
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Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

The Company has assigned employees with sufficient experience to fully examine the Company's operations as assistants, who are also in charge of the Audit & Supervisory Committee Secretariat. The Audit & Supervisory Committee Members shall order assistants to perform matters necessary for audit work, and assistants shall not be subject to the direction or orders of Directors who are not Audit & Supervisory Committee Members with respect to such orders. The consent of the Audit & Supervisory Committee shall be obtained with respect to the transfer, evaluation and discipline of assistants.

Cooperation among the Audit & Supervisory Committee, Accounting Auditors and Internal Audit Department

The Audit & Supervisory Committee, the Accounting Auditor and the Internal Audit Department closely cooperate with each other, exchanging information as needed from time to time, including through regular meetings on the annual audit plan, audit reports.

The Audit & Supervisory Committee and the Accounting Auditor cooperate as follows:

1. Hearing on the audit plan
2. Hearing on the status of quarterly financial audit
3. Report on the results of the audit of non-consolidated and consolidated financial statements

The Audit & Supervisory Committee and the internal audit division collaborate as follows:

1. Reporting of internal audit results from the internal audit division to the Audit & Supervisory Committee
2. Exchange of information with the internal audit division on the results of the Audit & Supervisory Committee's audits of the head office, branches, sales offices, and affiliated companies
3. The internal audit division concurrently serves as the Audit & Supervisory Committee Secretariat

Voluntary Established Committee(s)

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established
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Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination & Remuneration Committee	5	0	2	3	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination & Remuneration Committee	5	0	2	3	0	0	Outside Director

Supplementary Explanation

In order to ensure fairness, transparency, and objectivity in the procedures for nomination of officers and their remuneration, the Company has established a voluntary Nomination & Remuneration Committee as an advisory body to the Board of Directors, with a majority of the members being Independent Outside Directors and the chairperson of the Committee being an Independent Outside Director. The Nomination & Remuneration Committee consists of five members comprising three Independent Outside Directors who are Audit & Supervisory Committee Members and two executive Directors, and is chaired by an Independent Outside Director.

Matters Concerning Independent Directors

Number of Independent Directors	5
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Other Matters Concerning Independent Directors

In order to ensure the independence of Outside Directors invited by the Company, the Company has established the Independence Verification Items, referring to Rule 436-2 “Securing Independent Director(s)/Auditor(s)” of the Securities Listing Regulations, the Guidelines concerning Listing Examination, etc., and other rules as stipulated by the Tokyo Stock Exchange, Inc. The outline is described below:

(1) If such outside officer has previously worked for a business partner of the Company group

If, at present or in the past five years, such outside officer falls under a business partner or its executive specified in a. below or falls under b. below, he/she is considered not to be independent.

- a. Such outside officer is objectively and reasonably considered to have a position that is necessary for or has a significant influence on the existence and development of the Company group or such business partner (when the degree of dependence is high, when the amount of the transaction is 2% or more of consolidated net sales, or when such outside officer receives money or other assets from the Company group in addition to remuneration as an officer).
- b. Involvement of such outside officer in transactions between such business partner and the Company group is recognized.

(2) If such outside officer has previously worked as a consult, or an accounting or legal professional

If, at present or in the past five years, such outside officer falls under any of the following cases, he/she is considered not to be independent.

- a. Such outside officer receives a large amount of money or other assets (Note 1) from the Company group in addition to remuneration as an officer.
- b. Such outside officer is a specialist or belongs to an organization that receives services, etc., and the Company group's dependence on him/her or the said organization is high, such as that he/she or the said organization is indispensable to the Company group's corporate management or it is not possible to easily find an equivalent receiver of the services, etc.
- c. The Company group receives services, etc. from the said organization and involvement of such outside officer is recognized.

(3) If a close relative (Note 2) of such outside officer has a relationship with the Company group

If, at present or in the past five years, a close relative of such outside officer falls under any of the following cases, such outside officer is considered not to be independent.

- a. A person falling under (1) or (2) above (excluding important persons)
- b. An executive of the Company group (excluding important persons)

(Note 1) Average amount exceeding 10 million yen per year in the above fiscal years

(Note 2) Spouse, relative within the second degree of kinship, relative living in the same household, or a person with whom such outside officer shares a common livelihood

Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Plan
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Supplementary Explanation for Applicable Items

The Company has introduced a performance-linked remuneration plan and a performance-linked stock compensation plan. For details, please refer to Principle 3.1 iii) “Board policies and procedures in determining the remuneration of the senior management and Directors” in this Report I-1 “Disclosure Based on each Principle of the Corporate Governance Code.”

