

Integrated Report 2025



Key Points on Reading Totetsu Kogyo Group Integrated Report 2025

This report is intended for our stakeholders, including shareholders, investors, and employees. Its purpose is to help them better understand our business activities, particularly what we value and where we place our focus in our management. This year's report features special sections to clearly communicate our initiatives, such as a roundtable discussion between the Chairman and Outside Directors, measures for trinity management, and changes in personnel systems as seen through employee voices. These contents are designed for readers to see our sustainable growth and enhanced corporate value over the medium to long term.

With this report, we hope that we can further deepen dialogue with our stakeholders.

<p>Q I want to know the perspective of the top management of the Totetsu Kogyo Group.</p>	<p>Refer to the President's Message section. The message includes our management philosophy, medium- to long-term vision, and thoughts on achieving "what we aspire to be."</p>
<p>Q What kind of value is delivered through the business activities?</p>	<p>With the mission of contributing to the creation of safe and comfortable transportation networks and social infrastructure, we leverage our railway-related expertise to conduct business in the fields of railway track, civil engineering, architecture, and the environment.</p>
<p>Q What strategy is implemented to ensure sustainable growth?</p>	<p>We implement business-specific strategies based on the Long-term Vision "TOTETSU VISION 100" and the Medium-term Management Plan "Action Plan 2029."</p>
<p>Q What base is established to support value creation?</p>	<p>To support value creation, we have established a base for the pursuit of safety and quality, human resource strategy, DX promotion, technical development, environment preservation, and more.</p>
<p>Q What governance system is in place to ensure reliability and transparency?</p>	<p>Refer to the sections "Corporate Governance," "Risk Management," and "Compliance," which describe our systems and measures.</p>
<p>Q I want to quantitatively assess the business performance and financial position over the short and long term.</p>	<p>Refer to the sections "11-Year Summary," "Financial Analysis," and "Consolidated Financial Statements," which provide detailed quantitative information.</p>

Totetsu Kogyo information disclosure tools

Financial information ← → Non-financial information

Integrated Report 2025	
IR information https://www.totetsu.co.jp/english/ir/	Sustainability site https://www.totetsu.co.jp/sustainability/
Report (shareholder communication)	
Annual securities report	
Financial results	Corporate governance report
Factbook	IR briefing materials

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<p>Referenced guidelines</p> <ul style="list-style-type: none"> • "The International <IR> Framework," • The International Integrated Reporting Council (IIRC) • Environmental Reporting Guidelines 2018 (Ministry of the Environment) <p>Reported period</p> <p>From April 1, 2024 to March 31, 2025 (including some activities before and after the period)</p> <p>Reported entities</p> <p>Totetsu Kogyo Group (including the standalone report of TOTETSU KOGYO CO., LTD.)</p>	<p>Forward-looking statements</p> <p>Among statements such as earnings forecasts, outlooks, strategies, and targets included herein, matters other than facts in the past or present are future outlooks, which are based on information that is presently available, and plans, expectations and judgments based on certain assumptions which are considered to be reasonable. Hence please note that actual results may differ from those forward-looking statements, due to varying several factors.</p>
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Management Philosophy

— Safety first above all else —

Making the best use of railway-related special expertise, as a general construction company, we contribute to creating safe and comfortable transportation networks and social infrastructure.

Corporate Philosophy Structure



- Totetsu Kogyo Group Basic Sustainability Policy
- Totetsu Kogyo Group Human Rights Policy
- Totetsu Kogyo Group Procurement and Outsourcing Policy
- Totetsu Kogyo Group Business Partner Guidelines

Corporate Message

Faithful☆Shining☆Number One & Only One

- Faithful** Promote faithful management trusted by stakeholders
- Shining** Provide the highest level of safety and quality, as a specialist supporting safe and stable transportation
- Number one** Be number one with railway works know-how that greatly surpasses competitors
- Only one** Be the only one in the construction industry, by leveraging high-value added construction capabilities refined in railway works and demonstrating our uniqueness of Railway Track Maintenance, Civil Engineering, Architectural, and Environmental Businesses and synergies between them for the solution of entire social infrastructure issues

Totetsu Kogyo Codes of Conduct

Based on our Management Philosophy, the Totetsu Kogyo Group will make every endeavor to provide customers with safe, quality technology and services, and thereby create added value useful for society. We always comply with and respect legal requirements and social ethical standards, and fulfill our corporate social responsibility through faithful and fair corporate activities. Contributing to the realization of a sustainable society through these activities, we strive to ensure the trust and confidence of all stakeholders, including shareholders, customers, local communities, and employees. We established the Totetsu Kogyo Codes of Conduct that all officers and employees of the Totetsu Kogyo Group shall observe, and each individual performs their duties with a strong sense of mission.

- ① Thoroughly executing safe construction and pursuing quality
- ② Securing customer's satisfaction and trust
- ③ Commitment to compliance
- ④ Business and activities that contribute to society
- ⑤ Respecting humanity and our own growth
- ⑥ Ensuring safe, comfortable working environment and operational reforms
- ⑦ Focus on the environment
- ⑧ Ensuring the proper handling of risk and crisis management
- ⑨ Active, effective and fair information disclosure
- ⑩ Top management roles and implementing the Totetsu Kogyo Codes of Conduct

Business Vision

- As a leading company of transportation infrastructure maintenance that focuses on railway-related works, such as maintenance and improvement,
- Based on trust brought by its highly sophisticated technical expertise and high-quality construction achievements,
- Through constructing and sustaining sound infrastructures, and creating and preserving excellent environments,
- Realize sustainable growth, in order to contribute to creating an environmentally friendly society where all stakeholders can live with a safe and secure mind,
- As a specialized professional group, continues to be number one company in the railway maintenance industry and the only one choice in the construction industry

President's Message



Embrace change,
uphold trust,
and evolve for the future
to make a great leap.

ISE Katsumi
President, Representative Director

As President, I intend to leverage the technological innovation expertise I have gained at JR East to enable Totetsu Kogyo to further expand and evolve the Group's businesses that it has built over the years. The key to this lies in enabling DX and using digital data to create more efficient and sophisticated construction

plans and in reducing workloads and labor needs at construction sites. By extending the benefits of the technology adoption to our partner companies and enhancing the overall construction capabilities, we aim to contribute not only to the growth of our company but also to the continued advancement of the railway industry as a whole.

Key Enablers for Realizing Our Vision

Totetsu Kogyo has established the long-term vision, TOTETSU VISION 100, which sets forth what we aspire to become by 2043, the year of our 100th anniversary—a "leading company in transportation infrastructure maintenance." Since I worked at JR East as a partner of Totetsu Kogyo, I have shared and supported the long-term vision and its commitment. From now on, I will move forward as President united in spirit with our group and partner employees, and together with all our stakeholders, to realize our vision.

I think that the Totetsu Kogyo Group has already established a leading position in the market. However, it is not easy to continue to be the number one company in the railway maintenance industry and the only one choice in the construction industry while enhancing our value to

society. To continue to thrive as the only one company in the construction industry, we need to deepen relationships with our peers, expand our business into railway-related areas, and effectively use technology to drive our growth. Even in our core railway construction business, staying at the number one position requires expanding our construction capacity to keep pace with growing demand.

We must be a company of choice, that is, one that people want to work for, receive contracts from, and collaborate with to explore new business opportunities. Fostering these relationships helps us share benefits with employees and partners and ensure our coexistence and co-prosperity. This is what will enable us to realize our vision.

Record-High Performance in FY2024

In FY2024, the first year of our five-year medium-term management plan, Action Plan 2029, we delivered performance significantly surpassing our initial targets of the fiscal year. **Net sales exceeded 160.0 billion yen for the first time, and operating profit reached 15.5 billion yen, setting new all-time highs at every profit level. With orders received amounting to 149.4 billion yen, exceeding the target of 135.0 billion yen set at the beginning of the fiscal year, we are maintaining a strong level of performance.**

Key factors behind this growth include the recovery in construction volume following the decline during the COVID-19 pandemic. This rebound resulted in increased orders not only from JR East but also from other public and private railway operators, which exceeded 10.0 billion yen. Notably, orders received from private railway operators around the Kanto region more than doubled from the previous fiscal year. Alongside the success of our proactive sales activities, our construction capabilities, technical expertise, and advanced patented construction methods have been highly evaluated by our clients. This recognition has strengthened our relationships of trust with public and private railway operators, enabling us to be entrusted with an increasing number of projects.

To manage this volume of orders, we have worked with our partner companies more closely. This has

helped us secure enough construction capacity to take on new projects while proceeding with carry-over projects, leading to a substantial increase in revenue. When forming construction project organizations, civil engineering and architectural projects can more easily secure partner companies. This is because these fields have a broad network of partner companies and a wide range of job categories. In contrast, railway projects face more significant challenges. The sector has a limited pool of engineers, so we have to focus on both completing construction projects and developing human resources at the same time. To address such challenges and keep our construction capacity, we assisted railway maintenance partners in hiring additional workers, which included raising worker unit prices and improving working conditions.

Not only revenue, but also profits increased substantially. This is achieved by using our railway maintenance technologies and expertise to develop proposals that have led to increases in package orders covering everything from planning and design to structural calculations and construction, as well as special discretionary contracts. Going forward, we intend to further raise our profit margins by promoting DX and digital data application in construction management to streamline operations and level construction works.

Aspirations upon Assuming the Presidency and Commitment to Totetsu Kogyo

On June 26, 2025, Totetsu Kogyo launched a new management structure, with me, ISE Katsumi, assuming the position of President and Representative Director. Succeeding former Chairman Maekawa, I am fully committed to fulfilling my responsibilities as the Company's top executive and to dedicating my utmost efforts toward the sustainable growth and corporate value enhancement of the Totetsu Kogyo Group.

After joining JR East in 1988, I was engaged in the maintenance and management of railway facilities, including tracks and civil engineering structures. Over the years, I have also worked on technology development, improvement of contract systems with construction partners, and most recently, I oversaw the innovation strategy division, taking charge of system infrastructure. My connection with Totetsu Kogyo began in my second year at JR East. At that time, the track maintenance sites struggled with an aging workforce and harsh working conditions. To address such challenges, we launched the Railway Track Maintenance 200X Project, promoting the automation of track inspection, mechanization of work, and systematization of management in collaboration with the technology development department of Totetsu Kogyo. This resulted in us deepening our partnership.

Since then, JR East and construction companies moved beyond a conventional employer-contractor relationship, establishing a partnership in which the railway company manages facilities while the contractors serve as professional construction teams, sharing project responsibilities. We also simplified contract systems and delegated authority to construction companies, which has led to the close collaboration and cooperative framework we have today.

As the leader of the professional construction teams, Totetsu Kogyo has achieved a remarkable evolution. The advanced construction and design capabilities, as well as its technical strength in working with large-scale track maintenance machinery, have built a solid foundation for growth. The foundation enables the expansion of the business field to private railway operators other than JR and even to non-railway general construction.

Needless to say, this progress is the result of the tremendous efforts of the employees. I served as an Outside Director at Totetsu Kogyo from 2016 to 2018 and witnessed firsthand the employees' sincere approach to their work. Now, returning after seven years to assume the presidency, I clearly feel that the company's potential is greater than ever.

President's Message

Progress on the Medium-term Management Plan and Challenges for the Future

Under the Action Plan 2029, we set business targets for the final fiscal year of the plan (FY2028) at net sales of 170.0 billion yen or more and ROE of 8% or more. Fortunately, as mentioned earlier, we already achieved results exceeding expectations in the first year and anticipate a continued high level of orders received. Thus, we have revised the targets upward to net sales of 190.0 billion yen or more and ROE of 10% or more.

We recognize that the additional 20.0 billion yen in our net sales target is an ambitious goal. To achieve the revised targets, we will put our energies into developing technologies for platform doors and seismic reinforcement, to meet strong demand from JR East projects. We will also approach other public and private railway operators and proactively propose technical solutions to solve their challenges. This will enable us to receive more orders in a broader area around railway maintenance.

The most significant hurdle to executing the plan is, clearly, how to enhance our construction execution

system. In FY2025, we have secured a record-high total of 113 new hires (including both new graduates and mid-career recruits), and we also plan to hire 147 employees for FY2026. Additionally, we are focusing on the reemployment of senior personnel aged 65 and over together with measures to prevent younger employees from leaving, which are producing positive results. We are also continuing to provide recruitment support to our partner companies.

Another challenge is improving efficiency and leveling workloads in construction operations. We are trying to develop and implement more efficient construction plans while allowing some flexibility in schedules. This approach enables us and partner companies to secure sufficient construction resources, resulting in shortened construction periods and reduced fixed costs, such as safety-related expenses, required for works. While helping clients or employers understand that they can also reap benefits, we hold close discussions with them and coordinate the progress across projects to achieve overall optimization.

to manage and assign workloads effectively to each company. Our support also includes giving advice on addressing succession challenges and negotiating with financial institutions. In recent years, we raised contract unit prices to help partner companies improve working conditions for their employees, resulting in lower employee turnover.

Likewise, we also work closely with civil engineering and construction partners to expand our construction capabilities. To encourage our partners to allocate more resources to our projects, we share our strategic direction and provide information on upcoming projects, enabling them to make early preparations for construction.

A good example of the philosophy of trinity management is joint training on technology and safety. The Totetsu Training Institute, a training facility established by Totetsu Kogyo in Tsukubamirai-shi, Ibaraki Prefecture, is accessible to all group companies as well as partner companies. The institute enables us to share training programs among these companies. Such joint training programs on skill development and safety can help Totetsu Kogyo, group companies, and partner companies share a common mission to uphold true construction technology and work together with the same perspective. With this idea in mind, we continue to value our relationships with them.

What the Trinity Management Aims For

As mentioned earlier, achieving the long-term vision, TOTETSU VISION 100,—to become a leading company in transportation infrastructure maintenance—requires sharing profits with our workers and partner companies and enabling coexistence and co-prosperity with them. We see this trinity management as a way to facilitate collaboration and coordination among Totetsu Kogyo, group companies, and partner companies to ensure

coexistence and co-prosperity and bring happiness to all employees and their families.

The trinity management is about building strong bonds that help secure the Group's construction and maintenance workforce and maintain the construction execution system. We believe that relationships of trust uphold the quality of the Totetsu Kogyo brand and enable us to fulfill our mission and responsibilities to our clients and all other stakeholders.

Regarding relationships with group companies, we promote unified management and strengthen collaboration, while respecting the independence and autonomy of each company. This approach includes providing recruitment support, arranging mutual secondments, jointly developing materials and construction methods, and sharing training facilities. These efforts can lead to winning more orders for construction, maintenance, and related services. In terms of employee treatment, we have implemented significant planned salary increases for our group company employees. We are also working on a group-wide basis to enhance employee satisfaction and improve work styles.

In our relationships with partner companies, we place particular emphasis on assisting railway track maintenance partners, many of which are smaller in scale and mainly rely on contracts from Totetsu Kogyo. We strive to receive orders stably and level the volume of construction work

Investing for Growth with a View to the Future

According to the Action Plan 2029, we will make growth investments totaling 70.0 billion yen over five years. Given the scale of the Group's operations, this amount is substantial. Even considering the business model of the Group, which is not a general constructor and owns railway-specific machinery, the growth investments could be called a bold decision.

However, as we work toward realizing our long-term vision, TOTETSU VISION 100, **we must further strengthen the foundation of the trinity management, which can make us more competitive with regard to construction and maintenance technology and quality, and build a construction execution system capable of meeting the growing demand expected in the future. To achieve this, it is crucial for us to invest a certain amount of funds now to secure returns that will drive mid- to long-term growth.**

The growth investments of 70.0 billion yen primarily aim to strengthen and expand our human capital and technology development including mechanization. Specifically, 20.0 billion yen is allocated for human

resource investments (related to education and training expenses), measures to address increased personnel costs, and support for partner companies. The remaining 50.0 billion yen will be used for technology development and mechanization, along with DX and GX investments and equipment maintenance and renewal.

As part of the technology development and mechanization investment aimed at creating new revenue streams, we jointly developed with JR East a non-welding method, named "Column web pitatto method," for the seismic reinforcement of platform canopies in FY2024. At the same time, continuous efforts were being made to further develop platform doors. Looking ahead, our plan includes working with Kowa Kasei, one of our group companies, to develop materials and construction methods for Shinkansen large-scale renovations starting in FY2031. In addition, we intend to increase the number and capabilities of large-scale track maintenance machines and develop other machines that can improve work efficiency and lower labor requirements.

Sharing the Joy of Delivering Value

In realizing the vision that Totetsu Kogyo aspires to, what I value most as President is **creating workplaces where our employees—including those of group companies and partner companies—can work with vitality. Their vitality can drive the growth not only of the Group but also of the entire railway industry. This will ensure the safety, security, and comfort of Japan's transportation infrastructure and ultimately deliver meaningful value to society. I want everyone involved in the trinity management to recognize the expanding value we**

provide and to share the joy that results from our vitality with all our stakeholders.

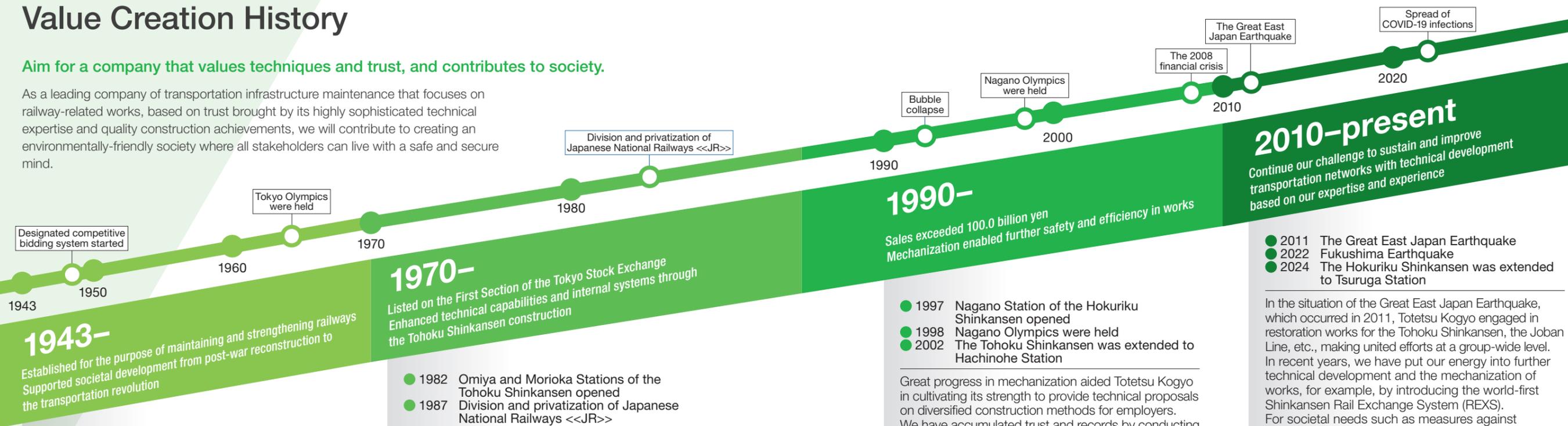
We will embrace change, uphold trust, and evolve as a leading company of transportation infrastructure maintenance to make great leaps forward. We sincerely ask for your continued support as we take on new challenges toward the future of the Group.



Value Creation History

Aim for a company that values techniques and trust, and contributes to society.

As a leading company of transportation infrastructure maintenance that focuses on railway-related works, based on trust brought by its highly sophisticated technical expertise and quality construction achievements, we will contribute to creating an environmentally-friendly society where all stakeholders can live with a safe and secure mind.



1943-

Established for the purpose of maintaining and strengthening railways
Supported societal development from post-war reconstruction to the transportation revolution

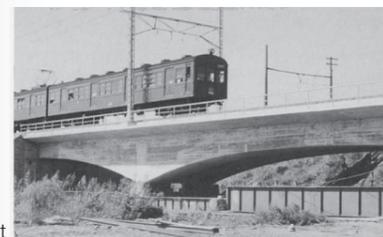
- 1949 Designated competitive bidding system started
- 1964 Tokyo Olympics were held

In July 1943, the Company was established as a national policy concern by request from the former Ministry of Railways, for the purpose of maintaining and strengthening railways. In July 1952, the Company changed its trade name to TOTETSU KOGYO CO., LTD., and restarted as a general construction company. By constructing transportation infrastructures utilizing technical expertise, Totetsu Kogyo supported Japan's development from post-war to high economic growth ages.