Persons Eligible for Stock Options

Supplementary Explanation for Applicable Items

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Director Remuneration

Status of Disclosure of Individual Director's Remuneration

No Disclosure for any Directors

Supplementary Explanation for Applicable Items [Updated]

The total amount of annual remuneration for Directors is disclosed in the Annual Securities Report for public inspection by investors and other stakeholders as well as the general public. The amounts of remuneration, etc. in FY2024 for Directors excluding Audit & Supervisory Committee Members and for Directors who are Audit & Supervisory Committee Members are as follows:

- Total annual amount of remuneration for Directors excluding Audit & Supervisory Committee Members (excluding Outside Directors): 249 million yen (including 208 million yen in monetary compensation and 40 million yen in non-monetary compensation)
- Total annual amount of remuneration for Directors who are Audit & Supervisory Committee Members (excluding Outside Directors): 12 million yen (monetary compensation only)
- Total annual amount of compensation for Outside Directors: 39 million yen (monetary compensation only)

Policy on Determining Remuneration Amounts and Calculation Methods [Updated]

Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

For the policy on Directors' remuneration, please refer to Principle 3.1 iii) "Board policies and procedures in determining the remuneration of the senior management and Directors" in this Report I-1 "Disclosure Based on each Principle of the Corporate Governance Code."

In order to ensure that the remuneration level is such that shareholders and other interested parties would consider reasonable, the Nomination & Remuneration Committee was consulted for the amount of remuneration, etc. for Directors who are not Audit & Supervisory Committee Members (maximum amount: 300 million yen per year) and the amount of stock compensation (maximum number of points to be granted: 80,000 points per year), and after deliberation and report by the Committee, the Board of Directors approved them and submitted a proposal and a resolution was passed at the 135th Ordinary General Meeting of Shareholders held on June 27, 2025. In addition, short-term incentive compensation (cash) is to be paid once a year based on the Company's performance within a specified annual amount.

The amount of remuneration, etc. of individual Directors is determined by the Board of Directors based on an equitable and fair evaluation of their individual roles, responsibilities, and performance, after deliberation and report by the Nomination & Remuneration Committee.

Support System for Outside Directors

1. The Company provides sufficient information to Outside Directors, such as advance explanations of agenda items for Board of Directors meetings and major conferences.
2. To assist the Outside Directors who are Audit & Supervisory Committee Members in their auditing duties, employees belonging to the Internal Audit Department, which is an internal audit division, are assigned as assistants and serve concurrently as the Audit & Supervisory Committee Secretariat and to assist in the necessary auditing duties.
3. With respect to the method of communicating information to Outside Directors who are Audit & Supervisory Committee Members, matters that are determined by the Audit & Supervisory Committee to be reported are communicated each time by Directors (excluding those who are Audit & Supervisory Committee Members) or by officers and employees. In addition, a system is in place to directly interview Directors (excluding those who are Audit & Supervisory Committee Members) and

important officers and employees when the Audit & Supervisory Committee considers it necessary for auditing purposes.

Status of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
—	—	—	—	—	—

Number of Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.)
After Retiring as Representative Director and President, etc.

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Other Related Matters

The Company's Articles of Incorporation stipulate the system, and the Board of Directors decides who is eligible. The advisors, etc. are asked to provide advice as experts and are not involved in management decisions or management.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) [Updated]

1. Directors deliberate, decide, and report on important matters stipulated in laws and regulations, the Articles of Incorporation, and the Standards for Board of Directors Meeting Agenda at Board of Directors meetings held at least once a month, and make management decisions regarding important matters for the Company and the Company group.
The Board of Directors delegates the authority to the President for a part of important business execution, and for the purpose of swift and appropriate execution of business, important matters related to business execution are deliberated and reported at the Management Council meetings, which are held once a week, and are decided.
Furthermore, the Company has adopted an executive officer system that separates management and execution, where Directors are responsible for management decision-making and Executive Officers are responsible for business execution.
2. Regarding the procedures for determining nomination and remuneration of Directors and Executive Officers, in order to ensure fairness, transparency, and objectivity in the determination, the Nomination & Remuneration Committee, which is a voluntary committee, with Independent Outside Directors forming a majority and chaired by an Independent Outside Director, deliberates on nomination and remuneration, and the Board of Directors makes decisions based on the Committee's report.
3. The Audit & Supervisory Committee, as its basic configuration, has four members, consisting of three highly independent Outside Directors and one full-time Director from within the Company. In cooperation with the internal audit division, the Committee is working to strengthen its effective auditing and information gathering systems. In addition, the Committee monitors the execution of duties by Directors by such means as attending important meetings, hearing reports from Directors and other relevant personnel, conducting field audit of each business site including the head office, hearing about the status of subsidiaries, and inspecting important documents. The Audit & Supervisory Committee has members who are certified public accountants (one of them is also a licensed tax accountant), and have considerable knowledge of finance and accounting. In addition, as the full-time Audit & Supervisory Committee Member, a person has been appointed who had been in the administration division of the Company for many years and can monitor and audit the execution of duties by Directors based on the knowledge and experience cultivated in the course of his career in the administration division.
4. Regarding internal audits, the Company has established the Internal Audit Department, which conducts audits in accordance with the Internal Audit Regulations to strengthen the effectiveness of the internal control system.
5. The Company has appointed five Outside Directors, all of whom have no personal, capital, or business relationships with or other interest in the Company. In other words, none of the Outside Directors fall under any of the following categories: (1) a major shareholder of the Company or an executive thereof, (2) a person/entity for which the Company is a major client or an executive thereof, or (3) a consultant, accounting expert, or legal expert who receives remuneration from the Company in addition to remuneration as a director/company auditor, nor are they close relatives of persons listed in (1) through (3).
6. The Company appoints as Outside Directors persons who have a wealth of knowledge and experience in various fields, and

expects their role to be to ensure sound management by supervising and auditing from a neutral and objective perspective. In order to ensure the independence of Outside Directors invited by the Company, the Company has established the Independence Verification Items, for which purpose it referred to Rule 436-2 “Securing Independent Director(s)/Auditor(s)” of the Securities Listing Regulations, and the Guidelines concerning Listing Examination as stipulated by Tokyo Stock Exchange, Inc. and other rules. In order to satisfy the purpose of appointing Outside Directors, the Company pays attention to ensuring their independence and will not appoint as Outside Directors those whose independence it is in practice difficult to ensure.

7. Pursuant to Article 427, Paragraph (1) of the Companies Act, the Company has concluded contracts with Directors who do not execute business to limit their liability under Article 423, Paragraph (1) of the said Act. The maximum amount of liability for damages under such contracts is the minimum liability amount stipulated in Article 425, Paragraph (1) of the said Act. Such limitation of liability is only permitted if such Director has incurred any liability in the course of executing his/her duties in good faith and without gross negligence.
8. The Company has appointed Ernst & Young ShinNihon LLC as the Accounting Auditor.
The composition of the certified public accountants who performed the accounting audit in FY2024 and the assistants for the audit are as follows:
Names of the certified public accountants who performed the accounting audit
Hidenori Hara Yoji Yuki
Composition of assistants for the accounting audit
Certified public accountants: 7 persons Others: 14 persons

3. Reasons for Adoption of Current Corporate Governance System

Directors deliberate, decide, and report on important matters stipulated in laws and regulations, the Articles of Incorporation, and the Standards for Board of Directors Meeting Agenda at Board of Directors meetings held at least once a month, and make management decisions regarding important matters for the Company and the Company group.

The Board of Directors delegates the authority to the President for a part of important business execution, and for the purpose of swift and appropriate execution of business, important matters related to business execution are deliberated and reported at the Management Council meetings, which are held once a week, and are decided.

Furthermore, the Company has adopted an executive officer system that separates management and execution, where Directors are responsible for management decision-making and Executive Officers are responsible for business execution.

Regarding the procedures for determining nomination and remuneration of Directors and Executive Officers, in order to ensure fairness, transparency, and objectivity in the determination, the Nomination & Remuneration Committee, which is a voluntary committee, with Independent Outside Directors forming a majority and chaired by an Independent Outside Director, deliberates on nomination and remuneration, and the Board of Directors makes decisions based on the Committee's report. The Audit & Supervisory Committee, as its basic configuration, has four members, consisting of three highly independent Outside Directors and one full-time Director from within the Company. In cooperation with the internal audit division and the Accounting Auditor, the Committee is working to strengthen its effective auditing and information gathering systems.

The Company believes that these measures ensure the appropriateness of operations, and has selected the current corporate governance system.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Company sent the convocation notice by postal mail one week before the statutory due date. Prior to the sending of the convocation notice by postal mail, the Company posted the notice on TDnet of Tokyo Stock Exchange, Inc. and on the Company's website at an early date.
Electronic Exercise of Voting Rights	The Company has enabled the exercise of voting rights via the Internet, etc. since the 131st Ordinary General Meeting of Shareholders.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance the Environment for Institutional Investors to Exercise Voting Rights	The Company has participated in the electronic voting platform for institutional investors since the 131st Ordinary General Meeting of Shareholders.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	The Company posts the English translation of the convocation notice with the reference materials for the General Meeting of Shareholders on the electronic voting platform for institutional investors and the Company's website.
Other	<ol style="list-style-type: none"> 1. The convocation notice of the General Meeting of Shareholders and the results of resolutions on the agenda are posted on the Company's website. 2. In order to encourage shareholders to actively attend the General Meeting of Shareholders, the Company regularly emphasizes investor relations activities and strives to disclose appropriate information on its website and by other means so that shareholders can fully and appropriately understand the Company's financial position, the status of business operations, etc.

2. Status of IR-related Activities [Updated]

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The disclosure policy is posted on the Company's website. https://www.toa-const.co.jp/ir/disclosure-policy/ (in Japanese)	
Regular Investor Briefings held for Individual Investors	In order to facilitate dialogue with individual investors, the Company made a presentation at an "IR seminar for individual investors" organized by logmi Finance in March for FY2024 and at a company introduction briefing for individual investors organized by Okasan Securities in May for FY2025. Going forward, the Company will continue to implement similar initiatives.	Held
Regular Investor Briefings held for Analysts and Institutional Investors	The Company holds financial results briefings twice a year in principle (for the semi-annual and full-year financial results), and in addition, individual meetings with domestic and overseas institutional investors are held. Furthermore, in order to facilitate a better understanding of the Company's business, etc., the Company provides opportunities for dialogue between the Company's management and institutional investors, including periodic holding of tours of construction sites where the Company is executing projects.	Held

Online Disclosure of IR Information	<p>The Company's website URL https://www.toa-const.co.jp/eng/</p> <p>Information for investors posted on the Company's website</p> <ul style="list-style-type: none"> • Top Message • Medium-term Management Plan • Summary of Financial Results • Briefing Materials for Financial Results • DATA BOOK (in Japanese) • Securities Report (in Japanese) • Semi-annual Securities Report (in Japanese) • Notice of General Meeting of Shareholders • Resolutions at General Meeting of Shareholders (in Japanese) • Financial Highlights • Briefing materials for individual investors (in Japanese) • Corporate Governance Report • Basic policy for the establishment of internal control system (in Japanese) • Other
Establishment of a Department and/or Placement of a Manager in Charge of IR	The Corporate Communication Department is in charge.