Project History



Yamanote Line and Keihin Tohoku Line separation project



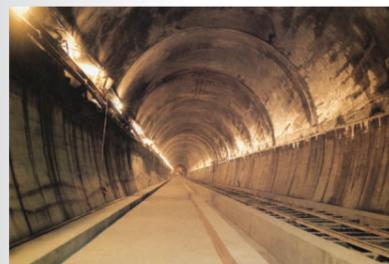
Hanamigawa bridge span expansion project

1970-

Listed on the First Section of the Tokyo Stock Exchange
Enhanced technical capabilities and internal systems through the Tohoku Shinkansen construction

- 1982 Omiya and Morioka Stations of the Tohoku Shinkansen opened
- 1987 Division and privatization of Japanese National Railways <<JR>>

In 1971, Tohoku and Joetsu Shinkansen construction began, which was a significant project over more than 10 years. Through many challenges in difficult works, our technical capabilities and human resource strengths were dramatically enhanced. Along with the enforcement of the Industrial Safety and Health Act, Totetsu Kogyo established the Association of partner companies on health and safety, continuing thoroughly ensure safe works to the present day. In 1972, the Company was listed on the First Section of the Tokyo Stock Exchange.



The first Yubara tunnel on the Joetsu Shinkansen



Technology Research Institute, Agency of Industrial Science and Technology, Tsukuba Science City (JV)

1990-

Sales exceeded 100.0 billion yen
Mechanization enabled further safety and efficiency in works

- 1997 Nagano Station of the Hokuriku Shinkansen opened
- 1998 Nagano Olympics were held
- 2002 The Tohoku Shinkansen was extended to Hachinohe Station

Great progress in mechanization aided Totetsu Kogyo in cultivating its strength to provide technical proposals on diversified construction methods for employers. We have accumulated trust and records by conducting highly professional works: railway overpass removal works using 500t cranes, one of the largest size in Japan, in civil engineering works; the construction of the Abt system railway, which is the only one in Japan, and the installation of Japan's longest turnout on the Hokuriku Shinkansen in railway track works. In 2002, Totetsu Kogyo became the owner of the largest number of maintenance vehicles in Japan.



Fukaya Station (an elevated station)



Abt system track installation on the Ikawa Line of Oigawa Railway
Gears on the train engage with a rack rail installed at the center of the track, enabling safe operation on steep gradients.

2010-present

Continue our challenge to sustain and improve transportation networks with technical development based on our expertise and experience

- 2011 The Great East Japan Earthquake
- 2022 Fukushima Earthquake
- 2024 The Hokuriku Shinkansen was extended to Tsuruga Station

In the situation of the Great East Japan Earthquake, which occurred in 2011, Totetsu Kogyo engaged in restoration works for the Tohoku Shinkansen, the Joban Line, etc., making united efforts at a group-wide level. In recent years, we have put our energy into further technical development and the mechanization of works, for example, by introducing the world-first Shinkansen Rail Exchange System (REXS). For societal needs such as measures against intensified natural disasters including anti-seismic, anti-disaster, and barrier-free accessibility works, and the increase of convenience of station buildings, we are contributing to the acceleration of improvement by taking advantage of our highly sophisticated technical expertise and human resource strength.



REXS



Seismic reinforcement work on the Shin-Katsuragawa bridge



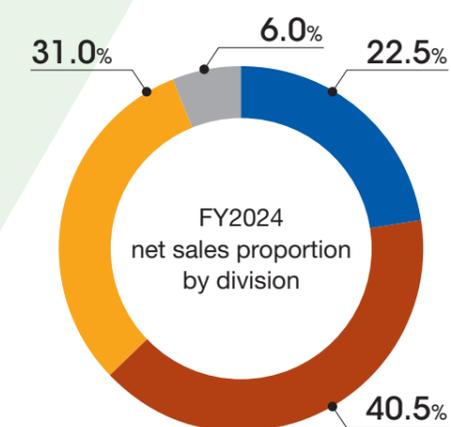
Development work for barrier-free, etc. at Shin-Okubo Station

Totetsu Kogyo's Business to Create Safe and Comfortable Lives

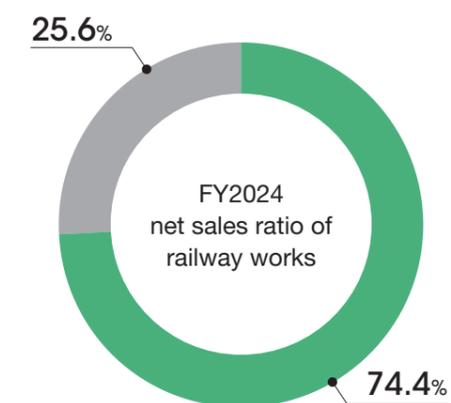
As a leading company of maintenance, improvement, and other railway-related works, our professional teams will build up a unique foothold in the construction industry, based on trust earned by our highly sophisticated technical expertise and quality construction achievements.

FY2024 Key Consolidated Data

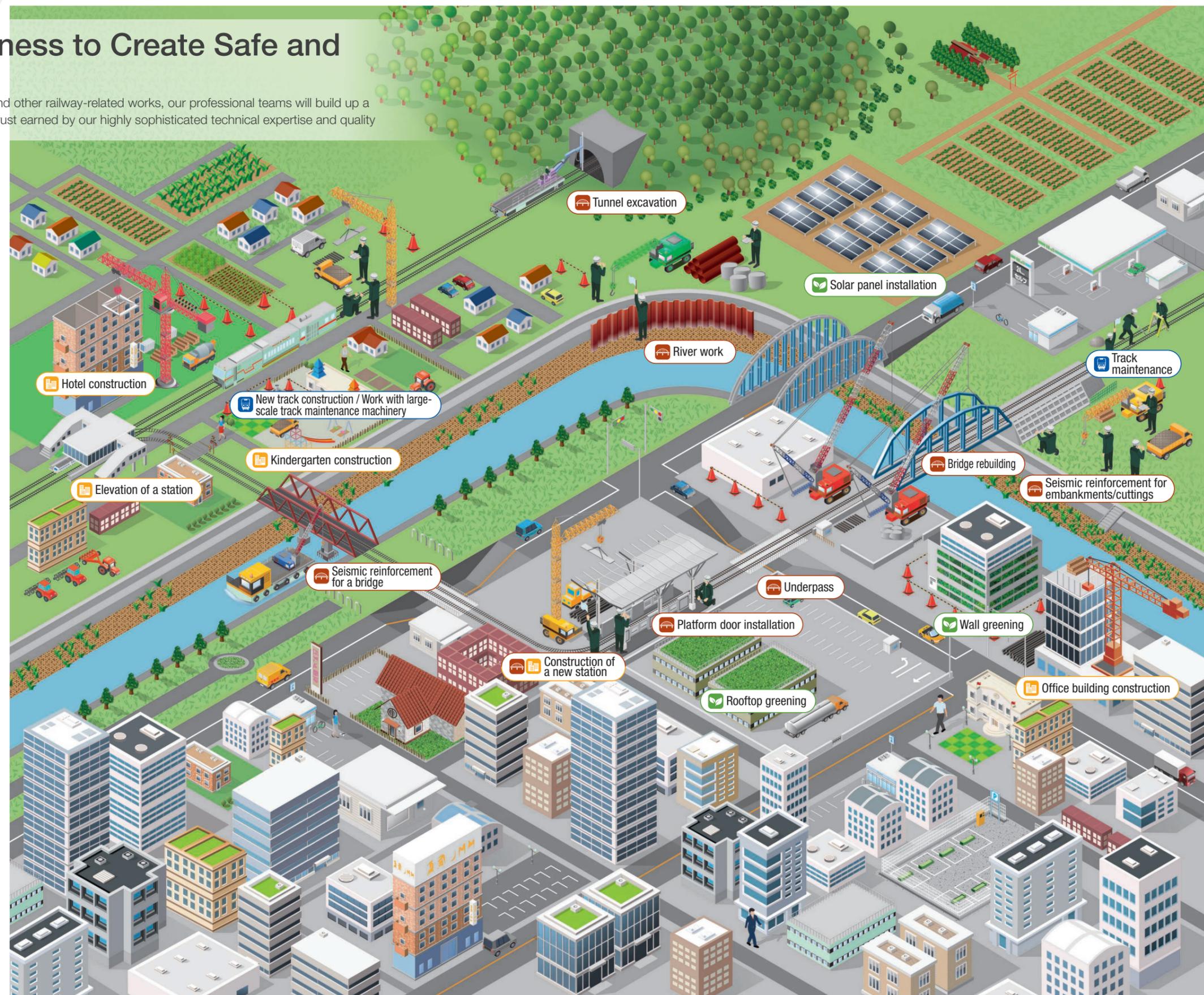
Net sales	(Billion yen)	160.0
Operating profit	(Billion yen)	15.5
Ordinary profit	(Billion yen)	16.0
Profit attributable to owners of parent	(Billion yen)	11.5



■ Railway Track Maintenance Division
 ■ Civil Engineering Division
 ■ Architectural Division
 ■ Other



■ Railway-related works
 ■ Other works



Sustainability at the Totetsu Kogyo Group

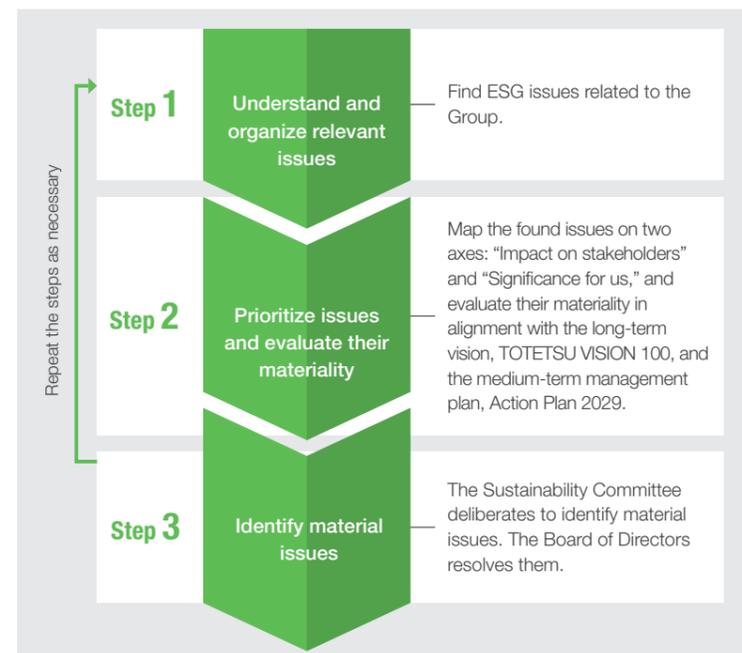
The Totetsu Kogyo Group believes that commitment to the environment, society, and governance based on our management philosophy of “contributing to the creation of safe and comfortable transportation networks and social infrastructure” can be conducive to increasing the Group’s corporate value and realizing a sustainable society. With this belief, we have established the Totetsu Kogyo Group Basic Sustainability Policy and are implementing initiatives for sustainability through our business activities.

Totetsu Kogyo Group Basic Sustainability Policy

1. Provision of safe and high-quality technologies and services
2. Preservation of the global environment
3. Respect for human rights
4. Creation of a fulfilling workplace
5. Enhancement of trust with partner companies
6. Contribution to local communities
7. Commitment to compliance

Identification process of material issues (materiality)

In 2021, we formulated the Totetsu Kogyo Group Basic Sustainability Policy and identified the Group’s material issues (materiality) related to ESG for each of the seven policies, which are defined based on our Management Philosophy and societal issues. The identification was conducted using the following process.



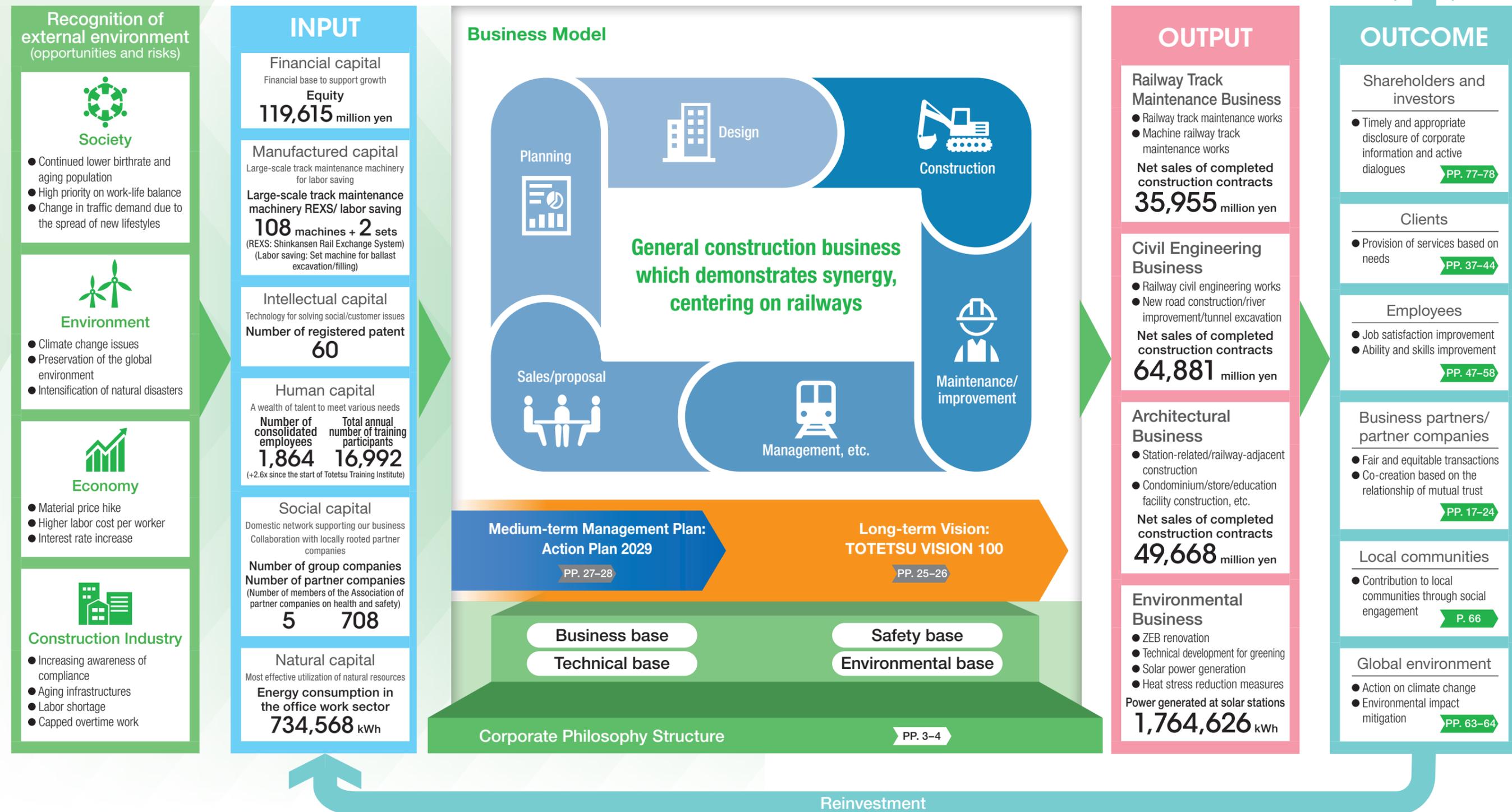
Materiality Related to ESG

Basic Sustainability Policy	ESG Category of SDGs	Materiality	Action Plan / KPIs
1 Provision of safe and high-quality technologies and services	S 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ultimate safety and security	Number of cases of major accidents and fatal occupational injuries: 0
		Increasing client satisfaction through quality improvement	Number of serious quality issues: 0
2 Preservation of the global environment	E 7 AFFORDABLE AND CLEAN ENERGY, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION	Action on climate change	CO ₂ emissions reduction (compared with FY2023): 42% reduction for Scope 1+2 and 25% reduction for Scope 3 in FY2030 Proposal on ZEB/ZEH-M
		Creating a prosperous environment	Final disposal rate of industrial construction waste: 2.0% or less in FY2050 Education on environmental laws and regulations, and to raise employees’ awareness of environmental conservation
3 Respect for human rights	S 10 DECENT WORK AND ECONOMIC GROWTH	Preventing and reducing negative impacts on human rights	Implementation of human rights due diligence Education on harassment and gender issues, etc., and confirmation of information on harassment incidents
4 Creation of a fulfilling workplace	S 3 GOOD HEALTH AND WELL-BEING, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Providing a comfortable work environment	Consecutive recognition as a Certified Health & Productivity Management Outstanding Organization Number of used days in annual paid leave (including accumulated days): 15 or more Increase in the employee engagement score
		Strengthening human development	Human development utilizing Totetsu Training Institute (to maintain an 80% or higher score in education and training comprehension tests)
		Promoting diversity	Consecutively obtaining Eruboshi Certification (the second level) Rate of childcare leave taken by male employees (including childbirth leave for partners): 100% Number of female engineers increased by 1.5 times (comparison with FY2023)
5 Enhancement of trust with partner companies	S 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 DECENT WORK AND ECONOMIC GROWTH, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS	Coexistence and co-prosperity with partner companies	Promoting communication through opinion-exchange meetings between our partner companies and our executives
6 Contribution to local communities	S 11 SUSTAINABLE CITIES AND COMMUNITIES	Contributing to society through our business	Response to restoration request from railway operators and others affected by disasters
7 Commitment to compliance	G 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Complying with laws and regulations, and social norms, and eliminating antisocial groups	Number of material legal violation cases: 0

* indicates non-financial KPIs described in the medium-term management plan, Action Plan 2029.
* The figures for the targets related to human capital represent those of TOTETSU KOGYO CO., LTD. only, as each of its consolidated subsidiaries is different in terms of scale, business type, system, management method, etc.

Value Creation Process

The Totetsu Kogyo Group considers that contribution to the creation of safe and comfortable transportation networks and social infrastructure, and efforts to solve societal issues will contribute to the sustainable enhancement of its corporate value, through the value creation process below. By working on initiatives to achieve a sustainable society through business activities, we will strive to become the number one & only one company.



Trinity Management to Enhance Competitiveness

To achieve the long-term vision, TOTETSU VISION 100, it is essential to sustain and strengthen a construction system in collaboration with group and partner companies in order to maintain high-quality construction capabilities over the medium to long term. The Group provides support for group and partner companies to make the relationships closer and more cooperative and lay a solid foundation for the trinity management.

We are committed to realizing the happiness of the Group's employees and their families, as well as those of partner companies, and together we strive to grow as a shared-destiny team.

We are strengthening construction systems and expanding business ranges through the trinity management of Totetsu Kogyo, group companies, and partner companies. This management creates happiness that we will share with society.



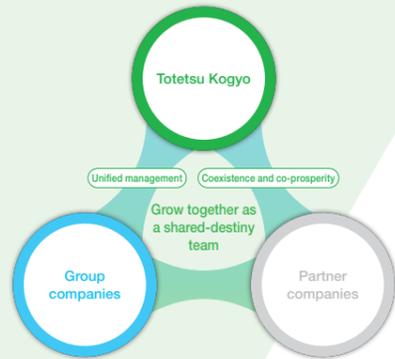
Establishment of the Group Governance Department to strengthen the trinity management

To promote the trinity management, which is based on unified management with group companies and coexistence and co-prosperity with partner companies, and to grow together as a shared-destiny team, we established the Group Governance Department in June 2025. This department is designed to advance the governance of group and partner companies, helping them improve their corporate value and mitigate risks.

The department covers a wide range of challenges, not only faced by group companies, such as improving governance and corporate value, but also those faced by partner companies, such as financial and business succession issues. Through these activities, it encourages every company to reinforce its management structure, aiming to ensure the continued growth and development of the Totetsu Kogyo Group.



Trinity Management—Unified management with Group Companies



Group strategy **Unified management**

Totetsu Kogyo shares its management vision with its group companies so that all of them can work together to improve their management.

Totetsu Maintenance Koji Co., Ltd.



KATSUYAMA Yusuke **WATANABE Fumiya**
Civil Engineering Maintenance Department Civil Engineering Work Department

Company Overview | To ensure safe railway transportation, Totetsu Maintenance Koji engages in day and night works to maintain civil engineering structures and repair or remove advertising billboards along railway lines in the metropolitan area.

The Civil Engineering Work Department conducts works ordered by JR East Media to remove and repair aging advertising structures. We collaborate with the client and Totetsu Kogyo and coordinate closely with other JR-related organizations to ensure high-quality construction that delivers strong customer satisfaction while placing the highest priority on safety. In FY2025, we aim to expand our business domain by striving to deliver even higher levels of satisfaction, with Tokyo Monorail newly joining our list of clients. The Civil Engineering Maintenance Department is involved in works to repair and improve civil engineering structures in three JR East areas (Tokyo, Shinagawa, and Ueno) and for other projects. Working with Totetsu Kogyo, we continue to ensure daily safety and contribute to stable transportation, earning strong trust from our customers. As a united Totetsu Kogyo Group, we will never be satisfied with standing still and will always strive for constant evolution.

Totetsu Soken Co., Ltd.



FUKUI Tomoko **ETANI Masazumi**
Construction Department Construction Department

Company Overview | Based on the know-how gained through extensive experience and construction achievements, Totetsu Soken is involved in a wide range of new construction, repair, renovation, and maintenance projects for station facilities and related buildings.

With the goal of becoming a core company supporting building maintenance and renovation work for JR East Group companies, we are enhancing our maintenance management system in close collaboration with the Totetsu Kogyo Group to secure orders more stably. Partnering with Totetsu Kogyo to receive package orders that include both design and construction, we can develop more efficient construction plans and ensure more detailed coordination. With this relationship, we make company-wide efforts to improve customer satisfaction and their safety. The expertise we have accumulated through projects with JR East Group companies is now enabling us to reach out to private railway companies' projects. We will continue to strive to earn even greater trust.

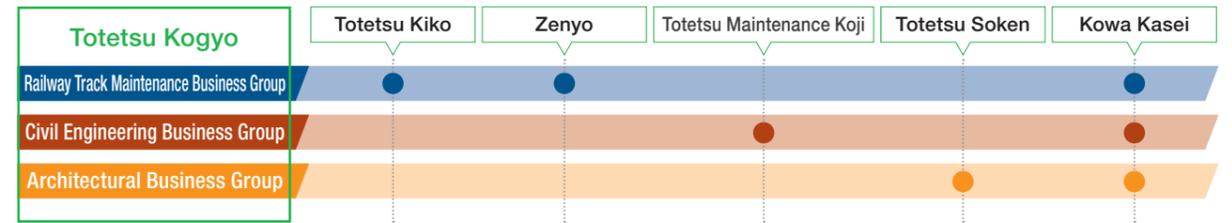
Kowa Kasei Co., Ltd.



MASAKI Tomoya **MIYAMURA Maika**
Corporate Planning Div. Sales Div.

Company Overview | Since its founding 70 years ago, Kowa Kasei has been supplying railway operators, track construction companies, and others across Japan with railway track materials. It engages in the design, manufacture, and sale of rail fastening systems, and the manufacture and sale of resin products used in track and civil engineering construction.

In recent years, under unified management with Totetsu Kogyo, a scheme has been established whereby Totetsu Kogyo receives construction orders and Kowa Kasei provides the necessary components. These include LS stabilizers, used for a low-strength stabilization method that suppresses track subsidence without replacing ballast when the soil contamination rate is high; ties and fastening systems for private railways; and the TD series, used for anti-seismic work on Shinkansen electric poles. We also focus on civil engineering and construction materials. To address various challenges in maintenance operations, we leverage the extensive insight we have gained as a manufacturer to facilitate research and development and propose new products and construction methods.



Initiatives

- Achieve quality construction and customer satisfaction through a close relationship with Totetsu Kogyo, and safety management
- Work with Totetsu Kogyo to provide integrated services from design to construction
- Increase orders received by developing materials and construction methods in cooperation across the Totetsu Kogyo Group
- Promote efficient business expansion by combining material supply and construction
- Optimize costs through joint procurement and shared use of materials and equipment
- Improve the work environment by raising wage levels
- Update company regulations and employee benefits to pursue a more comfortable workplace
- Conduct regular surveys to improve employee satisfaction
- Strengthen training systems with the Totetsu Training Institute
- Support recruitment activities to attract more talent

Totetsu Kiko Co., Ltd.



IKEDA Shinnosuke
Railway Track Machine Department, Yokohama Construction Site

Company Overview | The railway track machine department is in charge of maintaining more than 100 sets of large-scale track maintenance machinery, mainly owned by Totetsu Kogyo, supporting railway safety and stable transportation in the background.

We conduct training programs at the Totetsu Training Institute, using MTT and other actual equipment to enhance our employees' machine maintenance skills. We also hold practical training sessions for partner companies' employees on technical and safety topics, intending to establish and secure a unified machine maintenance framework across the Group. For recruitment, new hires increased through collaborative initiatives, such as introducing the Totetsu Training Institute to teachers at Showa Tetsudo High School. Looking to broaden our business domains, we will continue to advance our machine maintenance technologies and recruit more talent to contribute to the growth of the Totetsu Kogyo Group.

Zenyo Co., Ltd.

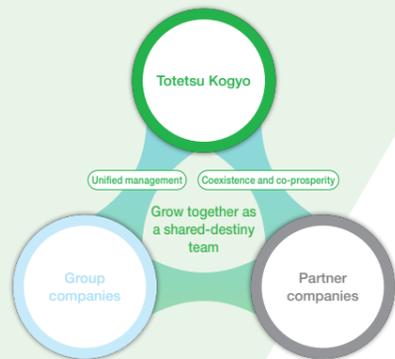


AKIMOTO Miki
Administrative Department

Company Overview | As a company specializing in rail welding, Zenyo boasts highly skilled engineers and engages in a wide range of activities—not only welding work but also technical development and training.

We realize that contributing to railway safety and stable transportation requires securing human resources and steadily passing on technical expertise across the Totetsu Kogyo Group. To attract talent, we are working with Totetsu Kogyo to revise our wage structure, enhance training programs to encourage employee participation, and continuously improve our work environment to make it more open. Especially for training, we promote engagement as a Totetsu Kogyo Group member by encouraging technical staff, not only administrative personnel, to participate in management training programs at the Totetsu Training Institute. For technical skills succession, we assess each employee's current skill level and provide training and guidance tailored to their individual capabilities. We are making company-wide efforts to build a framework that can support steady improvements in technical proficiency.

Trinity Management—Coexistence and Co-Prosperity with Partner Companies



Grow with partner companies **Coexistence and co-prosperity**

We are working to strengthen trust with our partner companies and establish a stable construction framework based on the principle of coexistence and co-prosperity.

Gunma Railway Track Construction Co., Ltd.

Mechanization promotion and extensive exchange opportunities

We jointly worked on technical development to meet needs from on-site staff. The development resulted in reduced labor, increased efficiency, and lighter loads for workers.

We also joined machinery work technology exchange meetings held by Totetsu Kogyo. The meetings gave us the opportunity to learn about mechanization methods firsthand, which further strengthened our commitment to promoting mechanization. We will continue to actively pursue mechanization to improve both safety and productivity.

Railway Track Maintenance Business: Railway track



OTSUKA Koji
Gunma Railway Track Construction Co., Ltd.

Kyoritsu Construction Co., Ltd.

Railway Track Maintenance Business: Railway track

Initiatives for energizing local communities

For the railway track replacement work associated with the development of OIMACHI TRACKS, we proposed construction methods that prioritized safety and quality. We carried out this large-scale project in collaboration with Totetsu Kogyo, taking on a strong sense of responsibility and pride in supporting the core of railway infrastructure.

Participating in this project has made me realize that our work shapes the future of local communities. I will continue to take pride in joining such projects.



MIKAMI Yuki
Kyoritsu Construction Co., Ltd.

Kitada Construction Co., Ltd.

Civil Engineering Business: Civil Engineering

Technical development and access to training facilities

Many platform door installation projects we are engaged in use special temporary cover plates and custom machines developed by Totetsu Kogyo, resulting in improved construction safety and greater operational efficiency.

Additionally, before implementing such unique technologies, we can receive hands-on training at the Totetsu Training Institute, which simulates actual site conditions. The training enables us to start work with confidence.



Training on platform door installation at the Totetsu Training Institute

SGI Railway Co., Ltd.

Railway Track Maintenance Business: Railway track

Working environment improvement

During the COVID-19 pandemic, the volume of construction works temporarily decreased, which led to reduced income and uncertainty about the future. At that time, Totetsu Kogyo took various measures to improve working conditions, such as promoting mechanization.

The measures helped us increase construction efficiency, improve our business performance, and raise our base salaries. I appreciate that the increase in base pay has stabilized our incomes, enabling us to work with greater peace of mind.

With a strong sense of pride in protecting the railway infrastructure of Yokohama, all of us at SGI Railway will continue working together to maintain and manage the area.



SAKURAI Syota
SGI Railway Co., Ltd.

KOTAKIKENSETSU Co., Ltd.

Civil Engineering Business: Civil Engineering

DX tool deployment to improve work styles

Our construction sites are widely dispersed, and travel for meetings and waiting for on-site inspections resulted in inefficient work hours. With comprehensive DX tools provided by Totetsu Kogyo, we can now conduct meetings and inspections remotely. This allows us to reduce travel time, use in-between times effectively, and improve our work style. These changes have also contributed to a lower employee turnover rate.



On-site workers using iPad devices

Initiatives

- Create better working environments that foster a culture valuing fulfillment
- Improve workplace environments, such as by providing dormitories
- Introduce a reward system to help expand employment
- Update the Totetsu Kogyo website to showcase partner companies more effectively
- Provide explanatory tools and materials that can be used for recruitment activities
- Enhance training environments and communication opportunities to boost construction capabilities
- Support practical training to develop skills, leading to increased job satisfaction
- Adopt DX tools to reduce travel burdens and streamline operations
- Contribute to energizing local communities through railway maintenance
- Operate an association to share information and strengthen collaborative relationships

Ooi Co., Ltd.

Civil Engineering Business: Steel structures, steel, scaffolding

Architectural Business: Scaffolding

Collaboration with Totetsu Kogyo employees

In railway maintenance work, we often face challenging construction conditions or need to plan optimal temporary facilities. In such cases, with the support from the Civil Engineering & Design Department of Totetsu Kogyo, we can carry out the construction safely and smoothly. It also helps our employees enhance their skills, and we feel greatly reassured by its assistance.



Staff members discussing a temporary facility plan

Shiroyama Co., Ltd.

Architectural Business: Metal, interior

Enhanced collaboration through the Kenkokai (the Partner Company Presidents Association)

As a member of the Kenkokai (the Partner Company Presidents Association), we can share construction information at an early stage, which makes it easier for us to set up a well-planned construction framework.

We also second our employees as construction managers. I believe that this helps them learn the workflows of various construction types, communicate with people in different trades, and further develop their skills.



SHIROYAMA Sadayoshi
Shiroyama Co., Ltd.

Nerima Construction Co., Ltd.

Architectural Business: Scaffolding, civil engineering, demolition

Support for human resource development

I participated in a training program provided by Totetsu Kogyo to get the First-class Building Construction Management Engineer certification. The course helped me understand key points for the second examination, allowing me to approach it with confidence. Thanks to the training, I successfully passed the examination. Obtaining certifications provides employees with additional allowances and boosts their motivation. I feel that it also improves our staff retention rate.



PHAM Hung
Nerima Construction Co., Ltd.

Tachibana Roof Co., Ltd.

Architectural Business: Metal

Working environment improvement

With support from the Kenkokai (the Partner Company Presidents Association), we strive to enhance the capabilities of seconded construction managers. Additionally, I think that actions taken in response to recent price rises and construction industry trends, such as base salary increases and long-service allowances, can help workers feel more rewarded.



KENMOTSU Masakazu
Tachibana Roof Co., Ltd.

Construction Projects Based on Trinity Management

Totetsu Kogyo X Totetsu Soken

Construction by Totetsu Kogyo and a Group Company – Development Under an Elevated Railway

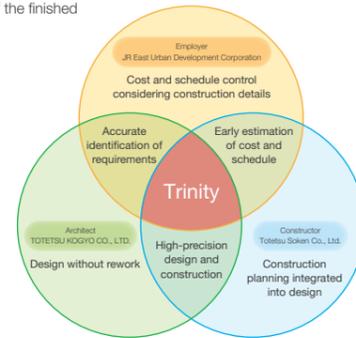


Project overview
 Project name: Basic design for Phase II development of the area (Aikoku site) under the elevated First Sakumacho Bridge between Akihabara and Asakusabashi Stations on the Sobu Line
 Construction period: February 2026 to September 2026 (plan)
 Employer: JR East Urban Development Corporation
 Location: Kanda-Sakumacho, Chiyoda-ku, Tokyo
 Construction details: A two-story steel-frame restaurant with a total floor area of approximately 200 m² will be designed and constructed on a site of about 176 m² located under the elevated tracks of the JR Chuo-Sobu Line (Local) between Akihabara and Asakusabashi Stations. The planned site has numerous design and construction constraints, as it is located under the elevated railway in a busy commercial district, the frontage road is narrow, and pedestrian traffic is heavy. The project also needs to handle multiple applications and consultations with local authorities in accordance with certain regulations, including the Ordinance on Landscape and the Welfare-friendly Town Development Ordinance.

*As this project has similar conditions to the completed Phase I project on the adjacent site, a conceptual drawing (perspective) of the finished Phase I building is provided here for reference.

Effects to be brought by unified management

The collaboration of three companies in the design process can allow us to proactively discuss construction-related factors to meet the client's cost and schedule requirements. This ensures comprehensive cost control and shorter construction time. Additionally, even though this project faces challenging surrounding environments and construction conditions, we can consider such challenges during the design phase to improve the design, which will help carry out the construction smoothly.



Comment from a Totetsu Kogyo staff member

Considering the planned site under an elevated railway with many constraints, we incorporate the construction team's input into the basic design to prevent rework on design. I think that this can facilitate effective consultation and coordination, enabling both teams to enhance their technical capabilities and expertise. Based on this framework, we will continue to explore new possibilities and pursue the achievement of additional new projects.

NIRASAWA Shiho Architectural Design and Engineering Department, Architectural Business Group



Comment from a group company staff member

Totetsu Soken Co., Ltd. mainly engages in renovation and renewal projects, and thus, we have limited experience in constructing new buildings. In this project, we will learn from Totetsu Kogyo's expertise in private-sector new buildings, apply high-accuracy construction management methods and standards, and aim to deliver construction work that satisfies our clients.

Left: INOMATA Koichi Right: ODAWARA Noboru Totetsu Soken Co., Ltd.



Comment from the employer

The site of this project is located under an elevated railway in Akihabara, which has great potential but also many challenges during construction. By working together with the Totetsu Group, we reflected construction-related advice on our plans during the design stage, resulting in positive effects on both cost and time. We will continue to further strengthen our collaboration with the Totetsu Group for development projects under elevated railways.

IWASAKI JR East Urban Development Corporation

Totetsu Kogyo X Tousyou construction

Work Completed by Totetsu Kogyo and a Partner Company – Earthquake Disaster Restoration



Project overview
 Project name: Disaster emergency and restoration work (part 2) within the area of Koriyama Civil Technology Center, following the Fukushima Earthquake
 Construction period: March 17, 2022, to March 15, 2024
 Employer: Koriyama Civil Technology Center, Tohoku Area Headquarters, JR East
 Location: Between Fukushima and Shiroishi-Zao Stations of the Tohoku Shinkansen
 Construction details: The Fukushima Earthquake that occurred on March 16, 2022, caused extensive damage to both the Tohoku Shinkansen and conventional railway lines. Immediately after the earthquake, we worked with JR East and other partner companies, taking charge of construction works related to Shinkansen structures mainly in Fukushima Prefecture. Through close coordination among our internal departments and partner companies, we restored operations on the Tohoku Shinkansen six days earlier than initially expected, which became an example of our contribution to society.

Our work



This photo shows our work at the First Kosaka-Kaido site in collaboration with the Tousyou construction team. The construction at the P1 pier was particularly challenging. We closely discussed the optimization of the construction methods and procedures and worker assignments day and night. As a result, we safely and rapidly completed the temporary installation of heavy structures using heavy machinery, excavation around the pier, and seismic reinforcement (steel plate jacketing).



Comment from a Totetsu Kogyo staff member

We received support from Tousyou construction Co., Ltd. in the construction work at the First Kosaka-Kaido site, as part of this disaster restoration project. This site was a key location for resuming Shinkansen operations. Despite difficult conditions, including day-and-night work and a very narrow site, the team successfully completed the construction. We sincerely appreciate their efforts and hope to build a relationship that enables mutual growth in the future.

KOBAYASHI Takatoshi Construction Site, Civil Engineering Business Department, Tohoku Branch



Comment from a partner company staff member

We received extensive support from Totetsu Kogyo at the First Kosaka-Kaido site, from providing refreshments to arranging temporary housing. Even under the pressure of the disaster recovery work, we were impressed by the warmth of Totetsu Kogyo's staff. If another disaster were ever to occur, we would be ready to respond immediately in support.

NISHITA Masahiro Tousyou construction Co., Ltd.



Comment from the employer

In this disaster restoration project, the construction work carried out at the First Kosaka-Kaido site was notably impressive. Thanks to the advanced technical capabilities and prompt response of Totetsu Kogyo and its partner companies, the damaged and subsided heavy bridge girder was safely and securely lifted and restored. This made a significant contribution to the early resumption of railway operations and to the stabilization of the region's transportation infrastructure. We hope to continue deepening our partnership with Totetsu Kogyo as we work together to build a more robust and sustainable social infrastructure.

MIYAZAKI Sendai Civil Structure Technology Center (Koriyama Civil Structure Management Center), East Japan Railway Company

Long-term Vision **TOTETSU VISION 100**

In this age of shorter socioeconomic change spans, and continued diversification of sense of value, the Totetsu Kogyo Group has reached its 80th anniversary of foundation. Looking ahead to the 100th anniversary in the future, we announced the long-term vision on May 31, 2023, in order that the Group unites to further strongly promote our business. We have defined its 2043 vision as a “leading company of transportation infrastructure maintenance,” and are promoting initiatives that center on five strategies to achieve the vision.

As stated in the Corporate Vision, we recognize “contribution to realizing a sustainable society that is safe, secure, and environment-friendly” as the Group’s social mission. There are major changes in the external environment, such as the change of earnings structures of primary clients due to the COVID-19 pandemic, and worsening issues surrounding the whole construction industry. However, we have some projects that have already begun, and other large projects coming, and consider that the long-term outlook is bright. Facing a turning point of the era, we will encourage employees to shift gears to raise their awareness of being a specialized professional group. At the same time, through high-value-added construction capability refined in railway works, and active investments in human development and technical development, we will pursue tougher and more resilient organizational capability. This is the time to recollect the spirit at the time of foundation to thoroughly ensure the safety and security (stability) of railways through the thorough enhancement of the business base, and thereby we will pursue sustainable growth together with all stakeholders, and make efforts for “Jump toward the 100th anniversary of foundation.”



TOTETSU VISION 100

Totetsu Kogyo Group’s 2043 vision

Leading company in transportation infrastructure maintenance

Continue to be the number one company in the railway maintenance industry and the only one choice in the construction industry

- Number one** Specialist supporting safe and stable transportation, accumulated railway works know-how that greatly surpasses competitors
- Only one** Expansion of social infrastructure maintenance business, by taking advantage of synergy with general construction works, and high-value-added construction capability refined in railway works

Realize sustainable growth, in order to contribute to creating a society where all stakeholders can live with a safe mind

- Sustainable growth** Creation of stakeholders’ trust and shared value, creation of a future where anyone can feel peace and hope

Last decade

- **Firm order receiving system** based on partnership with JR East
- **Profit creation** based on high-value-added construction capability refined through railway works
- **Stable business performance, overwhelmingly sound financial data**
 *Stability [10-year average from FY ended March 31, 2013 to FY ended March 31, 2022]
 Equity-to-asset ratio 59.5%
No. 1 for nine consecutive years until FY ended March 31, 2021 in the grading item Y of the business evaluation
 *Profitability [10-year average from FY ended March 31, 2013 to FY ended March 31, 2022]
 Return on equity (ROE) 11.6%
 Operating profit margin 8.8%

Social economy	Positive effect factors ▶ Increased railway passengers due to inbound tourism demand recovery, expanded areas for disaster prevention and reduction measures/requests for sustainment, maintenance, and life extension of social infrastructure Challenges ▶ Legal restrictions on long working hours, material price hikes, labor shortage/SDGs achievement in 2030/carbon neutrality in 2050, AI utilization/DX promotion
JR-related plans	Railway maintenance business (maintenance and renewal) ● Shinkansen rail replacement (REXS) ● Platform doors installation ● Seismic reinforcement works (phase three) [project scale: 450.0 billion yen] ● Haneda Airport Access Line construction [project scale: 280.0 billion yen] ● Shinkansen large-scale renovations [project scale: 1 trillion yen] ● Increased freight train demand due to modal shift
Public and private railway-related plans	● Railway maintenance business (maintenance and renewal) ● Requests for the maintenance of social infrastructure adjacent to and crossing sites of railways
Other plans	● National resilience measures [project scale: 20 trillion yen] (2026~2030) ● Hokkaido Shinkansen [project scale: 2.3 trillion yen] ● Increased construction of hotels and commercial facilities due to inbound tourism demand recovery ● Investments in energy-related facilities, such as solar and wind power generation, as carbon neutrality measures

Progress on Medium-term Management Plan: Action Plan 2029

To achieve Totetsu Kogyo Group's vision for the 100th anniversary, we have formulated Action Plan 2029, our priority measures to implement from 2024 onward, which centers on the five strategies set out in our long-term vision. By actively expanding business in the three key business fields and further advancing "trinity management" of Totetsu Kogyo, the Group companies, and partner companies, we will strive to increase the satisfaction degree of the Group's employees and their families as well as of partner companies and fulfill client needs, while at the same time contributing to the revitalization of local communities by delivering happiness to customers who use infrastructures.