3. Status of Measures to Ensure Due Respect for Stakeholders [Updated]

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	<p>(Internal rules)</p> <p>In order to build smooth relationships with stakeholders, the Group has established the TOA CORPORATION Group Code of Conduct, which is based on the following principles: “Carry out fair and sincere corporate activities,” “Execution of social responsibilities,” “Respect for humans,” and “Coexistence with society.”</p> <p>From a customer-oriented perspective, the Company will strengthen business activities while pursuing customer satisfaction. The Company will also strive to maintain a comfortable and fair workplace environment by holding regular labor-management meetings based on the labor agreement and through various consultation and reporting systems (including a counseling system).</p> <p>(ESG)</p> <p>In accordance with its corporate philosophy—“Striving for prosperity with advanced technologies and fulfilling its social responsibilities through sound management”—and based on its long-term vision <TOA2030>—“Building a prosperous society and connecting people with the world for a better future,” the Company has established the basic policy on ESG management, which states: “TOA Corporation Group will contribute to SDGs by promoting ESG-based management to fulfill its social responsibilities related to E (environment), S (society) and G (governance) and realize sustainable increases in corporate value.” The Company identified materiality to be prioritized in its business based on the basic policy on ESG management, and established policies for tackling these key issues as the “TOA ESG/SDGs Action Plan.”</p> <p>The Company has established the ESG Committee to formulate the basic policy on ESG activities and specific action plans, review activity results, and deliberate on measures, etc. The results of the Committee’s deliberations are reported to the Board of Directors, and important decisions are communicated to the business divisions (including branches) and Group companies and thus, a group-wide governance system has been established.</p> <p>Information on a series of ESG-related initiatives is posted on the Company’s website. Moreover, the Company publishes an Integrated Report once a year, integrating financial information and ESG-related information. https://www.toa-const.co.jp/eng/esg/report_2024/</p>

	<p>(Other)</p> <p>In accordance with the TOA CORPORATION Group Code of Conduct, the Company respects international norms such as the Guiding Principles on Business and Human Rights, and has established its Human Rights Policy to further foster a culture of respect for human rights.</p>
Implementation of Environmental Preservation Activities and CSR Activities, etc.	<ol style="list-style-type: none"> 1. The Company has established the TOA CORPORATION Group Environmental Code of Conduct and is working to contribute to the realization of a sustainable society, including achieving carbon neutrality, supporting a circular economy, and promoting harmony with nature. 2. With regard to ESG activities, the Company has established the TOA CORPORATION Group Code of Conduct to fulfill its corporate social responsibility and strives to ensure that all employees are familiar with it. The Company also implements fair and trustworthy corporate governance and promotes corporate activities that emphasize securing the trust of stakeholders.
Formulation of Policies, etc. on Provision of Information to Stakeholders	<p>This policy is stipulated in Article 1. 5. “Ensure proper disclosure of corporate information and the transparency of management” of the TOA CORPORATION Group Code of Conduct.</p>

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

Basic views (Basic policy)

To achieve sound management and fulfill its corporate social responsibility, the Company is committed to building an appropriate and effective business execution framework. Alongside this, we emphasize the promotion of company-wide compliance awareness, accurate identification and control of risks related to overall business execution, and the establishment of an independent internal audit system. These efforts are implemented through cross-organizational measures, led primarily by divisions in charge of planning, administration, and internal audit, aiming to enhance the effectiveness of the internal control system.

Status of establishment of the system

1. The Company has established the corporate code of conduct (see below) to ensure that officers and employees conduct business in compliance with laws and regulations, the Articles of Incorporation, and corporate ethics, strives to penetrate it throughout the Group and widely discloses it to stakeholders. With regard to compliance, internal control and risk management, the ESG Committee establishes internal control across the Company and formulates and implements action plans. Moreover, by implementing the matters resolved by the Board of Directors concerning the strengthening of the whistleblowing system, and establishment of an internal control system in accordance with the Companies Act, etc., the Company will further promote the design and enhancement of the control environment.
2. Risk management related to business execution is conducted by the relevant division in accordance with the management rules, etc. established by such respective division in charge. The ESG Committee monitors cross-organizational risks and responds to them on a company-wide basis in accordance with the Risk Management Regulations, and reports the status and responses to the Board of Directors as necessary.
3. With respect to the information management system concerning Directors, information related to the execution of their duties (minutes of Board of Directors meetings, *ringi* approval documents) is recorded in paper documents or electromagnetic media and stored in accordance with the Document Management Regulations.
4. With respect to the system to ensure the appropriateness of reports and information related to financial reporting, the Company continually evaluates the effectiveness of the system based on the Group's basic policy for internal control over financial reporting, and makes remediation and improvements to enhance the quality of operations.
5. The ESG Committee also oversees the system to ensure the appropriateness of Group companies' operations in accordance with the Risk Management Regulations and the Group Company Management Standards established by the Company. Important management matters at each Group company are placed on the agenda of the Board of Directors of the Company, while other matters are reviewed by the Management Planning Department of the Company. Moreover, the Company's Internal Audit Department conducts audits of the status of business execution at each Group company to ensure the appropriateness of operations.