Besides, we will promote management conscious of cost of capital and stock price and seek to enhance our corporate value over the medium to long term, while realizing sustainable growth together with all stakeholders.

Our 2029 Vision and Initiatives

Strive to be the number one company and the only one choice

Safety strategy

- Achieve zero fatal accidents of customers and employees
- Strengthen proactive prevention and measures through both tangible and intangible approaches, by actively utilizing IT, AI and DX

Order receiving strategy

- Enhance our presence by conducting steady works including railway facilities maintenance and improvement project works
- Provide maintenance structures for public and private railway companies, with highly sophisticated and abundant machine capabilities and construction know-how
- Handle aging infrastructure works other than railway infrastructure, with our techniques and experience cultivated in railway works

Productivity increase strategy

- Prepare for decreased construction skilled workers and increased future orders that are expected over the medium to long term
- Aim to increase productivity by combining our new techniques and ICTs and IoT

Foundations for sustainable growth

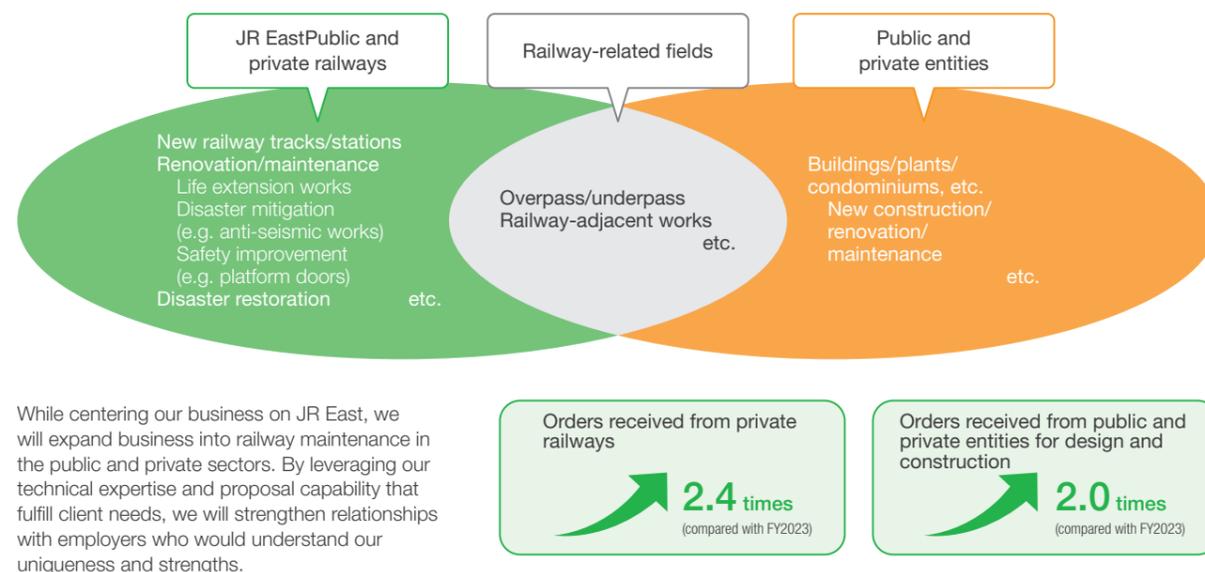
Human resource strategy

- Secure competent employees and those of partner companies
- Sustainable skills development
- Create work environments which help the employees of the Totetsu Kogyo Group and those of partner companies to have a sense of fulfillment

ESG strategy

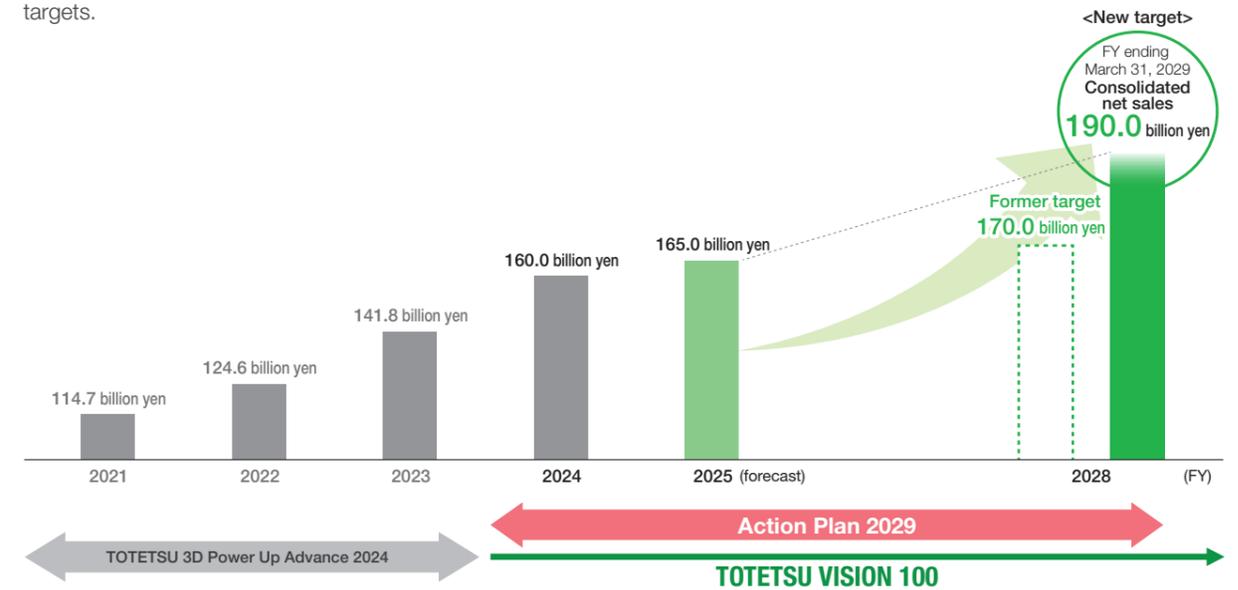
- Challenge for carbon neutrality in 2050
- Address societal issues such as disaster prevention and mitigation, and life extension works for infrastructures
- Promote and strengthen corporate governance management that places emphasis on both aggressive aspects (revenue/capital efficiency) and defensive aspects (risk management)

Three key business fields



Numerical business targets (consolidated)

As the market environment remained uncertain, we focused on human capital investment and the maintenance and improvement of our construction capabilities. We also decided to revise our numerical financial targets for the final fiscal year of the plan, after taking the financial results for FY ended March 31, 2025 into consideration, with the aim of achieving higher targets.



	Results for FY ended March 31, 2024	Results for FY ended March 31, 2025	Targets for FY ending March 31, 2029
ROE	7.8%	10.1%	10% or more
DOE	3.1%	4.0%	3% or more
Shareholder return policy	Total payout ratio 40% or more	Progressive dividends	Progressive dividends

Non-financial KPI

While improving capabilities of safety and quality in business, we aim to enhance our corporate value in terms of ESG and pursue SDG achievement under TOTETSU VISION 100.

Category	Indicator	Targets for FY ending March 31, 2029
Enforcement of safety and quality first	Number of cases of major accidents and fatal occupational injuries	Number of cases: zero
E: Environment	CO ₂ emissions reduction rate (comparison with FY2023)	FY2030 ● Scope 1+2: 42% reduction (Scope 3: 25% reduction) *Net-zero emissions by FY2050
S: Society	● Number of female engineers (compared with FY2023) ● Rate of childcare leave taken by male employees (including childbirth leave for partners) ● Used days in annual paid leave (including accumulated days)	● Number of female engineers: 1.5 times ● Rate of childcare leave taken by male employees: 100% ● Used days in annual paid leave: 15 days and more
G: Governance	● Number of material legal violation cases	● Number of cases: zero

*S: The figures for the targets related to society represent those of TOTETSU KOGYO CO., LTD. only, as each of its consolidated subsidiaries is different in terms of scale, business type, system, management method, etc.

Capitalization and Financial Strategies

Promote the strengthening of our business base with double axes of “aggressive and stable returns” and “capital investments in technical development”



Basic strategy

Backed by a sound and robust financial base developed in its many-year history, the Company has allocated earnings generated from Railway Track Maintenance, Civil Engineering, Architectural, and Environmental Businesses for growth investments. Our basic strategy is to determine the priority

and use of funds by examining investments necessary for sustainable growth, such as large-scale track maintenance machinery for higher productivity, in terms of returns from investment, while we consider returns for stakeholders including our shareholders, and capital efficiency improvement.

Growth investment strategies that fulfill client needs

Needs of society (age) and clients

Faithful construction capability Maintenance that functions as a base for safe transportation	Safety skills Construction quality Avoid causing transport disturbance	Proposal capability Design/construction methods Lower costs	Organizational emergency response capability Emergency, disaster cases	On-site construction capability Construction capability in highly difficult works
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Investment amount approx. 70.0 billion yen

Human capital investment	Technical development investment	Mechanization investment
<ul style="list-style-type: none"> Construction execution system enhancement (employees/partner companies) Enhanced construction methods/techniques/lower costs/proposal capabilities (engineers/estimates) brought by strengthened organizational structures Sufficient budget for safety training and education Base-pay increase, better treatment Support for improving the wage levels and work environment of partner companies 	<ul style="list-style-type: none"> Investment in Shinkansen large-scale renovations—the development of construction methods and materials (including projects in which we promote joint development with JR East) Full-scale implementation of IT and AI Operational efficiency increase brought by digitalization Decarbonization technology enhancement 	<ul style="list-style-type: none"> Development of machines that bring higher efficiency and labor savings Investment in Shinkansen large-scale renovations—the development of construction machines Increase the number of large-scale track maintenance machinery and their functions, and replacement Support promoting mechanization for partner companies
← Approx. 20.0 billion yen →	← Approx. 50.0 billion yen →	

Major investments implemented in FY2024

- Renewed Shinkansen track inspection vehicles
- Increased the number of large-scale track maintenance machinery
- Expenditure for construction of a next-generation core system
- Introduced T-DOC*
- Increased base-pay and benefits
- Provided support for partner companies
- Improved the environment of the head office, branches, and construction site offices



*T-DOC: A company car which has a built-in office space for desk work



T-DOC
TOTETSU-OX OFFICE CAR

Policies for shareholder returns

Since the fiscal year ended March 31, 2025, we have employed a basic policy of DOE 3% or more with progressive dividends, not subject to business performance, in the Medium-term Management Plan: Action Plan 2029 announced in May 2024, in order to offer “aggressive and stable returns.”

As we posted record-high profits for the fiscal year ended March 31, 2025, we declared an annual dividend of 135 yen (a record high) for the fiscal year, an increase of 35 yen from the annual dividend of 100 yen planned at the beginning of the

fiscal year. This made our DOE 4% or more, and we delivered shareholder returns significantly exceeding our target.

We plan to pay an annual dividend of 140 yen for the fiscal year ending March 31, 2026, an increase of 5 yen from the previous fiscal year. We will maintain our basic policy for shareholder returns and strive to further enhance shareholder returns while considering their balance with investments in order to implement management conscious of cost of capital and stock price.

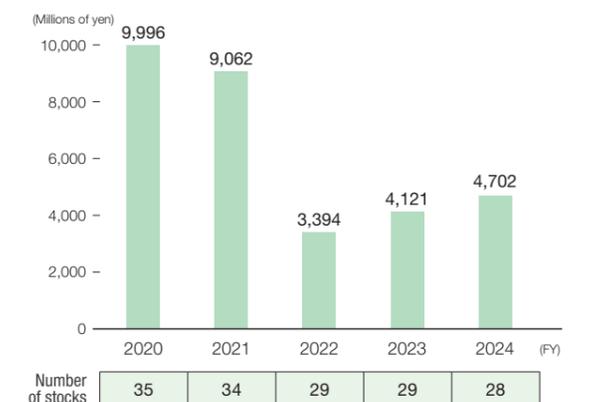
Changes in actual shareholder returns



Cross-shareholdings

We may hold shares in other companies for policy purposes to the minimum necessary extent if it is deemed to contribute to the enhancement of our mid- to long-term corporate value, taking into comprehensive account the strategic importance in management as well as the need to build, maintain, and strengthen good and smooth relationships with business partners. Regarding these cross-shareholdings, we periodically and concretely review each stock to determine whether the purpose of holding remains appropriate, and whether the benefits and risks of holding are commensurate with the capital cost, by, for example, comparing expected returns, which represent market value etc. of the stock times cost of capital, with profits from construction works etc. and qualitative benefits. The Board of Directors annually evaluates the appropriateness of continuing to hold such shares. Based on these matters, if a stock is deemed to have little significance for continued holding, we proceed with its sale, while considering various factors, to reduce our holdings.

Changes in cross-shareholdings (year-end market value)



Chairman and Outside Directors Round-Table Discussion

From an Outside Perspective, We the Outside Directors Will Support Totetsu Kogyo's Leap to Growth Led by the New Management Team

We have launched our five-year Medium-term Management Plan: Action Plan 2029.

In the first fiscal year of the plan, we delivered such remarkable results to the extent that we have decided to revise our financial targets upward for the final fiscal year of the plan. This section features the round-table discussion of Chairman Maekawa, who served as President when the plan was formulated, and four Outside Directors, including newly appointed Outside Director Takahashi. They discussed efforts to enhance the effectiveness of the Board of Directors, the monitoring of the Company's management, and engagement with investors.



MIYAMA Miya
Independent Outside Director

TAKAHASHI Kiyotaka
Independent Outside Director

MAEKAWA Tadao
Chairman

NAKAYAMA Hiroshi
Independent Outside Director

TAMAGAWA Takehiro
Outside Director

Evaluation of the Operation of the Board of Directors

Nakayama As I see it, the Board of Directors had lively exchanges of opinions during FY2024 as it did in FY2023, when we had many rounds of discussion with the executive team on the Medium-term Management Plan from the planning phase. I believe that discussions at Board of Directors meetings provide a good opportunity for the executives of each Division to deepen understanding of issues in other Divisions as well as future plans of the Company as a whole. I also see that opinions from us Outside Directors are properly considered in the management of the Company. I clearly feel that the effectiveness of the Board of Directors is increasing.

In the evaluation of the effectiveness of the Board of Directors, **increasing opportunities for Inside Directors to voice their opinion has been taken up as one of the issues we need to address. I would like to see them express their opinion much more often**, though we do have more opinions from Inside Directors than some time ago.

Miyama I also feel that the operation of our Board of Directors is quite effective. Rather than bringing up a matter at a Board of Directors meeting after putting in a lot of internal work, discussing it at the Board at a slightly

earlier phase while sharing presentation materials that are still in draft form is more helpful because it allows all concerned to think together about the direction we take to work on the matter. In this regard, there has been a meaningful improvement in the operation of our Board of Directors.

Regarding the effectiveness of our Board of Directors, in addition to increasing opportunities for Inside Directors to voice their opinion, which Mr. Nakayama has touched on, **it is once again pointed out that the Board needs to further enhance its diversity, including adding female Directors and Directors selected from employees who joined the Company as new graduates, to build a better balanced board. The Company has been making steady efforts to address this issue, and I consider it to be a real improvement that one female full-time Outside Audit & Supervisory Board Member has been appointed in the latest election.**

Tamagawa As Ms. Miyama has said, real improvements are being made, such as sharing presentation materials in draft form and putting forward a matter earlier for discussion at the Board. The Company has met requests

from us Outside Directors through these measures, and I very much appreciate it. The efforts to allow us Outside Directors to participate in internal discussion at an early phase also help ensure that various decision-making processes in the Company are duly checked from an external perspective.

Meanwhile, **with regard to opportunities for Inside Directors to voice their opinion, it could be that as there is a situation where a matter brought up to the Board has already been discussed in the executive team, Inside Directors end up not speaking much at Board meetings. That said, I hope that Inside Directors will voice their opinion a little more actively when the Board talks about themes in other fields than those they supervise or themes that concern the Company as a whole.**

Nakayama I do not think that the Company has a highly compartmentalized organization, but as I see it, they seem somewhat hesitant to express a professional opinion about other Divisions. Even if they feel so, I think that they should speak more when the Board discusses a matter about the Company as a whole.

Maekawa Speaking from the position as Chairman of the Board of Directors, Inside Directors and executive officers are naturally inclined to talk primarily about the matters they supervise. Given this tendency, I always tell them that a Board of Directors meeting is an opportunity

where we discuss matters as management members. I also ask them to express their opinion broadly and beyond the fields they supervise and not to hesitate to speak up, even if doing so may lead to pointing out a problem in other Divisions or criticizing them, so I believe that they are aware of this issue. On my part, I, on purpose, ask Inside Directors and executive officers to speak in discussions at a Board of Directors meeting to encourage them to voice their opinion.

But it is also true that Board discussions often focus on issues of a specific Division so that we sometimes only have limited time left to broadly discuss the Company's management in general. For this reason, we hold an exchange of opinion meeting before or after a Board of Directors meeting, in which I put forward various discussion themes and offer an opportunity to speak freely. We formerly had this meeting as an informal get-together. Going forward, I would like to make this meeting an opportunity to have a discussion from both internal and external perspectives, and to make use of it for the management of the Company.

Takahashi I assumed the position of Outside Director this past June. Before I attended the Company's Board of Directors meeting for the first time, I received a thorough briefing from members of the secretariat. That provided me with a base on which I could easily participate in Board discussions. The Company's Board of Directors meeting,

Chairman and Outside Directors Round-Table Discussion



Going forward, as I work from management's standpoint, I will serve railway companies, who are our clients and employers, as well as Group companies and partner companies and play the role of collecting information about their requests and issues and making use of it for the Company's management.

where the members have lively discussions on corporate management, is highly informative for me, and I am still in a learning stage and have not been able to actively

express opinions yet. I am looking forward to deepening my understanding of the Company and contributing to Board discussions.

We can say that it is as a result of the Company's efforts to strengthen the relationship with partner companies that it has been able to secure the construction capability it needs amid labor shortages. I highly regard Totetsu Kogyo's initiatives that even include improving wage levels of partner companies' employees.



This decision makes it necessary to accelerate investment in human resources as well as investment in technical development and mechanization going forward. In the Medium-term Management Plan, the Company plans to make large-scale investments totaling 70.0 billion yen in the five-year period. As Outside Directors we need to check whether these investments are implemented and deliver results as planned.

Takahashi I have not got a grip on full details of the Medium-term Management Plan yet, but as far as I understand it now, I have an impression that the plan gives a very detailed description of the Company's prospect and strategy, looking ahead five years.

The plan has set high targets, encouraging all employees to work as one to achieve them. The Company got off to a good start in the first fiscal year of the plan, but we must remember that unpredictable things happen in this world, such as a major earthquake or the COVID-19 pandemic. If such an event takes place, how should we respond? How can we overcome changes it brings? Under such circumstances, how can we maintain safe and secure transportation infrastructure? I believe it is management's responsibility to think about questions such as these and prepare for the unpredictable.

Moreover, it is important to achieve targets, of course, but I feel it is also necessary not to get too obsessive about numbers and to work with a relaxed mind, in order to share happiness with all stakeholders.

Tamagawa I feel the same way. We should also see and feel if the Company is making an improvement in such things as employees' happiness, the sense of fulfillment they feel from work, and their standard of living.

Maekawa The first thing I thought of when I became Totetsu Kogyo's President in 2021 is that I want to make Totetsu Kogyo a company that contributes to the happiness of all stakeholders. With this thought in mind, in 2023 I announced TOTETSU VISION 100, our long-term vision toward 2043, which will mark the 100th anniversary of Totetsu Kogyo's foundation. The current Medium-term Management Plan, Action Plan 2029, represents the first stage of our journey to achieving this long-term vision, and we formulated it by back-casting the vision for 2043.

After announcing the long-term vision, I held briefings for Group employees at seven locations, where I made presentations and answered questions in my own words to convey Totetsu Kogyo's vision to every one of them. As for the Action Plan 2029 announced in the next year, 2024, Business Group Heads held briefings to explain the plan in their own words to all Group employees.

Takahashi It is not usual that in a large organization such as Totetsu Kogyo, which has a total of more than 1,800 employees in its Group, President or Business Group Heads make a presentation in person to explain its vision and plan directly to employees. It ensures that each employee on the ground embraces management's commitment, thereby generating a sense of solidarity, which provides the Company with the driving force necessary to achieve goals.

Progress on the Medium-Term Management Plan and Issues for the Future

Nakayama In FY2024, when the Medium-term Management Plan was launched, Totetsu Kogyo achieved increased revenue and increased profits, significantly outperforming the estimates at the beginning of the period, and it also enhanced shareholder returns by substantially increasing dividends. While these results are not surprising in view of what it achieved in the previous period, I would like to give all Group employees praise for their hard work. Given these results, the financial targets for the final fiscal year of the Medium-term Management Plan (the fiscal year ending March 31, 2029) have been revised upward, with net sales revised to 190.0 billion yen or more and ROE to 10% or more.

Meanwhile, in our round-table discussion last year, I said it felt that original financial targets had been set rather conservatively. I have the same impression about the FY2024 results. Of course, it is also true that as orders received increase, we need to secure enough construction capability to fulfill them, so it is understandable that management attaches much weight to opinions from the frontline when setting a budget. However, going forward, the Company should analyze the situation it faces a little more closely and take the results into account when planning a budget.

We can say that it is as a result of the Company's efforts to strengthen the relationship with partner companies that it has been able to secure the construction capability it needs amid worsening labor shortages. I highly regard Totetsu Kogyo's initiatives that even include improving wage levels of partner companies' employees. In addition, the Company has employed a fair number of new graduate and mid-career hires, though the results fell short of the target. I hope that the Company will step up human resource development efforts that utilize Totetsu Training

Institute, one of the Company's strengths. Going forward, it will certainly become more important to enhance human resources and maintain construction capability while keeping reliable technical skills and construction quality.

Tamagawa I consider the financial results for FY2024 remarkable achievements. At the same time, I also want to praise the solid progress of the Company's initiatives for the future on various fronts, which the financial results do not reflect. In terms of financial results, we can say that Totetsu Kogyo is delivering significant, meaningful growth as it has increased orders received from JR East and also achieved a steady growth in orders received from public and private railways other than JR East. In terms of business continuity, the Company is making serious efforts to develop an environment that contributes to enhancing human resources and securing construction capability, the points Mr. Nakayama has brought up. It is also working hard on the initiatives to improve productivity and increase operational efficiency.

These efforts are not reflected in the latest financial results and are difficult to assess quantitatively. What kind of yardstick should we use to measure the Company's performance in initiatives such as these? How should we monitor progress? These are also challenges for us Outside Directors.

Miyama The Board of Directors also discussed whether the financial targets in the Medium-term Management Plan should be revised upward and whether the Company can secure enough capacity to respond to an increase in work volume. It may be due to Totetsu Kogyo's corporate culture that it sets targets cautiously and conservatively. After all, it was decided to raise the targets by one level and take on the challenge of achieving higher targets to meet expectations of shareholders, investors, and other stakeholders.



It is important to achieve targets, but I feel it is also necessary not to get too obsessive about numbers and to work with a relaxed mind, in order to share happiness with all stakeholders.

Chairman and Outside Directors Round-Table Discussion

Miyama With the top management explaining directly to employees what the company aims at, employees can get a clear picture of the direction they should take, and

it allows each group of employees on the ground to go in the right direction and take the right action at the right time.

Change of Representative Director and Appointment of New Outside Director

Maekawa Who leads the management team is one of the most important issues for a company. **From the time I became President, I had in mind two to three candidates who would succeed me in the position. Mr. Ise, the new President whom I have passed the baton to, was at the top of the list. I made a point of talking to those candidates as much as possible when deciding the Company's policy or when the Company had to take action to address a major problem. In particular, I discussed those things with Mr. Ise, sharing details.** On that account, going forward, the management of Totetsu Kogyo will be carried out basically in the same way as before: Mr. Ise and I will discuss the Company's policy while also continuing to ask Outside Directors and Outside Audit & Supervisory Board Members for opinions and advice as we respond to the situation we face.

Going forward, as Chairman of the Board of Directors I will work from management's standpoint in principle and delegate execution to the President and other Executive Officers. As I do so, I will serve railway companies, who are our clients and employers, as well as Group companies and partner companies and play the role of collecting information about their requests and issues and making use of it for the Company's management.

Nakayama Mr. Ise is not an internally elected president. He has been elected for Totetsu Kogyo's President as the Nomination and Remuneration Committee was convinced that he is qualified for the position in view of his careers, achievements, view on personality, and other factors and approved his nomination.

Miyama To nominate Representative Director, it is necessary to consider a wide range of factors, from how well-versed the candidate is in Totetsu Kogyo's

business to what makes a business leader, such as a broad perspective, the ability to negotiate with business partners, and the ability to make sensible decisions as well as leadership and personality. For this reason, I consider it to be rather difficult for Outside Directors to lead the nomination process. **As Mr. Maekawa has just said, there had been a relationship between Mr. Ise and Mr. Maekawa that was expected to allow the management transition to go smoothly. In addition, as for experience, he served as the Company's Outside Director for two years from 2016. Considering these factors, we decided that risks associated with electing Mr. Ise for President would be low, in terms of, for example, the risk of leading to an unreasonable turnaround in management policy, and that he was expected to deliver high performance in the position.**

Maekawa Additionally, in this fiscal year, Mr. Takahashi was newly appointed as an Outside Director of Totetsu Kogyo. It was about ten years ago that Mr. Takahashi and I got to know each other through my work related to the media and public relations. Mr. Takahashi had served as Superintendent General of Tokyo Metropolitan Police Department and in other important positions. I hope that by leveraging the experience of leading crisis management and ensuring safety for Japan and its people as a whole, Mr. Takahashi will give us valuable opinions and advice about the Totetsu Kogyo Group's business that is committed to maintaining safety and security of railway infrastructure.

Takahashi As Mr. Maekawa has mentioned, I have worked for about 40 years as a public servant, primarily in the National Police Agency. As I have worked in the security section, taking charge of such duties as guarding very important persons, protecting critical facilities, and

I consider the financial results for FY2024 remarkable achievements. At the same time, I also want to praise the solid progress of the Company's initiatives for the future on various fronts, which the financial results do not reflect.



saving people's lives in the event of disasters for many years, I have a particularly strong feeling about ensuring safety. I would like to convey this as I work to monitor Totetsu Kogyo's management.

Another thing I would like to share with you is that the police is an organization that puts the sites where things are happening first. This point is another characteristic the police and Totetsu Kogyo have in common. As an Outside Director with a "site-first" perspective, I would like to

discuss various issues with the people in Totetsu Kogyo. **Miyama** Mr. Takahashi has years of experience working in the public sector, and is a leader who has made socially appropriate judgements by considering things from a broad perspective, never making value judgements based on short-term gains. In addition, Mr. Takahashi led police organizations that have a very large number of members. It is truly encouraging that we have a vastly experienced leader like Mr. Takahashi with us as an Outside Director.

Through Engagement with Institutional Investors

Nakayama To create opportunities to have dialogues with shareholders and investors, Totetsu Kogyo holds both a financial results briefing and an IR briefing for private investors twice a year and also has small meetings hosted by the President and Outside Directors and facility tours for institutional investors from time to time. Additionally, public relations and IR staff attend one-on-one IR interviews.

In FY2024, **we held small meetings with five companies and facility tours for institutional investors with 14 companies and 20 participants. As for themes that they would like to discuss in dialogues and issues in which they have a particular interest, many participants said that they would like us to tell a story about the Company's medium- to long-term growth, while they also expected the Company to improve ROE to enhance corporate value. We report the content of these dialogues with institutional investors at Board of Directors meetings to share their feedback.** It is part of these investor engagement efforts that we have revised our financial targets in the Medium-term Management Plan upward, raising our target ROE from 8% or more to 10% or more.

Maekawa Last year, Totetsu Kogyo set the target of shareholder returns at a DOE of 3% or more and adopted progressive dividends as its basic policy. While it was a challenging decision for the Company, there was a huge response from institutional investors at small meetings. Moreover, in our facility tour, which is mostly held at Totetsu Training Institute, we display physical exhibits and computer graphic videos and demonstrate accident re-creation equipment to offer an opportunity to vicariously experience past accidents. It seems that they give a strong

impression to institutional investors participating in the tour, and I believe these efforts help them understand the Totetsu Kogyo's high awareness about safety.

Miyama As the progressive dividend policy is being implemented and the Medium-term Management Plan targets have been revised upward, Totetsu Kogyo's valuation in the stock market is improving, and the PBR has now increased to about 1.2 times. While maintaining our solid business foundation, we are also making bold investments for future growth. I hope that these efforts will lead to a further increase in our PER.

Going forward, I would like us to step up efforts to emphasize Totetsu Kogyo's positive outlook on business growth and expansion. At the same time, I would like to work with officers and employees in the Company to explore effective approaches to investor engagement, which, for example, include adopting a method that helps increase recognition of Totetsu Kogyo.

Tamagawa Management conscious of cost of capital and stock price is a challenging objective and cannot be accomplished in a short time. I believe that, after all, increasing productivity is a key, and we Outside Directors must keep watching it closely. Additionally, we should stay aware of what is expected of us through dialogues with institutional investors, and we should work to visualize our efforts in ways that effectively appeal to them and meet their expectations.

Takahashi As Ms. Miyama has said, increasing recognition of Totetsu Kogyo is very important. It is not only for attracting attention in the stock market; it is also expected to have a positive effect in expanding business fields and hiring talent. I do want us to exchange ideas freely and start concrete action.



Rather than bringing up a matter at a Board of Directors meeting after putting in a lot of internal work, discussing it at the Board at a slightly earlier phase while sharing presentation materials that are still in draft form is more helpful because it allows all concerned to think together about the direction we take to work on the matter.

Strategies by Business

Railway Track Maintenance Division

The Railway Track Maintenance Division prioritizes safe and high-quality construction work above all else, and as a top runner in the railway maintenance business, we maintain social infrastructure to achieve safe and stable railway transportation and support people's lives. In a rapidly changing environment, we will advance trinity management to secure more safety and higher quality and enhance our construction execution system, and we will continue to strive to achieve sustainable growth and increase our corporate value.

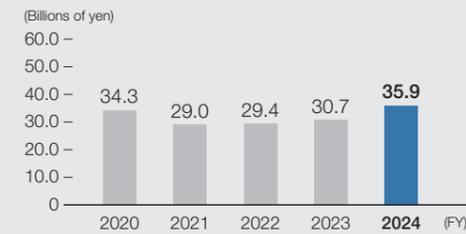


ANAMI Tetsuhiro
Head, Railway Track Maintenance Business Group

Strengths

- Top-class market share of railway maintenance work in Japan
- High-level technical ability and proposal capability based on abundant experience in construction work
- Flexibility of accommodating a wide range of customer needs
- Construction techniques and capability based on a wealth of new track construction experience
- Technical capabilities with track maintenance machinery, of which we proudly own the top-class number in Japan
- Technical development by leveraging our experience of railway track maintenance works

Net sales of completed construction contracts



Review on FY2024

In FY2024, railway use was on track for recovery as the country was emerging from the COVID-19 pandemic at an accelerated pace. In addition to this, productivity improved because of efforts to level the volume of construction works by collaborating with employers. As a result, the volume of railway track maintenance in works for JR increased about 10% year on year, and we recorded an all-time high amount of net sales of completed construction contracts.

As for our efforts to expand our business into the public and private railway market, we implemented order receiving strategy that leverages a wealth of technical capability that we have cultivated in works with JR, and it led to orders received for works in which long-term construction work is expected, typified by rail grinding works and rail exchange works using large-scale track maintenance machinery.

These achievements were accomplished as a result of the trinity management we are carrying out in cooperation with Group companies and partner companies. Going forward, we will continue to contribute to safe and secure railway infrastructure.



Rail grinding work using large-scale track maintenance machinery

Efforts to Realize Trinity Management

In the Railway Track Maintenance Division, we consider putting employees first as one of our priority issues and have been making efforts such as improving working environments through consultation with employers, promoting mechanized construction work, and supporting employment with a reward system in order to further strengthen the collaboration with partner companies while enhancing our construction execution system.

In Group companies, we are making use of our maintenance capability with large-scale track maintenance machinery, of which

we proudly own the top-class number in Japan, proposing a construction method that includes both materials and construction work, and sharing sales bases to implement sales development that leverages the Totetsu Kogyo Group's advantages, and by doing so, we are working together to expand our business fields.

We will continue to deepen our collaboration with Group companies and partner companies, sustain the future of railway infrastructure, and create value that contributes to society.

Construction Achievements

Oimachi Station Improvement Project: Railway Track Replacement Work for Widening Platforms

The construction works were conducted to replace railway tracks to widen the Keihin Tohoku Line platforms of Oimachi Station. As part of the joint project of the Shinagawa Ward government and JR East to develop the broader Oimachi Station area, a new district called "OIMACHI TRACKS" will be opened in an effort to mitigate the congestion in the area as more people are using Oimachi Station.

The railway track replacement works were carried out in the narrow space between retaining walls and platforms, and the works to widen the platforms were also conducted on the same day in a restricted time frame, which made the conditions even more challenging. Despite these circumstances, we completed the works successfully by collaborating with our Civil Engineering Division, which was responsible for the widening of the platforms, to plan out details such as how to check the distance between the tracks and the platforms and when to transition from the railway track works to the civil engineering works.

We in the Railway Track Maintenance Division will continue to work together with the Civil Engineering Division in carrying out project works to enhance convenience for the public and energize local communities.

Project information	Details
Construction period	From May 19, 2024 to January 28, 2026
Employer	JR East-Tokyo Metropolitan Area Construction Project Management Office
Construction site	Shinagawa-ku, Tokyo
Construction details	Railway track replacement work, installation of TC type labor saving trajectory, etc.



Work to move railway tracks



Ballast tamping work



KITAHARA Yusuke
Tokyo Railway Track Construction Site, Railway Track Maintenance Business Department, Tokyo Branch (Railway Track Maintenance Business)

Machinery Work Technology Exchange Meeting

In recent years, as labor shortage has become a serious problem in the field of railway track maintenance works as well, it has become imperative to advance mechanization, streamline operations, and reduce workload in railway track construction. To address these challenges, Totetsu Kogyo hosted a third Machinery Work Technology Exchange Meeting at Totetsu Training Institute.

In the meeting, railway maintenance companies including Totetsu Kogyo demonstrated products using newly developed mechanized construction technology and held a group discussion to share the measures they have devised, and deepened the knowledge necessary to respond to labor shortage and reduce hard labor in the future. As a leading company in railway-related works, we will make efforts to contribute to the growth of the railway track industry as a whole.



Demonstration

Strategies by Business

Civil Engineering Division

In the Civil Engineering Division, we focus on JR East-related works while also working to receive more orders for public and private construction works by taking advantage of a wealth of construction experience mainly in railway works as well as technical capability that we have cultivated over many years. Toward solving social issues such as a decreasing working population, we will strive to further strengthen our construction execution system based on trinity management, develop human resources, and promote DX and will thereby contribute to achieving the targets of Action Plan 2029.

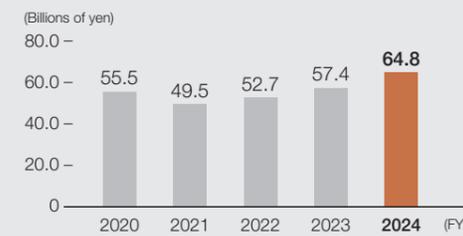
AIZAWA Fuminari
Head, Civil Engineering Business Group



Strengths

- Construction execution system based on trinity management, which is strong on track maintenance works
- Comprehensive capability, including examination, design, and construction, to meet clients' needs effectively and speedily
- Technical capability for special works using on-rail track maintenance vehicles
- Construction capability for disaster-resistant railway works to protect railways from torrential rains and earthquakes
- Development capability for special construction methods that are required under challenging construction conditions, such as a short construction period and a narrow working space in a construction site.
- Abundant construction experience in works to build multi-level crossing railway structures (over and under railways)

Net sales of completed construction contracts



Review on FY2024

Regarding works related to JR East, we received at a firm pace orders for seismic reinforcement works and platform door installation works, as well as for multi-level crossings works lasting over several years and regular maintenance works, while also advancing works carried on from FY2023. As a result, we achieved a record-high amount of net sales of completed construction contracts. This has been accomplished as a result of our efforts to level the volume of construction works by collaborating with employers and to increase productivity by leveraging our proprietary technologies and strengthening our construction capabilities through trinity management.

In public and private construction works, we implemented our order receiving strategy centered on railway-adjacent construction works and maintenance and repair works, the fields where Totetsu Kogyo excels, and received increased orders from private railways, such as Odakyu Electric Railway and Tokyo Monorail.

Going forward, to respond to an increase in the volume of construction works, we will work to secure and develop human resources, promote DX across our operations, and build a more productive construction execution system and will thereby strive to achieve further growth.



Installation of a precast road bridge girder over a railway track using a 1,350-ton crane

Efforts to Realize Trinity Management

In the Civil Engineering Division, by seconding employees to Totetsu Maintenance Koji, a Group company, we worked to strengthen our order receiving and construction execution systems and contributed to expanding the business fields of the Totetsu Kogyo Group as a whole. We have established a system able to meet railway companies' needs speedily, in which we divide the metropolitan area into sub-areas and have a dedicated department in place for each of the sub-areas. We also take full advantage of the close collaboration between Totetsu Kogyo and partner companies as we carry out construction works.

Moreover, we are further stepping up collaboration with the Partner Company Presidents Association, which we have organized with partner companies, to strengthen human resource development and enhance our construction execution system. In addition, in FY2025, we established a Totetsu Kogyo Civil Engineering Technology Meeting (the Partner Company Presidents Association), a new gathering to promote technical collaboration with companies specialized in their respective areas of expertise. Through these efforts, we will make preparations for large-scale Shinkansen repair works and large-scale contracted works in the future.

Construction Achievements

Disaster Prevention Works to Ensure Safety of Shinkansen

Anti-Seismic Works for Tunnels of Joetsu Shinkansen and Tohoku Shinkansen Lines

When the Joetsu Shinkansen Line was hit by the Chuetsu earthquake, which occurred in 2004, some concrete surfaces of its tunnels fell off. Totetsu Kogyo has since continued anti-seismic works for tunnels of the Joetsu Shinkansen Line as well as of the Tohoku Shinkansen Line.

The construction works cover so broad an area and involve so large a volume of work that, from the very beginning, delivering high operational efficiency was a key challenge. We developed a technology to address both large-scale concrete spalling and railway subgrade bulging by adding further improvement to STARS, which was jointly developed with JR East, and by utilizing it, we have successfully enhanced construction performance and increased operational efficiency.

We will continue to strive to ensure safety of Shinkansen while also shortening construction periods and lowering costs.



Installation of rock bolts (railway subgrade)



Installation of rock bolts (side wall)



ONODA Haruo
Ichinoseki Construction Site,
Civil Engineering Business
Department, Tohoku Branch

Easing Traffic Congestion Due to Development of the Tokyo Coastal Area

Construction Works for Lower Parts of Ariake Multi-Level Crossings (Mountain-Side) of R4 Route 357

The construction works were conducted as part of a multi-level crossings construction project aimed at easing traffic congestion in the Ariake area of Koto-ku, Tokyo. Totetsu Kogyo undertook the construction works for three piers.

In that area in Tokyo stretching along Route 357, including the sites where we constructed the piers, there are many logistics facilities and the Toyosu Market as well as a large number of facilities that attract many visitors, such as commercial establishments, tourism facilities, and convention centers, and the Ariake area in particular has suffered chronic traffic congestion. Although we had to carry out the works while there was heavy traffic, from the planning phase through the end of the project we rigorously managed risks associated with vehicles, pedestrians, and carrying construction vehicles such as large-scale cranes into and out of the sites, and by doing so we completed the challenging construction works successfully, without any accident or casualty.

Traffic congestion poses a serious environmental problem as it causes cars to idle and make stops frequently, which increases waste gas emissions and worsens air quality in urban areas. We are proud of being able to engage in construction works that help solve this issue and contribute greatly to society.

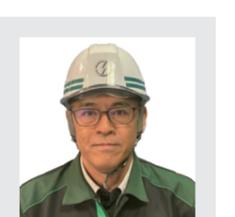
Project information	Construction period	From April 1, 2023 to March 31, 2025
	Employer	Kawasaki National Highway Office, the Kanto Regional Development Bureau
	Construction site	Area of Ariake, Koto-ku, Tokyo
	Construction details	A RC pier set (three units)



Construction works (daytime)



Construction works (nighttime)



OKAMOTO Hayaki
Ariake Construction Site,
Civil Engineering Business
Department, Tokyo Branch

Strategies by Business

Architectural Division

The Architectural Division is centered on the railway-related construction business and has a high level of construction capability based on plenty of experience and know-how accumulated through the construction of facilities adjacent to railways, including commercial and residential facilities. Our strength lies in technical proposal and technical development abilities based on construction capabilities that enable us to fulfill customer needs.

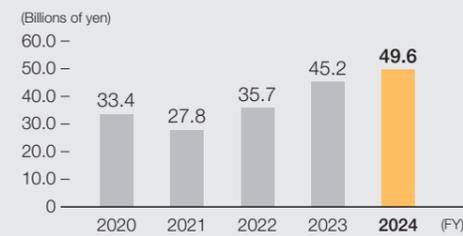


OGAWA Eiichi
Head, Architectural Business Group

Strengths

- Construction capability that enables highly difficult works, such as works near or over railways
- Proposal capability to identify railway maintenance measures at an early stage to solve issues
- Technical capability that enables "stay on-site construction," which allows employers to operate as usual
- Development capability for special technique systems, such as non-welding systems that replace conventional seismic reinforcement
- Sales capability that balances client needs and price advantage in design-build construction
- Ensured capabilities for safety and construction quality that bring safe and stable transportation
- Stableness of receiving constant orders from JR East by utilizing our railway-related special expertise

Net sales of completed construction contracts



Review on FY2024

Despite the fact that construction investment amounts had a tendency to increase in the market, we experienced harsh business conditions due to tougher competition for contracts and lower profitability affected by price hikes in construction materials and higher labor costs. Under these circumstances, however, as for construction works related to JR East, we received at a solid pace orders for seismic reinforcement works for platform canopies designed and implemented using non-welding systems and also received orders for construction works for, among others, over-track stations and office buildings. Non-welding systems have developed a high reputation among other private railway companies as well and received a large number of inquiries.