The TOA CORPORATION Group Code of Conduct

"The TOA CORPORATION Group Code of Conduct" was established to serve as a code of conduct for our group's business activities while embodying the philosophy of our founder, Soichiro Asano, of 'benefiting society' even in the midst of a rapidly changing social environment.

Based on the lessons learned from the misconduct of ground improvement construction, we will continue to strive to realize our management philosophy of "fulfilling our social responsibility" by thoroughly enforcing the "Corporate Code of Conduct" within our group executives and employees and promoting business activities based on the code to meet the new social demands.

Article 1 Carry out fair and sincere corporate activities

1. Observe laws and regulations, and carry out fair and sincere corporate activities

We shall observe laws and regulations as well as the spirit of laws and regulations without exception, refrain from putting priority on our own reasons or circumstances, and follow social decency, in carrying out fair and sincere corporate activities.

2. Fair competition and appropriate business transactions

We will promote fair and transparent free competition and proper business transactions, and work to prevent all forms of corruption, including extortion, bid rigging, and bribery. We will provide education to prevent corruption, develop a reporting system, and identify the actual situation based on reports and other information, and implement corrective actions.

3. Shut off relationships with anti-social forces

We shall shut off any and all relationships with anti-social forces that pose a threat to the order and safety of society.

4. Protect intellectual property

We shall respect the intellectual property rights of others, and properly manage and protect information, including personal information, utilized in the course of conducting business activities.

5. Ensure proper disclosure of corporate information and the transparency of management

We shall endeavor to ensure the transparency of management as an “Open Company” through the disclosure of corporate information in the proper manner and at the right time.

6. Maintain proper relationships with political and government bodies

With regard to our relationship with political and government bodies, we shall observe all relevant laws and regulations, and maintain a transparent and proper relationship.

Article 2 Execution of social responsibilities

1. Provide high-quality construction and services

We shall thoroughly implement measures, including the reliable sharing of information, to prevent the recurrence of misconduct related to the execution of work, and provide high-quality construction and services, by scrupulously executing work, in order to prove worthy of the client's trust.

2. Improve construction technologies

We shall endeavor to develop technologies and improve technologies in order to respond to the various needs of the client.

Moreover, we shall, without fail, conduct inspections and other actions on technologies provided to the client, in order to prove worthy of trust.

3. Make every possible effort to prevent disasters to the public

We shall never forget the lessons learned from the incident of the disaster to the public, and every possible effort shall be made to prevent disasters to the public.

4. Response to natural disasters

When a natural disaster strikes, we shall promptly and systematically carry out disaster response actions, such as rescue of inhabitants of the devastated area and secure their safety, and emergency repairs on disaster-stricken structures.

Article 3 Respect for humans

1. Realize a good working environment and enrichment for workers

We shall respect “people,” who are the pillar of our corporate activities, and endeavor to establish a good working environment that is rewarding and that they can take pride in, and realize enrichment for the working people.

2. Strengthen and enhance measures for occupational safety and health

We shall promote strengthening and enhancing our occupational safety and health measures in order to prevent work-related accidents and work-related illnesses, and ensure the safety and good health of people involved in construction work.

3. Prohibit discrimination and unfair treatment

We shall not engage in any discrimination or unfair treatment, including violation of human rights, employment or treatment, on the basis of race, religion, nationality, age, gender, sexual orientation, gender identity, place of birth, disability, physical characteristics, or any other grounds.

4. Human resources development

We shall nurture employees who are capable of taking action by becoming aware of on their own and thinking for themselves about what action needs to be taken, by not only raising the capabilities of each individual through education and training and self-enlightenment, but also by promoting a climate that enhances dialog with superiors and subordinates.

Article 4 Coexistence with society

1. Carry out widespread communication

We shall enhance communications with our stakeholders, including stockholders, clients, and business partners, and promote mutual understanding with regard to corporate activities, with the aim of becoming a trusted “Open Company.”

2. Promote CSR activities

We shall always have an awareness that we are a company involved in improving social infrastructure, and endeavor as a “good corporate citizen” to make contributions to society.

3. Global environmental conservation efforts

We will strive to reduce environmental impact, prevent environmental pollution, and reduce waste in all areas of our corporate activities, and contribute to the realization of a decarbonized society by reducing greenhouse gas emissions and developing technologies, as well as striving to conserve biodiversity and use water and natural resources in a sustainable way.