Centering on railway maintenance measures, we demonstrated our sales capabilities that balance a high level of construction techniques that promptly fulfill client needs and a price advantage, in each different area. Accumulated abundant experience and know-how also contributed to our receiving orders in various areas. As a result, we were able to deliver an all-time high performance.



ekism Saitama New Urban Center, a 10-story rental condominium integrated with commercial facilities, which is directly connected with Saitama-Shintoshin Station

Efforts to Realize Trinity Management

We consider securing a stable construction base most important to make railway-related works the core of our business. To achieve this, it is essential that we ensure Totetsu Kogyo and partner companies grow together as a group sharing a common goal. For this reason, we have organized the Kenkokai (the Partner Company Presidents Association), an initiative to exchange information for human resource development, enhancement of capabilities, and smooth execution of construction works, and the Tokenkai (the Partner Company Presidents Association), an initiative to build a construction execution system with partner companies in a planned

way to receive orders for and execute large-scale construction works in the metropolitan area. Additionally, to grow together with Totetsu Soken, a Group company, we will work to build and strengthen order-receiving and supporting systems for maintenance and management services, including railway maintenance works and emergency response works in the metropolitan area. By doing so, we will advance integrated management with Group companies and promote the relationship of coexistence and co-prosperity with partner companies, thereby expanding our business.

Construction Achievements

Hoshikawa Tenno-cho Rental Condominium Project/Construction Works for Development of the Area Under the Elevated Railway Between Hoshikawa Station and Tenno-cho Station

The construction works were conducted to build a six-story, 30-unit rental condominium at the site adjacent to Tenno-cho Station of the SAGAMI RAILWAY Line while at the same time constructing a commercial complex accommodating nine stores in the space under the elevated railway between Hoshikawa Station and Tenno-cho Station.

The commercial complex located in the area under the elevated railway and the condominium area are called "Hoshiten qlay E zone." The condominium offers great convenience as it is directly connected with Tenno-cho Station while it also provides a space that energizes the community, serving as a spot where people can enjoy shopping, eating at restaurants, co-working, studying, networking, and engaging in creative activity.

When we conducted the construction works, because the area around the construction site was a narrow space located between a river and the stations, not only did we have to pay attention to the people using the stations but we also needed to manage our on-site work in ways that would not have an adverse effect on the water quality and the ecosystem of the river. Under these circumstances, by carefully coordinating our operations with the employer, design company, and partner companies engaged in the project and working together as one at the site, we completed the construction works successfully.

Project information	Details
Construction period	From January 15, 2024 to March 31, 2025
Employers	SOTETSU REAL ESTATE Co., Ltd. for the rental residence/ Sotetsu Urban Creates Co., Ltd. for the commercial complex
Construction site	2-45-4, Tenno-cho, Hodogaya, Yokohama, Kanagawa
Construction details	Construction of a new rental condominium/ construction of a new commercial complex under an elevated railway



Hoshiten qlay E zone



Lounge for residents of the condominium



A panoramic view from the river side



TABUCHI Hiromitsu
Tenno-cho Construction Site,
Construction Department,
Yokohama Branch

Installation of a New Ticket Gate in Kaihin Makuhari Station of the Keiyo Line

The construction works were conducted to install a new ticket gate, the Park-side Ticket Gate, in the Soga side of Kaihin Makuhari Station of the Keiyo Line. Through the construction of this ticket gate, we were able to contribute to easing rush-hour congestion. In addition, we also constructed the new area of Perie Kaihin Makuhari, where four stores of a supermarket, a cafe, a convenience store, and a drug store have opened on the same day, contributing to energizing the local community.

Going forward, we will strive to contribute to enhancing convenience in the lives of local communities through construction works.



Park-side ticket gate



Passage before the ticket gate



SUDO Koji
Kaihin Makuhari
Construction Site,
Architecture Department,
Chiba Branch

Strategies by Business



As awareness is growing across society about efforts to address global warming and biodiversity, the Totetsu Kogyo Group considers addressing climate change as one of its management issues. We will strive to reduce CO₂ emissions, achieve a circular economy, and conserve biodiversity and will also further promote the greening business, a core of the Environmental Division, and cooperate with other business divisions, thereby contributing to the preservation of the global environment and living in harmony with the earth.



KIKUCHI Jun
Head, Environmental Business & Technology Development Group

Strengths

- Building greening, heat stress reduction measures, and asbestos removal techniques, of which we have patents, design rights, or other rights
- One-stop offer from design proposal to implementation in the greening business
- Greening business that brings CO₂ reduction and delivers green and relaxation to cities, in which we have abundant experience
- Accumulation of know-how from planning to maintenance in the Environmental Business
- Promotion of energy conservation and creation by ZEB planner and ZEH developer
- Development of environmentally-friendly technologies in collaboration with the Railway Track Maintenance Division, the Civil Engineering Division, and the Architectural Division

Review on FY2024

In FY2024, in the environmental business, we carried out wall and rooftop greening projects for private-sector buildings, etc., from design proposal to implementation, continuing from the previous fiscal year. We have also registered as a collaboration partner in the TOKYO GREEN BIZ project, which is sponsored by the Tokyo metropolitan government, to implement temporary enclosure greening in large-scale projects and renovation works for public-sector facilities in urban areas. In addition, to publicize our greening technologies, we presented a supporter exhibition in the National Urban Greening Kawasaki Fair. In the event, we received a green sustainability award for our ToSuRa system (wall greening), which we demonstrated in the technology exhibition of the fair. Internally, as part of initiatives to increase employee awareness and skills in environmental matters, we provide education to all employees with an e-learning system and recommend taking Eco Test. We are continuing to develop human resources who proactively work on environmental issues.



ToSuRa system put on permanent display at the atrium of the Kawasaki city hall

Efforts to Realize Trinity Management

To achieve the goal of being carbon neutral in 2050, which we are committed to in Action Plan 2029, we have set CO₂ reduction targets for FY2026 and FY2030 and are advancing decarbonization and environmental impact mitigation efforts across the Totetsu Kogyo Group. For maintenance and construction sites, we are working to switch to electrified construction machines, use next-generation fuels, utilize renewable energy,

and introduce low-carbon materials, while continuing to reduce industrial waste. In planning and design phases, we offer wall and rooftop greening that meets client needs. In addition, we are also promoting ZEB renovation for buildings including our office buildings. Going forward, we will continue to make efforts to achieve a decarbonized society, involving the Totetsu Kogyo Group as a whole and partner companies.

Construction Achievements

Registered as a Collaboration Partner in TOKYO GREEN BIZ

TOKYO GREEN BIZ is a green project led by the Tokyo metropolitan government that aims to evolve Tokyo into a sustainable city living in harmony with nature. It proposes the idea of looking ahead 100 years and promoting collaboration among residents of Tokyo and other various stakeholders ("BIZ") to enhance the value of Tokyo's green ("GREEN") and pass the green down to future generations.

Totetsu Kogyo supports this initiative and will advance efforts to green rooftops, walls, temporary enclosures, etc. in Tokyo as part of its environmental business while also contributing to Tokyo's efforts to develop a city living with green as a TOKYO GREEN BIZ collaboration partner.



Greening of temporary enclosures

Exhibited the ToSuRa system on Panda Bridge of Ueno Station

In conjunction with Pandabashi Picnic 2024 Autumn, an event jointly hosted by JR East and the Taito Ward government, we exhibited our ToSuRa system on Panda Bridge, a passage that connects the Iriya ticket gate on the east side of Ueno Station of the JR Line with Ueno's downtown and Ueno Park on the west side.

Although it was a two-day event, our exhibition continued for a half year until the end of 2024 and enjoyed a favorable reception. Some who saw it posted photos of our greening system on social media while others commented that the flowers were charming and it was a great initiative.

When we removed the exhibit, as SPRING FESTIVAL IN TOKYO 2025 was being held, we worked with JR East to give out the plants used in the greening system that still remained fresh to people using the station. They were delighted to receive the plants.

Going forward, we will continue to implement environmentally-friendly initiatives through our greening business and to work to create a space where people can feel close to plants.



ToSuRa system



Distributing plants

Provision of Safe and High-quality Technologies and Services

We always recognize that safety is the top priority for the Group and that ensuring high quality is the foundation of trust. We are committed to thoroughly pursuing both.

Implementation of safety management

The Group implements safety management based on the Basic Safety Policy to prevent accidents that could lead to train derailments or collisions on railways, injury or death to railway passengers or the public, or deaths among our employees or partner company staff.

To prevent serious accidents and fatal occupational injuries, we systematically implement a framework to reliably understand risks for each task from the planning stage to the execution stage and to carry out safety measures. We refer to this as the Totetsu Group Method, which we consider particularly important within our safety management framework. These safety initiatives help prevent quality issues and enable high-quality construction and the realization of construction under highly difficult conditions. We introduce our initiatives for a PDCA cycle focused on maintaining safety and quality, starting with the Totetsu Group Method.

P Development of plans based on the Totetsu Group Method

Safety and quality-related processes

- **Preparation of construction plans**
... Creation of work plans that incorporate risk reduction while utilizing various tools
- **Pre-construction safety review meeting**
... Finalization of work plans while ensuring risk understanding, safety measures, and quality management

Tools

- **Attention Cards**
... Concise summaries of key points that require special attention in each type of task
- **Monthly reviews focused on future risk mitigation**
... Documentation of incidents that require repetitive attention, regardless of whether they occur internally or externally, along with key points of caution, which helps mitigate future risks
- **10-year reflection list**
... A compilation of factors and measures related to past accidents categorized by task



D Implementation of work based on risk understanding and measures

Safety and quality-related processes

- **Monthly schedule preparation**
... Utilization of Attention Cards in each branch to identify tasks that require special attention
- **Weekly schedule preparation**
... Understanding and providing guidance for all tasks at each branch
- **Advance preparation**
... Workplace health and safety diaries, confirmation of construction details and safety procedures
... Strict pre-meetings conducted by construction managers and others
- **Execution of work**
... Communication of work details, security systems, and roles during on-site roll calls
... Initiatives to eliminate human errors, such as verbal double-checking, taking a pause, and making clear calls
... At the end of the work, verify the finishing quality, check for any traces, and confirm the number of tools and personnel

Tools

- **Attention Cards**
... They are utilized not only in the planning stage but also in various situations, such as safety communication during on-site roll calls and construction that stays on track.



Basic Safety Policy

1. Adhere 100% to the basic rules to prevent serious accidents.
2. Do not repeat the same kind of accidents or incidents from the past.
3. Understand and prevent risks of tasks specific to each site and day.

FY2025 KPIs (numerical targets)

- Safety: Zero serious accidents and zero fatal occupational injuries
- Quality: Zero serious quality issues



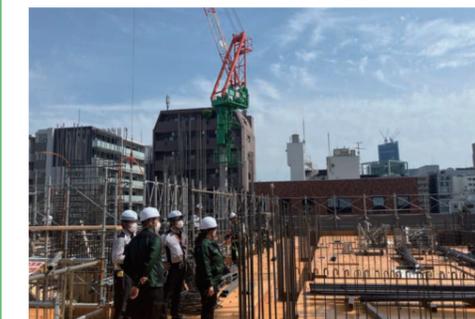
We have promoted company-wide safety management based on the PDCA cycle and established a framework to prevent serious accidents and fatal occupational injuries. We also work to prevent accidents through visual materials and safety education, and promote various measures to ensure that each and every employee avoids causing accidents.

ABE Yoshifumi Safety Development Department, Safety Development Group

C Understanding of on-site realities and improvement of mutual communication

Safety and quality-related processes

- **Safety caravan**
... Employees on-site and executives from the Head Office exchange frank opinions regarding safety challenges and issues faced at the worksite. Through mutual communication, issues are shared and necessary improvements are made to help prevent serious accidents and fatal occupational injuries.
- **Safety and quality patrol**
... Head Office, branch, and on-site managers directly inspect the site to check compliance with rules, secure execution of construction according to plan, and identify any unsafe behavior.
... Remote patrols are also conducted using fixed cameras and wearable cameras.



A Improvement of on-site realities and horizontal deployment of best practices

Safety and quality-related processes

- **Review of rules**
... Identification and improvement of rules that are disconnected from on-site realities
- **Sharing of best practices**
... Horizontal deployment of best practices and successful initiatives within the company

Safety and quality education

- **Implementation of education at the Totetsu Training Institute**
... Utilization of Visual Educational Materials that illustrate key points effectively
... The Safety Training Room allows employees to learn about accidents that led to the development of safety rules. The facility emphasizes thinking through hands-on experiences, utilizing physical exhibits, VR, and other content.
... Safety and quality management education utilizing indoor and outdoor training facilities



Totetsu Kogyo's Human Resource Strategy

Message from Head of Business Administration Group



Human resources are the source of corporate competitiveness. We are aiming to further enhance corporate value by increasing all employees' satisfaction with work styles and uniting the Group's comprehensive strength. To achieve this, we are working to secure human resources with technical skills and expertise, encourage their active roles, and create an environment where everyone can work comfortably.

IIZUKA Hiroyuki

Managing Director & Executive Officer, Head, Business Administration Group

Toward achieving our Long-term Vision and Medium-term Management Plan

Looking ahead to its upcoming 100th anniversary, the Company has announced its Long-term Vision "TOTETSU VISION 100" and Medium-term Management Plan "Action Plan 2029."

In these documents, the Group identifies three key business fields: (i) JR East and other public and private railways, (ii) railway-related fields such as railway-adjacent projects, and (iii) public and private entities. While focusing on JR East-related construction works, we intend to provide various value propositions based on our comprehensive capabilities while clarifying client needs through proactive sales that utilize the Group's strengths in construction systems and technical expertise.

In implementing this growth strategy, addressing the labor shortage is a critical issue common to the construction industry. While strong demand is expected, enhancing our "construction capabilities" is key to meeting it. Therefore, the current Medium-term Management Plan places emphasis on "people." To secure employees not only within the Group but also at partner companies, we will further focus on improving treatment and workplace environments, and accumulating technical development and construction know-how, etc., aiming to increase their satisfaction and link it to the company's development.

In addition, ensuring safety and quality is the source of our customers' trust and the base of the Company's management. We will fulfill our social mission by strictly complying with rules and steadily implementing them to ensure railway safety and stable transportation. For this purpose, we will enhance training and education programs to improve railway operation security and safety and technical levels, thereby further enhancing the specialized technical capabilities of the entire Group, including partner companies, to achieve differentiation.

In the Long-term Vision and Medium-term Management Plan, the Business Administration Group is primarily responsible for promoting the human resource strategy that will be linked to enhancing the implementing capability of the growth strategy and to generating results. Including partner companies, it will strive to resolve issues such as the shortage of site workers and engineers, and the succession of skills.

As the policy for our human resource strategy, we have established the following: **"To remain the number one company in the railway works industry and the only one in the construction industry by further strengthening our strengths and leveraging our refined technical capabilities and expertise, we will secure competent employees necessary for sustainable growth, develop their abilities further, and promote the active roles of all employees. We will also strive to be a company that values people and enables employees to work positively with a sense of fulfillment."**

To secure competent employees

First, to secure top talent, we have strengthened our recruitment activities. For new graduate recruitment, we have raised starting salaries and enhanced internship programs. For mid-career worker recruitment, we have promoted employee referral programs and approaches targeting a broader age range. Meanwhile, as competition for recruitment intensifies, we have also strengthened initiatives to retain competent employees. **We have worked to prevent the departure of younger employees** by providing longer-term education for new employees to foster bonds, **establishing a mentoring system led by younger employees to offer various consultations and support for working with peace of mind. The effects of these efforts are steadily becoming apparent. Moreover, respecting the diversity of human resources is important for enhancing the company's competitiveness.** We believe that creating an environment where diverse human resources such as female engineers, mid-career recruits, and individuals with disabilities can play an active role, and **expanding opportunities for veteran employees by extending retirement ages, etc., will contribute to securing competent employees.**

To further enhance each individual's capabilities

Next, we have improved our personnel system to further enhance employee capabilities, support their growth, and promote their active roles. We conduct fair evaluations and enhance employee motivation by reflecting roles and contributions in their treatment. Our personnel system is designed to promote young employees to managers early, and support their growth by providing opportunities to gain diverse experiences. In addition, **to provide employees with opportunities to take on challenges themselves, we have introduced a job posting system for transfers. We also encourage employees to find greater fulfillment and promote the transfer of technical expertise by appointing those with advanced specialized skills as Senior Fellows or Top Professionals, etc.**

It is the Totetsu Training Institute that plays a central role in implementing systematic and planned human resources development and educational training to

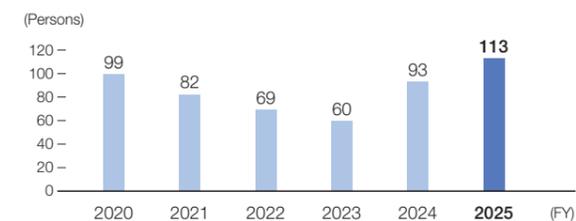
enhance employee capabilities. **We believe that the human resources capabilities are the very essence of corporate capabilities. It is important to enhance human capabilities such as integrity, ethics, and compliance awareness as corporate professionals, together with improving specialized knowledge and accumulating experience.** Under the philosophy that "the development of our company is supported by all employees of the Group and our partner companies," we recognize that "the growth of each individual and the enhancement and succession of safety and technical skills" are the most important factors for "building a strong foundation for the Group and aiming for sound, sustainable growth and the happiness of all employees." Therefore, we will strengthen practical training not only for the Company but also for employees of Group companies and partner companies, and strive to improve it to make it even more effective.

To enhance the satisfaction of all employees

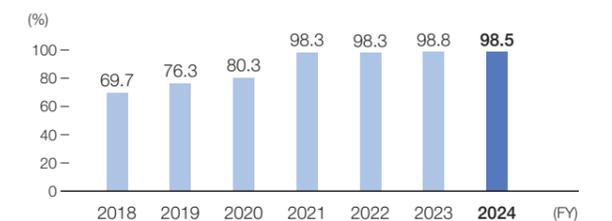
Furthermore, to enhance the work style satisfaction of all employees, we will work to introduce more attractive wage systems, increase the unit rates for employees of partner companies, further enhance benefit programs, and enhance support for balancing work with childcare, caregiving, medical treatment, and similar. In preparation for the application of maximum working hour regulations to the construction industry in 2024, we have systematically worked since FY2018 to prevent excessive overtime by implementing 8 days off per 4 weeks and reducing overtime hours. We will continue to promote health management through measures such as preventing long working hours and harassment, conducting health checkups and mental health monitoring in collaboration with public health nurses in order to enable our employees and their families to maintain healthy and vibrant lives. We will also step up efforts to develop comfortable and pleasant workplace environments and improve employee dormitories for partner companies.

As described above, we will strive to build a company that values people and create fulfilling workplaces, leading to the sustainable growth and enhanced corporate value of the entire Group, and to the happiness of all employees and their families.

Trend in number of employees hired



Achievement rate of 8 days off per 4 weeks



Totetsu Kogyo's Human Resource Strategy

Creation of a Fulfilling Workplace

Message from the General Manager of the Personnel Department



ASABA Toru
General Manager, Personnel Department, Business Administration Group

The Company aims to be a company that values people and enables employees to positively work with a sense of fulfillment. We have established three key policies in the human resource strategy and are promoting various initiatives throughout the entire company.

The first policy is "Expanding human resources capabilities." We have focused on acquiring competent employees and retaining young employees. Additionally, we have raised the retirement age and created an environment where veteran employees can continue to contribute their skills for longer. The second is "Strengthening human resources capabilities." We support employee career development by promoting young employees early and creating challenging opportunities for employees to grow by themselves, while also strengthening the development of highly specialized human resources. The third is "Improving work style satisfaction." We will enhance employee fulfillment and satisfaction through attractive wages and enhancing benefit programs. We will further deepen our human capital management by implementing diverse work styles, etc., to ensure our employees and their families can maintain healthy and vibrant lives.

Initiatives toward improving the personnel system

The sustainable growth of the Company and the growth of employees are the key driving forces for achieving our Long-term Vision. For this reason, it is essential for the company and employees to share the vision of the Long-term Vision, boost motivation, and unite strengths. The Company is advancing revisions to the personnel system

to ensure that each individual can fully demonstrate their abilities and work positively with a sense of fulfillment. By gathering employee feedback through employee satisfaction surveys and internal briefings, we are working to improve the workplace environment, with the aim to make it even more conducive to working.

Recent major initiatives and focused measures

① Expanding human resources capabilities

- **Enhancing recruitment activities**
All employees participating in recruitment activities as recruiters
Promoting the employee referral program
- **Improving the retention rate of young employees**
Fostering bonds through long-term new employee training
Introducing a mentorship system
- **Further promoting diversity**
Recruiting female engineers on a planned basis
Developing female managers and executive candidates
- **Promoting the roles of veteran employees**
Extending the retirement age to 65
Improving treatment for veteran employees and promoting their active participation

② Strengthening human resources capabilities

- **Promoting young employees early**
Developing employees in line with the talent development roadmap, and expanding opportunities to flourish
- **Fairly evaluating employees, and reflecting the evaluation in their treatment**
Deepening the evaluation system with an emphasis on the perspective of human resources development
Updating the assessment manual and strengthening education
Revising the compensation structure to align with the performance
Improving treatment based on job responsibilities
- **Supporting employee career development**
Promoting growth motivation through the introduction of an internal job posting system
Introducing a system for transitioning from local limited employees to regular employees
- **Enhancing training systems**
Continuously strengthening training to further improve safety and technical skills
Enhancing training for group and partner companies
Introducing an internal expert appointment system
Appointing Senior Fellows and Top Professionals

③ Improving work style satisfaction

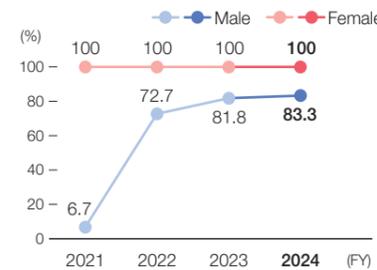
- **Raising wages to attractive levels**
Continuously increasing base wages
Bonus payment measures based on performance improvement
- **Creating a workplace where taking time off is easy**
Granting 20 days of annual paid leave upon joining the company
Granting annual paid leave to employees who return to work after personal injury or illness
Promoting and establishing five consecutive days off
- **Supporting the balancing of work with childcare**
Promoting male employees' use of childcare leave
Promoting the use of the childcare leave handbook
Expanding the purposes to take leave for childcare, etc.
- **Promoting health management**
Enhancing mental health measures
Strengthening the health consultation system
- **Enhancing support for transferees**
Increasing the relocation allowance and separation allowance
Improving the travel expense system for returning home for single employees

Work-life balance and diversity

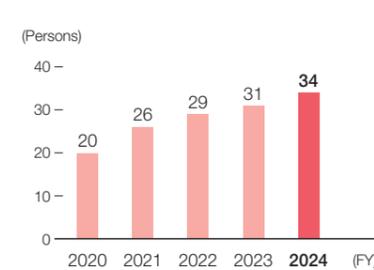
We are designing systems that allow each employee to choose a work style that aligns with their values and life plans. In recent years, we have focused on creating an environment that enables flexible work styles and makes it easier to take time off by introducing company-wide flexible working hours, introducing a system for taking annual paid leave in hourly units, and granting 20 days of annual paid leave upon joining the company, and encouraging the taking of 5 consecutive days off, etc. In childcare support, we have expanded systems to ensure that employees can continue to work with peace of mind by introducing new childcare fee subsidies, adding childcare, fertility treatment and leave of absence as instructed by a doctor during pregnancy to the list of purposes for which employees can use their accumulated annual leave, etc. The number of male employees taking childcare leave has also increased, with

the male childcare leave acquisition rate reaching 40.5% in FY2024. Including our unique special leave, spouse childbirth leave, the rate increases to 83.3%. In addition, starting in FY2025, we will grant annual paid leave to support employees who return to work after personal injury or illness for the purpose of supporting their treatment and hospital visits. For childcare leave, we will extend the eligible age beyond the legal requirement to cover children until they complete elementary school and allow its use for various school events. These initiatives promote supporting the balance between work and family life. Moving forward, we will continue to promote the enhancement of various systems and the development of a pleasant work environment so that employees can respect each other's diversity and individuality, mutually collaborate, and demonstrate their abilities to the fullest, thereby further enhancing corporate value.

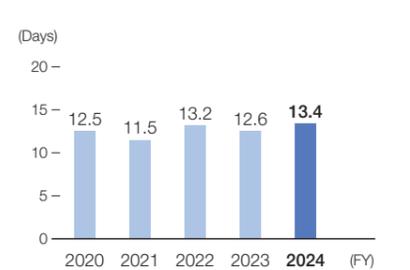
Rate of childcare leave taken by employees (*including childbirth leave for partners)



Number of female technical employees



Used days in annual paid leave (*including accumulated days)



Creating an environment where employees can work with peace of mind for the long term

To create an environment where employees can work with peace of mind for the long term, we actively utilize the Totetsu Training Institute. For new employees, we conduct about six months of new employee training in order to foster bonds among their colleagues and shorten the period required to acquire basic practical skills.

After that, we continue to support the acquisition of skills necessary for their roles and the building of relationships where employees feel free to consult one another through annual training, qualification acquisition training, and other programs.

Additionally, to provide support for growth as working professionals and mental well-being for young employees, we have introduced a mentor system and created an environment where they can easily consult on matters beyond work.

Furthermore, in October 2025, to support the active participation of veteran employees possessing extensive

experience and high technical skills, we raised the retirement age (from 60 to 65) and simultaneously established a senior employee system that enables continued employment beyond age 65.

We will continue to focus on creating an environment where employees can work with peace of mind for the long term.



A mentor and mentee meeting

Totetsu Kogyo's Human Resource Strategy

Health Management

Promotion of health management

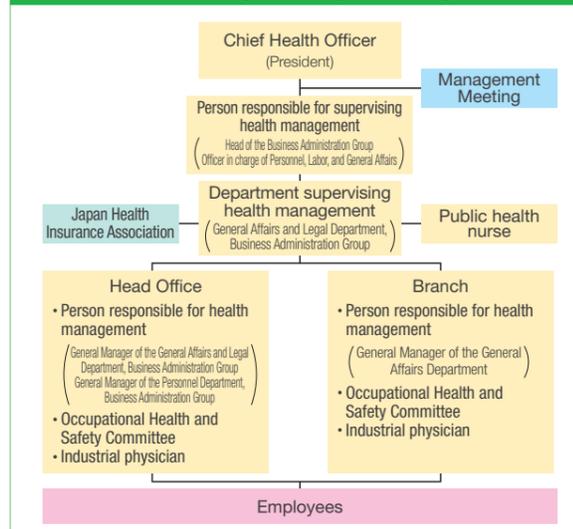
The Company has been recognized for five consecutive years as a Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category), which is selected jointly by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. To ensure that employees, who support the company's sustainable growth, can maintain high performance over a long period of time and lead healthy and vibrant lives, we are promoting health management under the following system, with the President serving as the Chief Health Officer.

Health declaration

The Totetsu Kogyo Group is actively committed to health management. By ensuring that our employees and their families, who support the company's growth, lead healthy and vibrant lives and enjoy a fulfilling life, we will achieve the Group's goal of "creating a safe and comfortable transportation network and social infrastructure."



Health management system diagram



① Initiatives to reduce the proportion of employees classified as obese (BMI 25.0 or higher)

To improve the current situation where many of the Company's employees tend to be overweight, we are implementing measures such as implementing individual consultations with the Company's public health nurse and providing e-learning programs on health maintenance and promotion. These efforts aim to improve employees' lifestyle habits and raise their health awareness (health literacy).

Health guidance by the public health nurse for BMI/obesity improvement

The Company's public health nurse conducts individual consultations with employees who are not yet at the stage where retesting or treatment is necessary, but are deemed at high risk of developing lifestyle-related diseases in order to give opportunities to review their eating and exercise habits and provide specific advice for improvement.

Holding a health promotion event using a lifestyle tracking app

We hold an annual event for all employees to encourage the improvement of eating and exercise habits, using a lifestyle tracking app.

In FY2024, we held a health promotion event called Lifestyle Improvement Challenge 2024 from October 1 to October 31, focusing on diet and exercise.

The event involved a competition where individuals or Head Office and branch teams installed the lifestyle tracking app Calomama Plus on their provided smartphones and competed to see who could take the most steps each day, with the aim of improving health awareness in a fun way.

After the event, we conducted a questionnaire survey of all employees to assess whether there were any changes in their health awareness and behavior before and after participating in the event and to evaluate its effectiveness.

Indicators of the implementation of measures	FY2024 results
Implementation rate of health guidance for BMI/obesity improvement	88.9%

Indicators for evaluating the effectiveness of measures	FY2024 results
Percentage of participants who reported changes in their eating habits or their awareness of eating habits before and after participating in the health promotion event	60.6%
Percentage of participants who reported changes in their exercise habits or their awareness of exercise habits before and after participating in the health promotion event	69.5%

Implementation of e-learning on health maintenance and promotion, and a questionnaire survey

We hold an annual e-learning session to provide an opportunity for employees to deepen their understanding of the Company's health management initiatives and to reflect on their own and their families' physical and mental health. Additionally, we conduct an annual questionnaire survey to monitor long-term changes and trends in employees' health.

Indicators of the implementation of measures	FY2024 results
e-learning participation rate	99.5%

Initiatives to establish exercise habits

We continue to conduct radio gymnastics daily at each office, and we provide subsidies for employees using gyms to support the establishment of exercise habits.

Additionally, by holding internal events such as softball tournaments, we not only establish exercise habits but also foster interaction among employees, contributing to workplace revitalization.



② Initiatives to prevent developing or worsening lifestyle-related diseases

We encourage employees to undergo follow-up examinations after their regular health checkups, with the support of our industrial physician and public health nurse, and provide subsidies for the follow-up examinations. Furthermore, we offer subsidies for employees aged 35, 38, 40, and above, as well as for their spouses, undergoing complete medical checkups.

Indicators of the implementation of measures	FY2024 results
Re-examination participation rate	59.1%

③ Mental health initiatives

In preparation for cases where employees need to take leave due to mental health issues, we have developed and implemented a Return-to-Work Support Program to facilitate smooth reinstatement. We also promote initiatives to prevent mental health issues, such as mental health training and the establishment of external consultation services.

Indicators of the implementation of measures	FY2024 results
Stress check participation rate	84.1%

④ Subsidies for influenza vaccination costs

Each workplace conducts group influenza vaccinations and fully subsidizes employees' vaccination costs to increase vaccination rates. In addition, we partially subsidize vaccination costs for employees' family members.

Totetsu Kogyo's Human Resource Strategy

close-up: Changes in personnel systems as seen through employee voices

We are committed to enhancing various systems and creating a comfortable workplace environment in order to enable diverse human resources to find fulfillment in their work, fully demonstrate their abilities, achieve harmonization between work and life, and lead enriched lives. We share details of our personnel systems, which have been continuously refined, through the voices of employees who have actually used them.

Long-term new employee training

- Through about six months of training, we aim to help them quickly acquire the basic skills necessary for practical work and foster strong bonds with their colleagues.



Through various lectures and practical training, I acquired basic skills that would be useful after I was assigned to the work site. Furthermore, in addition to the experience of communicating with my seniors, which helped to alleviate my anxiety, my bonds with my colleagues also deepened through daily life.

KAMADA Keitaro
Echigo-Yuzawa Railway Track Maintenance Business Site, Railway Track Maintenance Business Department, Niigata Branch

Support for acquiring qualifications

- Upon acquiring the First-class Architect or the Professional Engineer qualification, which are highly difficult to acquire, a one-time payment of 250,000 yen is provided, and a monthly qualification allowance is also paid.



Thanks to the qualification selection system, I received support such as attending prep school, consideration for work hours, and training for preparation for the design drafting exam, which enabled me to pass. Moving forward, I will perform my duties responsibly as a qualified professional.

NISHIGUCHI Yuno
Architecture Department, Tokyo Branch (Architectural Business)

Financial support systems for studying at vocational schools

- This system supports the balance of work and study for employees who joined the company after graduating high school by allowing them to attend vocational school while working.



The lectures grounded in practical experience deepened my understanding beyond what I gained as a student and enabled me to utilize them in management of maintenance and construction sites. I was inspired by fellow students who had specialized knowledge, which broadened my learning, and I truly felt it was the right decision to enroll.

MAEDA Ken
Construction Site, Construction Department, Tokyo Branch (Architectural Business)

Provision of remote location allowance

- Employees who are assigned to a new location requiring a change of residence due to a transfer outside the Company's designated area are provided with a monthly allowance.



When I was transferred to Hokkaido, I worried that my connection with the company might be diluted. However, I was motivated by the provision of a new remote location allowance and support from the company.

KOBAYASHI Kengo
Construction Site, Civil Engineering Business Department, Tohoku Branch

Mentorship system

- This system allows young employees (mentees) within the first three years of joining the company following graduation to consult with senior employees (mentors) anytime about not only work-related matters but also various personal concerns to ensure they can continue working with peace of mind. We identify young employees' concerns early and prevent them from leaving or experiencing mental health issues.



I was able to hear about various topics, such as details of duties and work-related concerns, through interviews. In addition, by talking about things other than work, I was able to speak more casually than before in interviews. It was a very good opportunity.

FUJITATE Saori (mentor)
General Affairs Department, Hachioji Branch



I consulted with them on matters ranging from work-related issues to personal life matters. Since I only have opportunities to communicate with people in the same job role at the site, receiving advice from a different viewpoint was very helpful.

SAKURA Momoka (mentee)
Construction Site, Construction Department, Hachioji Branch

Appointment of Top Professionals (measures to promote activities of employees with highly specialized expertise)

- We appoint highly specialized employees who contribute significantly to the organization as "Top Professionals." This system is designed to ensure that they, as leading experts in their respective fields, will continue to be highly motivated and play an active role, and will make every effort to pass on their technology and knowledge to the next generation.



I am honored to be appointed as a Top Professional in the system field in recognition of my work performance over many years. I will continue to leverage my skills and experience to drive cross-departmental measures across the three divisions I concurrently serve.

HAGIWARA Takahiro
Business Improvement Promotion Department, Business Improvement Promotion Group



For 33 years since joining the company, I have strived day and night to improve my skills. I am honored to have been appointed as the first Top Professional, and my qualification allowance has increased, which makes me and my family very happy.

KUSANO Hideaki
Civil Engineering & Design Department, Civil Engineering Business Group

Long-term service awards

- In addition to receiving a bonus for 10, 20, 30, and 40 years of service, employees are granted 3 days of special leave for 20 years and 5 days for 30 years.



A culture of taking leave from work has become firmly established within the company more than ever before. I was able to refresh myself by taking a family trip, making full use of the five days of leave I received for my 30-year work award without any hesitation.

YAMADA Hidehiko
Architectural Planning Department, Architectural Business Group

Systems available at the time of a child's birth

- In addition to the statutory childcare leave system, we have the Company's unique system that allows employees to take two days of special leave when their spouse gives birth.



I received positive support from my colleagues in the office when I took childcare leave. I am grateful for the work adjustments that have been made to allow me to spend time with my family even after returning to work.

FUKUDA Masahiko
Shibukawa Railway Track Maintenance Business Site, Railway Track Maintenance Business Department, Takasaki Branch

Leave for childcare, etc.

- To accommodate childcare needs and children's school events such as entrance and graduation ceremonies, special leave may be taken in 30-minute units until the completion of sixth grade of elementary school.



My wife and I could take turns attending our two children's classroom visits and school events at the same elementary school, which made our family very happy. The eligibility requirements, such as the child's age and the reasons for the leave, have been expanded, so I hope many employees will utilize this system.

HOSHINO Yosuke
Utsunomiya Railway Track Maintenance Business Site, Railway Track Maintenance Business Department, Saitama Branch

Use of childcare facilities within JR East workplaces

- JR East's childcare facilities are available for use. They also offer Sunday care, 24-hour childcare, and temporary childcare for refreshment purposes.



I have been using temporary childcare services since my eldest daughter was around 10 months old. It is easy to use because it is close to the station and the fees are kept low, so my wife is also very pleased. We plan to continue using it.

YUNOKI Ryo
Environmental Strategy Department, Environmental Business & Technology Development Group

Club activities

- Totetsu Kogyo has seven clubs. Among them, the road bike club has been active for over ten years, with members of all ages enjoying its activities.

When I put on my kit, I feel young again. My energy levels have been down by half, but I have no health concerns, and it still helps me focus on work and various other things. I continue to ride, thankful for each fulfilling day.



HASEGAWA Yuji
Civil Engineering & Design Department, Civil Engineering Business Group

Totetsu Kogyo's Human Resource Strategy

Initiatives for Human Resource Development

Message from the General Manager of the Human Resource Development Department



MURAOKA Tadashi
General Manager, Human Resource Development Department, Business Administration Group

Human resources are the source of corporate value and an important factor supporting sustainable growth. When each employee understands our management philosophy and business vision, and responds to the needs of society and clients, they become the driving force that creates new value and enhances the company's competitiveness.

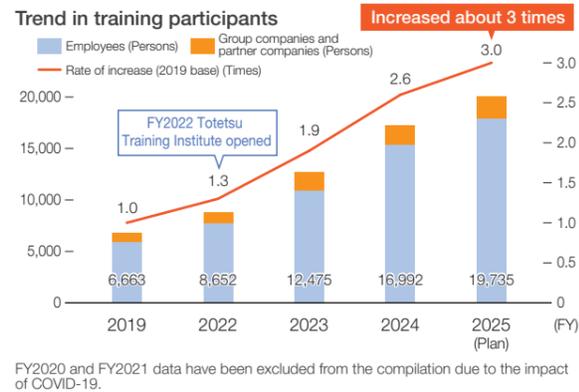
The purpose of human resource development is to develop current personnel into the "desired ideal human resources" based on corporate philosophy, strategy, and social requirements, and to continuously enhance corporate value. The human resources sought by the Company are personnel who can empathize with the Company's philosophy and act independently, personnel who can respond to the needs of society and clients, and personnel who can act with integrity while growing together with their colleagues.

The Human Resource Development Department will collaborate with the Totetsu Training Institute to provide educational programs that connect our philosophy with individual roles. In addition, we will strive to enhance employees' sense of fulfillment and growth by clarifying required skills, supporting career development, and providing clear pathways for growth.

FY2025 training plan

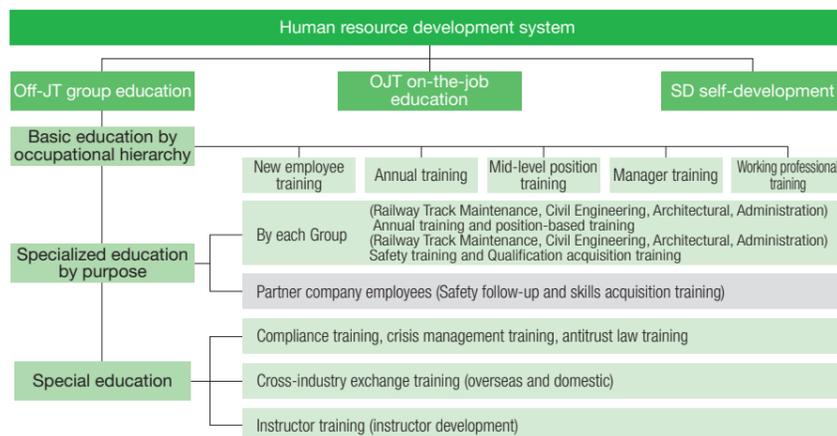
We place the development of "human resources" as one of the most important issues and provide regular training opportunities for all employees. Furthermore, we actively conduct training not only for the Company's employees but also for those of Group companies and partner companies.

Since the opening of the Totetsu Training Institute, the cumulative number of trainees has increased year by year, and we anticipate that in FY2025, the number of participants will be 3.0 times higher than before the opening.



Human resources vision —Aiming to become true professionals in railway-related works—

We aim to be a company that is faithful and trusted by all stakeholders, including clients, shareholders, employees, and local communities. Each employee aims to be a true professional in their respective roles and fields by thoroughly developing their specialized skills and knowledge, while maintaining a faithful and strong sense of responsibility.



Message from General Manager of Totetsu Training Institute



ISHII Toru
Human Resource Development Department, Business Administration Group
General Manager, Totetsu Training Institute

The Totetsu Training Institute has now entered its fourth year since opening. Under the belief that "human resources are our greatest asset," the Institute is committed to enhancing the technical skills, construction capabilities, and safety skills of employees of the Company, Group Companies, and partner companies through practical training and exercises utilizing full-scale models and safety training rooms.

For training instructors, approximately 100 individuals, including general managers who are active on the front lines on sites, have been appointed as concurrent instructors to provide education and succession of specialized knowledge and advanced techniques and technical skills. Through instruction by "real instructors" who are familiar with practical work, we achieve more effective acquisition of techniques and technical skills.