4. Be in harmony with and contribute to the international community

In the international community, it goes without saying that we shall observe international rules as well as local laws and regulations, and respect the culture and customs of local communities, and promote business activities that contribute to their

development.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

The Company, including its Group companies, is committed to taking resolute and systematic actions in response to any unreasonable demands in order to shut off any relationships with anti-social forces or groups that are a threat to the order and safety of society. The TOA CORPORATION Group Code of Conduct stipulates the shut off any relationships with anti-social forces as one of the guidelines in promoting ESG management, and clarifies that all employees shall adopt a resolute stance against anti-social forces. Moreover, in concluding contracts with business partners, the Company requires submission of written pledges regarding the exclusion of antisocial forces, and is strengthening company-wide efforts to exclude anti-social forces.

V. Other

1. Adoption of Takeover Response Policy

Adoption of Takeover Response Policy	Not Adopted
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Supplementary Explanation for Applicable Items

Basic policy relating to control of the Company

As the Company is a public company whose shares are listed on the stock exchange, free trading of the Company's shares by shareholders and investors is permitted, and the Company believes that the final decision on whether or not to sell the Company's shares in response to a large-scale purchase proposal or similar action should be made based on the will of its shareholders.

In order to enable shareholders to make an appropriate decision on whether or not to sell the Company's shares, that is, whether or not to accept the large-scale purchase proposal, etc., the Company believes that it is necessary for the large-scale purchaser to provide sufficient information regarding the terms and conditions of the purchase, and the management policy, business plan, etc. after the purchase.

The Company also believes that its shareholders should be provided with the Company's Board of Directors' evaluation of and opinion on such large-scale purchase proposal, as well as any counterproposal by the Board of Directors to the large-scale purchase proposal.

The Company believes that shareholders need to make a decision based on a comprehensive consideration of these factors.

The Company believes that those who make decisions on the Company's financial and business policies must understand the Company's management philosophy, be able to fully establish a relationship of trust with the stakeholders who support the Company, and have the will and ability to enhance the Company's corporate value and the common interests of shareholders over the medium to long term.

Therefore, the Company believes that any of the following large-scale purchasers are inappropriate as a person who controls the Company's financial and business policies: a large-scale purchaser who, in proposing a large-scale purchase, does not give the Company and its shareholders the information concerning the contents of the proposal, or the necessary time for preparing evaluation of or opinion on such proposal, or a counterproposal; a purchaser who makes a large-scale purchase proposal that is clearly detrimental to the corporate value of the Company and the common interests of its shareholders in light of the purpose of the purchase and the management policy, etc. after the purchase; a large-scale purchaser who makes such proposal, etc. that has a mechanism to force shareholders to accept the purchase.

In the event of such a large-scale purchase proposal or a large-scale purchase, the Company's basic policy is to implement necessary measures to ensure corporate value and the common interests of shareholders, to the extent permitted by laws and regulations and the Articles of Incorporation.

2. Other Matters Concerning the Corporate Governance System [Updated]

1. Issues and goals for enhancing corporate governance

The Company will further strengthen the following items:

Issues: Strengthen and enhance compliance, internal control, and risk management

Goals: Further enhance corporate value by improving and strengthening the corporate governance system

2. Overview of timely disclosure system

The status of the Company's internal system for timely disclosure of corporate information is as follows:

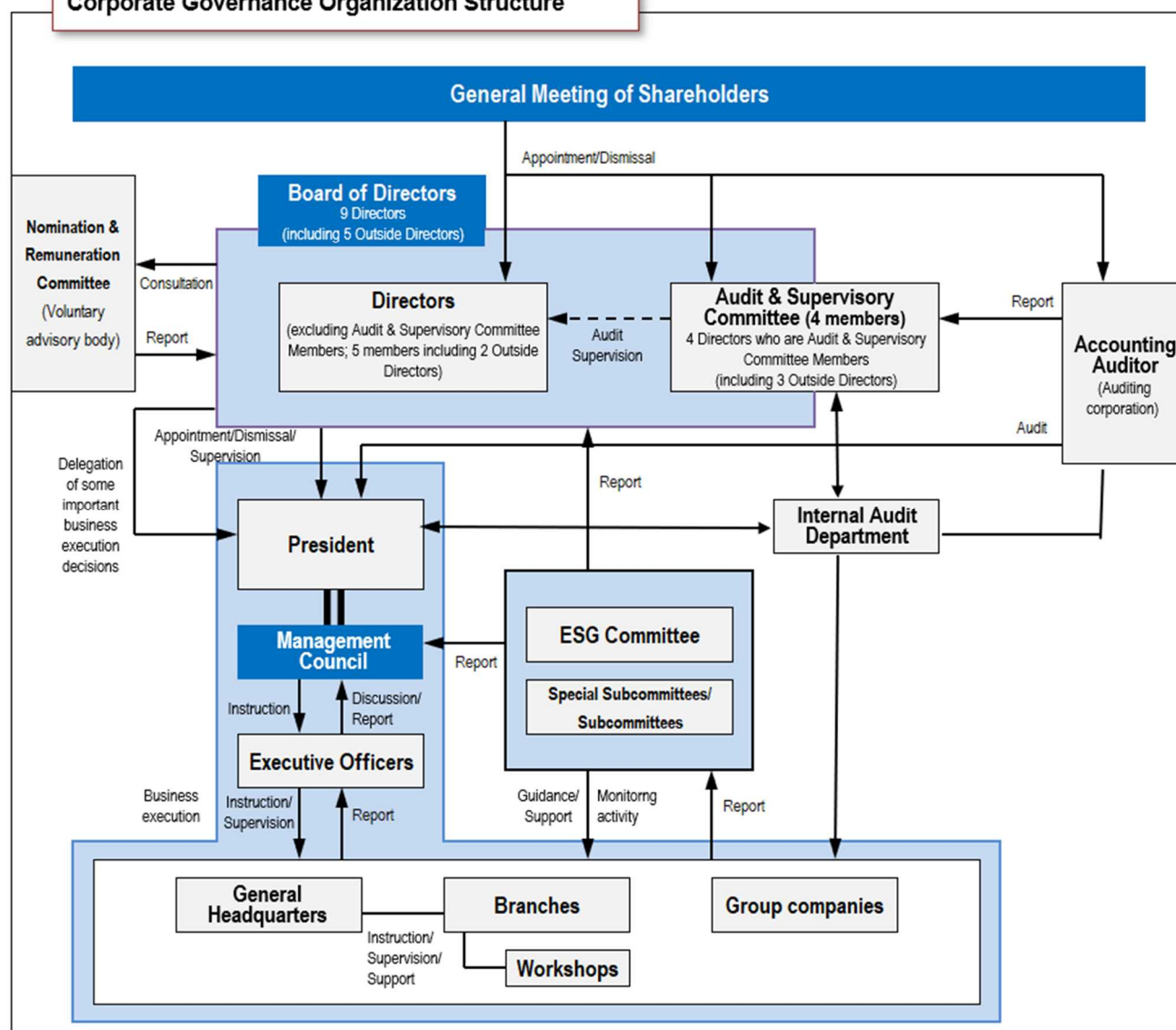
Basic views

The Company's basic stance is to disclose corporate information to investors in a timely and appropriate manner with the aim of contributing to the soundness of the financial instruments market. To this end, the Company conducts accurate and fair information disclosure in accordance with the Financial Instruments and Exchange Act and other related laws and regulations, as well as the rules and regulations of the financial instruments exchanges.

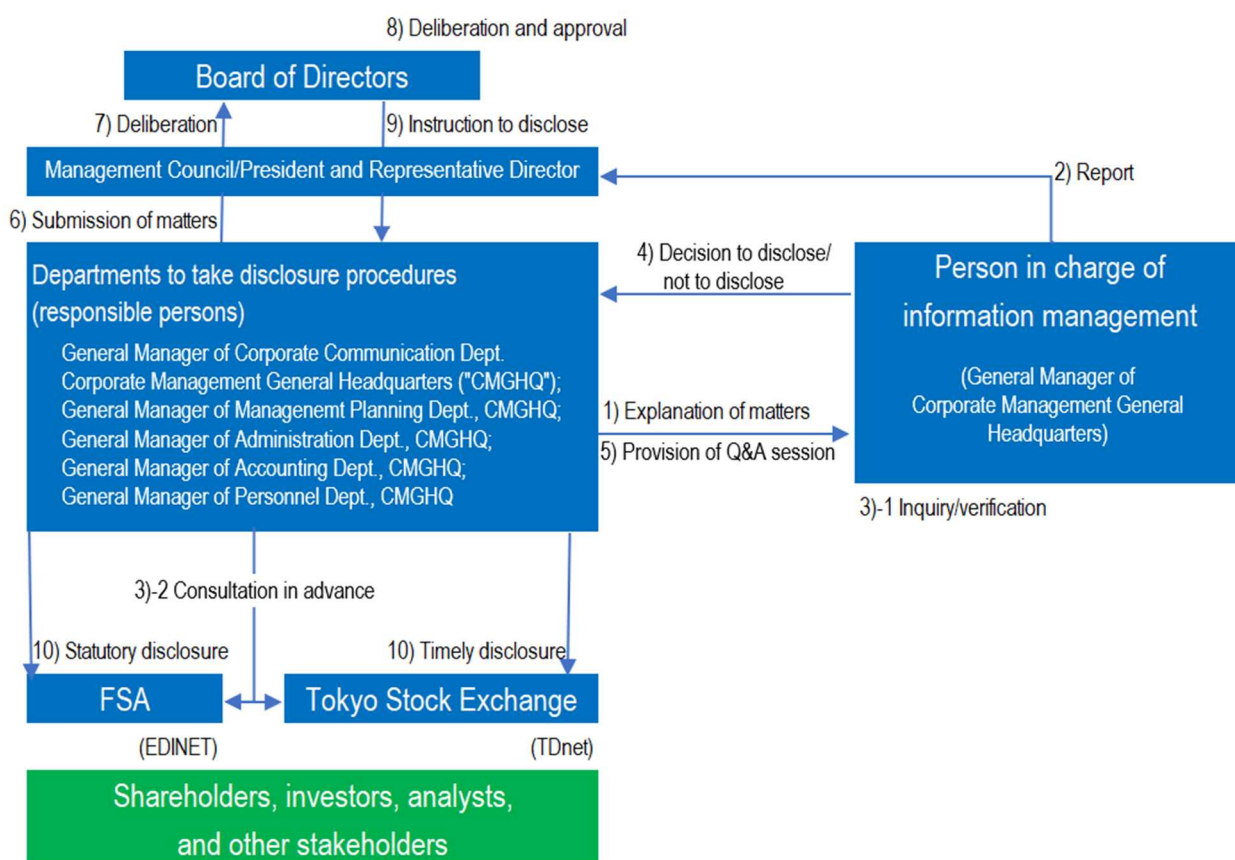
Internal system for timely disclosure of corporate information

The Director in charge or the person in charge of handling information (General Manager of Administration Department, Corporate Management General Headquarters) consolidates and manages information for timely disclosure, and reports to the President and Representative Director after consultation with the relevant departments in accordance with the Timely Disclosure Rules and other relevant rules. Information on decisions and financial results will be disclosed without delay after approval by the Board of Directors, and information on matters that are required to be disclosed in accordance with the purpose of timely disclosure, such as facts that have occurred, will be disclosed without delay after their occurrence.

Corporate Governance Organization Structure



[Reference] Flow of Information Disclosure



Skills Matrix

	Corporate management	Safety/Environment/Quality	Finance/Accounting	Technology	Sales *1	Legal affairs *2	Global	HR development *3		Board of Directors	Audit & Supervisory Committee Member	Nomination & Remuneration Committee Member	Management Council	ESG Committee Member
Four internal Directors and five outside Directors														
Takeshi Hayakawa	○	○		○	○		○			○		○	◎	◎
Takeshi Nakao	○		○			○		○		○		○	○	○
Katsuhisa Kimura		○		○	○		○	○		○			○	○
Shiro Kuniya [Outside] [Independent]	○					○	○			◎				
Kanako Sekine [Outside] [Independent]	○		○			○	○			○				
Masahiko Okamura [Outside] [Independent]	○				○		○			○	◎	◎		○
Michi Handa [Outside] (Michi Sasano) [Independent]	○		○			○	○	○		○	○	○		
Tetsuya Kimura			○			○				○	○		○	○
Satoshi Tamai [Outside] [Independent] [New]			○			○				○	○	○		

Committee members who are Executive Officers

Seigo Suzuki	Executive Vice President, responsible for supervision of business units				○*	○
Tooru Koike	Executive Vice President, General Manager of Building Construction Sales and Managing General Headquarters				○*	○
Takayuki Baba	General Manager of Civil Engineering Sales and Managing General Headquarters				○*	○
Naruyuki Umakoshi	General Manager of Safety, Environment and Quality General Headquarters					○
Masanobu Kinoshita	Responsible for Civil Engineering Business Unit, General Manager of Civil Engineering General Headquarters				○	○
Kazuyoshi Mugita	Responsible for Building Construction Business Unit, General Manager of Building Construction General Headquarters				○	○
Satoshi Kawamori	Responsible for Carbon Neutral Planning and Management Dept.					○
Yuko Hirose	Deputy Chief of Corporate Management General Headquarters					○
Kouichi Ando	Responsible for technology at Civil Engineering General Headquarters					○
Akira Kimura	Deputy Chief of Corporate Management General Headquarters				○	

Definitions of Each Skill

Skill	Definition
Corporate management	Based on socioeconomic trends, establish management policies and strategies from a medium- to long-term perspective, make timely and appropriate decisions, and operate and promote the overall business of the Company.
Safety/ Environment/ Quality	Promote the elimination of accidents with specialized knowledge and sufficient experience to prevent occupational accidents and environmental accidents at construction sites. Understand societal demands for the global environment, such as decarbonization, and have the knowledge to lead them into business opportunities.
Finance/ Accounting	Objectively analyze corporate management from a financial perspective, formulate financial policies, such as the review of required financing means based on the situation of capital investment, etc., and provide appropriate financial/accounting information to the outside of the Company.
Technology	Possess advanced specialized knowledge and sufficient experience in civil engineering and construction technologies, and utilize digital technology, etc. to promote each business and research and development.
Sales/Marketing	Formulate and promote sales strategy, utilizing extensive knowledge on the market trends of the civil engineering, construction, and overseas businesses.
Legal affairs/Risk management	Be well versed in corporate legal affairs, and be responsible for important decisions on risk control and the legal evaluation of management strategy. Prevent compliance violations with sound ethics.
Global	Possess a wealth of knowledge and experience in the global construction market, risk trends, and overseas business, and promote overseas business strategy.
HR development/ Diversity	Possess the knowledge and experience to develop human resources that will enable business continuity of the Company toward the future. Possess the knowledge and experience to develop diverse human resources, such as women, foreigners, and people with disabilities.

(Note) The above matrix is not an exhaustive summary of the knowledge and experience of each Director.

*1 Sales: Sales/marketing

*2 Legal affairs: Legal affairs/risk management

*3 HR development: HR development/diversity

(Note) ◎ indicates the Chairperson.

(Note) Members of the Management Council indicated with ○* only attend Management Council meetings for sales matters.