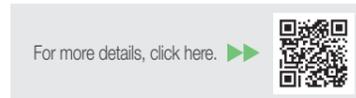
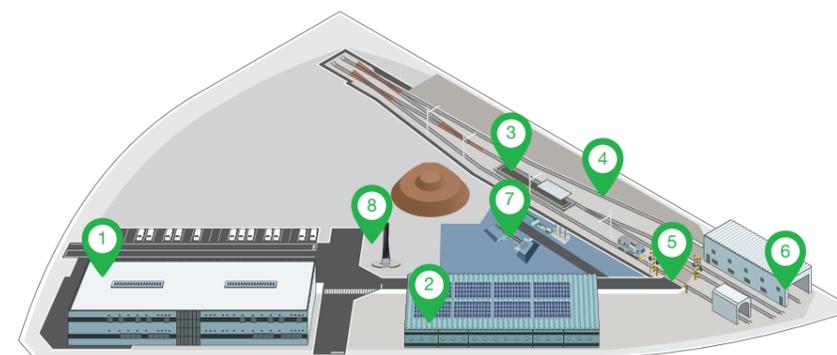
In addition, the Company, Group companies, and partner companies work together as a trinity to foster a "safety culture," aiming to enhance on-site capabilities and establish safety awareness.

Furthermore, aiming to be a "facility that is accessible and approachable, contributing to society and the community," we will continue to hold events such as "site tours for individual shareholders," "site tours for elementary school students," and "workplace experience programs for junior high school students." We will value our connections with the community and actively focus on social contribution.

Overview of the Totetsu Training Institute

The Totetsu Training Institute occupies a site of approximately 40,000 square meters and contains various facilities and equipment, including a training building, a practice building, practice lines, and large-scale track

maintenance machinery. As a training facility equipped with practice lines, it is among the largest of its kind in Japan. Through hands-on training, you can learn by "knowing, seeing, touching, and experiencing."



3 Platform
A platform canopy and platform doors are built on a 40-meter platform. The "Pillar-Pile Spot Method" developed in-house is employed for the base of the canopy.

4 Practice lines
Railway track with a total length of approximately 830 meters, various railway track structures, and large-scale track maintenance machinery are in place.

6 Inspection and repair facility
This building is approximately 43 meters in length and is used for learning how to conduct inspections of the underbody of large-scale track maintenance machinery, as well as parts replacement and other tasks.

7 Structures used for outdoor practice
We will conduct training focused on future project work, including facility to learn anti-seismic techniques for electric poles and two types of temporary girders.

1 Training building and Safety Training Room
This bright and comfortable training facility has five classrooms and 26 accommodation rooms, equipped with various facilities for learning about safety.

2 Practice building
This facility has a full-scale model of the structure. Solar panels are installed on the rooftop, contributing to the facility's power supply.

5 Railroad crossing
We have installed crossing barriers and alarms, and conduct training on safety rules and mounting road-rail vehicles onto the track.

8 Monument of safety pledge
This monument, which was presented by the Association of partner companies on health and safety, symbolizes our deep respect for those who lost their lives in past accidents and incidents, and our strong commitment to safety.

Totetsu Kogyo's Human Resource Strategy

close-up: Development Program

Specialized technical training for turnouts, which form the foundation of safety (Overview)

Turnouts are devices installed at locations where it is necessary to change a train's route, such as in stations, rail depots, and double-track sections. They play an extremely important role in railway operations. The structure of turnouts involves a complex design that includes moving parts, and their failure or malfunction could significantly impact the entire operation. Therefore, the Company invites leading experts in turnouts, who have maintained, managed, and designed turnouts within the JR East for many years, to serve as instructors. We conduct "specialized technical training for turnouts (turnout meister training)" for employees of the Company and partner companies, aiming to acquire advanced specialized knowledge on turnouts and enhance technical capabilities.

This training program is scheduled to be held four times over two years. It will be conducted for three days each in June and November this fiscal year. In lectures, we learn a wide range of topics from basic knowledge of turnouts to applied content concerning maintenance and design. Based on pre-assigned tasks, we share initiatives and ideas from various locations. In practical training, we conduct hands-on training to master inspection methods for turnouts, maintenance methods, and key points to focus on during inspections, aiming to enhance practical technical skills.



Training scene 1



Lecture on the first day. In lectures, we learn a wide range of topics from basic knowledge such as the types and structures of turnouts to advanced theory. In addition, participants share their individual creativity and ideas to help each other improve.

Training scene 2



In practical training for maintenance work on turnouts, participants perform measurements for each inspection item. Based on the measurement results, they independently consider and plan repair methods, then carry out the repairs according to their plan. Through this process, they master turnout maintenance methods.

Training scene 3



In practical training to understand the structure of turnouts, participants use turnouts installed in the Institute. By individually performing the disassembly and assembly of the moving parts, which are the most complex structures, they deepen their understanding of contents learned in lectures.

VOICE

Japan Railway Track Consultants Co., Ltd. (Instructor)



MYOUEN Keiichi
Japan Railway Track Consultants Co., Ltd.

In the specialized technical training for turnouts (turnout meister training), we provide education aimed at enhancing knowledge and technical skills in turnout management, and developing employees who can become leaders in the technical field of turnout management and provide instruction and support in their respective workplaces. Conducted for over ten years, this is a long-established training program from which many trainees have graduated. Employees of Totetsu Kogyo and partner companies participate in the training together, and learn from each other about the proper approach to the maintenance and management of turnouts. We expect that they will actively provide instruction on turnout management within their own workplaces as leaders based on what they learned during the training.

Totetsu Kogyo (Participant)



OHASHI Tatsuru
Otsuki Railway Track Maintenance Business Site, Railway Track Maintenance Business Department, Hachioji Branch

The structure of a turnout is complex, and it is a field that requires specialized knowledge and technical skills. Therefore, I decided to apply for the specialized technical training for turnouts (turnout meister training) because I wish to enhance my knowledge and technical skills about turnouts and, in the future, contribute to solving issues within the site as a professional in the turnout field. During the training, I learned a broad range of techniques useful for routine inspection work and turnout operations by studying the technical basis of turnout design. In addition, through practical training, I was able to further deepen the knowledge gained in the lectures. Currently, I have brought the knowledge gained during the training back to the site. I am providing instruction through opportunities such as daily operations and study sessions, aiming to enhance the knowledge and technical skills of the site staff about turnouts.

Partner company (Participant)



OSADA Yuuki
Nichigetsu Kogyo Co., Ltd.

When I heard about the recruitment for the specialized technical training for turnouts (turnout meister training), I thought that I might lack an understanding of their basic structure in the turnout operations I usually perform myself. Thus, I applied with the aim of further improving my knowledge and technical skills, and decided to participate in the training. By participating in this training, I believe I have gained technical skills related to the structure and function of turnouts, as well as their maintenance and adjustment methods. Also, by bringing the technical skills acquired during the training back to the company and sharing information and knowledge with employees, I am working to prevent problems on turnout operations.

TOPICS Supporting training with warm meals

At the Institute, we support trainees' learning and growth from a food aspect as well by providing three square meals a day: breakfast, lunch, and dinner. The cafeteria is not merely a place for trainees to eat but also a "place of support for the mind" that sustains their daily learning and challenges. With the hope that all trainees can have a pleasant dining experience, cafeteria staff strive to provide a wide variety of meals such as seasonal menus and dishes featured on TV, and by inviting trainees to make meal requests. Additionally, they analyze trainees' dietary preferences and are actively developing menus aimed at reducing food waste. Sometimes, trainees also consult with cafeteria staff about preparing their own meals or their eating habits, and they serve as a good confidant on such issues.



Initiatives for DX

Totetsu DX strategies (policies)

Totetsu DX promotion basic policy

Preparing for an expected decrease in construction engineers and a future increase in orders over the medium to long term, we strive to establish efficient maintenance and construction that are safe and environmentally friendly and to increase site productivity. Combining our new techniques and ICTs and IoT, we seek to expand our business fields.

Policies by strategy

Safety strategy

- ▶ Improve safe maintenance and construction frameworks by strengthening proactive prevention and measures utilizing ICT, IoT, AI, etc.

Order receiving strategy

- ▶ Strengthen proposal ability and construction capability by proactively introducing leading technologies and methods, and integrating our cultivated techniques and digital data.
- ▶ Establish a one-stop business model that covers the management, operation, and maintenance of railway facilities.

Productivity increase strategy

- ▶ Proactively introduce productivity-increase technologies.
- ▶ Create an environment in which engineers can focus on maintenance and construction by utilizing ICT, IoT, etc.

Operational efficiency improvement strategy

- ▶ Promote higher work efficiency and information sharing by thoroughly promoting paperless and utilizing data.
- ▶ Encourage using and exploiting data by integrating several data.
- ▶ Raise satisfaction on work style by improving operational efficiency.
 - Human resource strategy

ESG strategy

- ▶ Reduce CO2 emissions by visualizing CO2 emissions and introducing low-carbon technologies.
- ▶ Support railways, a low-carbon means of transportation, with our maintenance techniques and contribute to environmental impact mitigation.

On the basis of our strength in railway works, promote collaboration with JR East, our largest employer, on data, initiatives, etc.,

Roadmap

Future circumstances

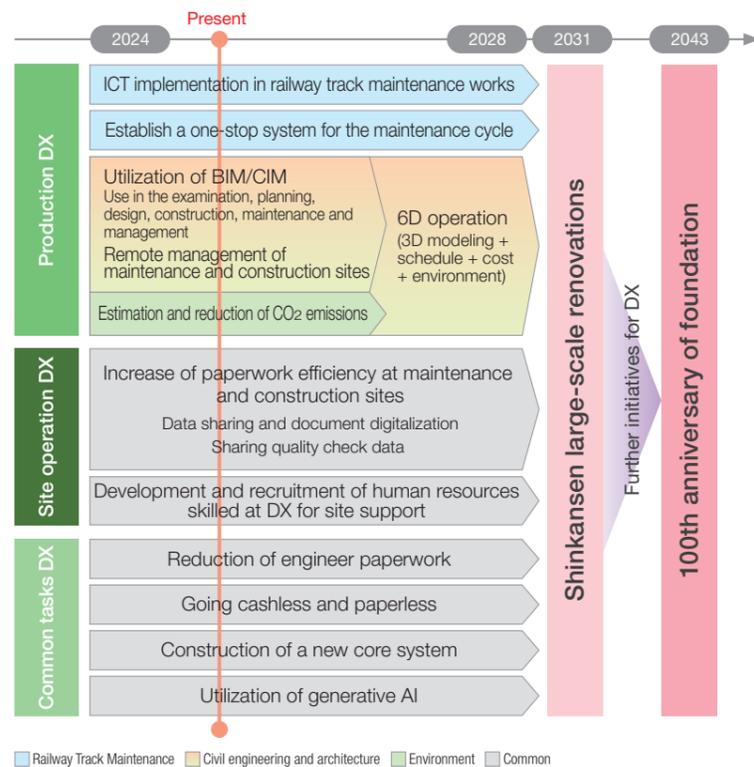
- Decrease in labor population (particularly engineers and skilled workers)
- Acceleration of ICT and IoT utilization
- Increase in demand for transportation infrastructure maintenance
- Addressing environmental issues, such as climate change is essential

Direction of the national government

- Automation of construction
 - Promote initiatives to digitize and visualize construction sites to improve work efficiency and advance automation of construction
 - Automation of data integration
 - Maximize the utilization of digital data such as BIM/CIM to reduce documents, advance construction management, and enhance inspection efficiency
 - Automation of construction management
 - Conduct supervision, inspection, etc. utilizing digital data
- By FY2040, we aim to achieve labor savings of at least 30% at construction sites, equivalent to an increase in productivity of 1.5 times.

Direction of JR East

- Strengthen the development of digital human resources
 - Promote the development of digital human resources with DX professionals as the driving force
 - Development of system and data base
 - Collaboration with external partners through open innovation
 - Promote intellectual property strategy in line with business strategy
- We aim to realize a "rich and fulfilling life" for everyone



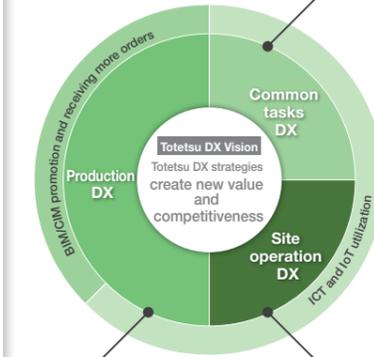
■ Railway Track Maintenance ■ Civil engineering and architecture ■ Environment ■ Common

Our vision through DX promotion

In anticipation of demand for Shinkansen large-scale renovations and transportation infrastructure maintenance, we will thoroughly promote initiatives for construction capacity increase

Rationality and efficiency improvement in entire construction and maintenance operations

- Higher work efficiency**
 - Expanding BIM/CIM implementation
 - Electronic submission of construction completion documents
 - Utilizing drones, 3D scanners, etc.
 - Automatization design, settlement and management jobs using IoT
 - Digital check between real structures and blueprints in measurement management for completed construction
- Business operation optimization**
 - 6D operation (3D modeling + schedule + cost + environment)
- Safety improvement**
 - ICT, IoT, AI, etc. utilization in safety management and work environment
- Receiving more orders**
 - Explanation to employers by utilizing BIM/CIM and digital twins
 - Establishing a one-stop system for the railway track maintenance cycle
- Productivity increase**
 - Equipping railway track maintenance machines with IoT
- Effective utilization of human resources**
 - Integrated remote management (remotely managing several maintenance and construction sites, etc.)
- Prompt response by utilizing ICTs and IoT**
 - Disaster response (drones, 3D scanners, etc.)
 - ICT and IoT utilization in our own technical development



Rationality and efficiency improvement in common paper works

- Higher work efficiency**
 - Going paperless, cashless, and sharing data
 - Digitization of contracts and invoices
 - Constructing a new core system
 - Data-driven management (construction of integrated databases)
- Environmental impact mitigation**
 - Recognizing and reducing CO2 emissions
- Effective time utilization**
 - Promoting online meetings and remote working
 - Establishing an operational style that utilizes generative AI

Rationality and efficiency improvement in construction- and maintenance-related paper works

- Higher work efficiency**
 - Expanding support frameworks for maintenance and construction sites
 - Support by humans and applications
 - Enhancing central purchasing to bring lower costs and higher operational efficiency
 - Sharing data and automatized updating of work schedule
 - Automating construction photo organization
 - Sharing data of adjustment among work processes
 - Digitalizing safety documents
- Effective time utilization**
 - Introducing PCs available anywhere
 - Enabling office-equivalent work at maintenance and construction sites and in vehicles
 - Sharing quality check data

Status of DX Initiatives in FY2024



Utilizing IoT in site inspection

As part of establishing a one-stop system for managing everything from inspection to completion with the same data, we have introduced technology that generates point cloud data from the video recordings of the site conditions. Replace on-site inspections with 3D models to reduce travel time, on-site duration, and duplicated work, and improve operational efficiency.



Work coordination utilizing ICT technology

As part of labor-saving initiatives through digital technology, we utilize smart devices and ICT tools to conduct work coordination and share project information. In addition, by analyzing and accumulating work data such as construction progress and actual work rates, we will utilize this information to support decision-making on processes and construction methods for similar sites.



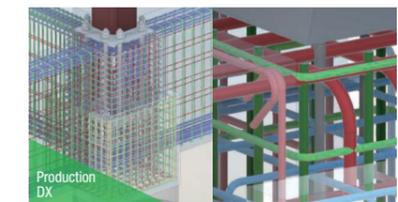
Introduction of the Office Car T-DOC

By utilizing T-DOC, web conferences and remote work have become possible. We aim to reduce travel time associated with moving through widely dispersed sites, reduce overtime hours by effective use of idle time, and improve job satisfaction.



Improve operational efficiency through the utilization of generative AI

To improve the work style satisfaction of employees, we are building and verifying a generative AI system that supports inquiries about internal regulations and procedures. This is for the purpose of rationalizing operations, improving their efficiency, and establishing operational styles through the utilization of generative AI. Moving forward, we will work to solve issues for company-wide development.



Consideration of detailed fittings utilizing BIM

We create BIM models for foundation reinforcement and anchor bolts, visually confirm the fitting and interference checks for rebar and anchor bolts, and reliably and quickly build consensus among stakeholders to enhance productivity.

Visualization using point cloud data and 3D models has dramatically improved judgment capabilities and construction accuracy at sites. We will further advance the adoption of digital technology to make its utilization a "standard practice at sites."



Technical Development

To realize the "TOTETSU VISION 100," we are addressing directly the issues facing society, such as the decline in the working-age population, energy and environmental issues, and responding to increasingly severe natural disasters. We are committed to building a sustainable society by enhancing productivity through **highly effective technical development that reflects the voices from sites**, while also **solving common issues faced by the entire industry**. We will leverage the uniqueness of each division; Railway Track Maintenance, Civil Engineering, Architectural, and Environment, and their mutual synergies to the fullest extent, and accelerate technical development that contributes to enhancing safety, quality, and productivity, as well as reducing environmental impact.

Railway Track Maintenance Division

4-Head Tamper-Integrated Road-Rail Track Lifting Machine

Patent No. 7398025

Development overview

We have developed a machine that allows a small number of workers to perform spot ballast tamping work accompanying track lifting for an on-demand type of work, etc.

Conventional issue

Ballast tamping work accompanying track lifting required a large number of railway track workers, which had caused issues related to improving the working environment and controlling costs.

Development contents

The "track lifting" operation using a road-rail backhoe required a large number of workers. Therefore, we developed the "track lifting machine" by applying the hydraulic mechanism of a backhoe. This has enabled a reduction in the number of workers required for a series of ballast tamping operations.

Effect

- Reduced required number of workers from seven to five
- Significantly reduced heavy labor work, including carrying in machinery



4-Head Tamper-Integrated Road-Rail Track Lifting Machine

Civil Engineering Division

Construction jigs for seismic reinforcement for electric poles (TD Series)

Patent No. 7203268
Design No. 1773331

Development overview

We have developed construction jigs aimed at increasing productivity and improving working environment for seismic reinforcement works for PC electric poles on railway elevated bridges.

Conventional issue

In narrow construction sites, installing heavy anti-seismic steel pipe units was dangerous and also caused issues with construction efficiency.

Development contents

- ① TD Croon: Enables installation of steel pipe units in narrow spaces
- ② TD Slit Guard: Prevents leakage of filling mortar
- ③ TD Spacer: Spacer for maintaining the distance between electric poles and steel pipe units
- ④ TD Stopper: Material for preventing mortar leakage in steel pipe units

Effect

- Productivity in seismic reinforcement for electric poles increased by 20% through the utilization of the TD series



Architectural Division

Seismic reinforcement non-welding method (Column flange petatto method, Column web pitatto method)

Design No. 1790671
Design No. 1790672

Development overview

As part of the seismic reinforcement for platform canopies non-welding method series, we have developed a reinforcement method that involves adding plates to the flange and web parts of pillars.

Conventional issue

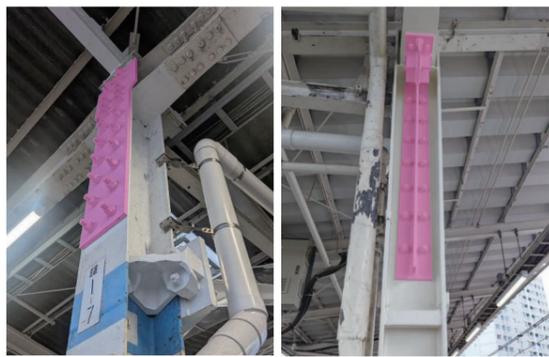
Development of a new type of seismic reinforcement method was required, which could be applied even under conditions where conventional seismic reinforcement non-welding method was difficult to implement.

Development contents

- Reinforcement can be achieved by attaching backing plates to the flanges or webs of existing H-beams using standard bolts.
- Like the conventional seismic reinforcement non-welding method series, it is unnecessary to remove existing coatings.

Effect

- Significantly reduced construction period and costs
- No fire risk from sparks, and significantly reduced relocation of surrounding station equipment, cables, etc., due to failures.



This construction method eliminates the need for welding or removing existing coatings when installing seismic reinforcement materials. As a result, it achieves significant reductions in construction period and costs, as well as zero fire risk. In addition, we chose the names with consideration for their features and approachability.

SATO Ayako

Architectural Technology Strategy Department, Architectural Business Group



Environmental Division

Wall greening with excellent durability and stain resistance (ToSuRa system)

Design No. 1548198

Development overview

We have developed a wall greening that can be installed safely and permanently in station facilities and squares, and that offers design diversity and reduced operation and maintenance.

Conventional issue

- The base was deteriorated by ultraviolet rays, wind, and rain.
- Daily tasks like watering required considerable time and effort.
- Staining caused by scattered soil

Development contents

- Durability has been enhanced by adopting a base plate with excellent rigidity and workability, treated with highly corrosion-resistant anodizing.
- We have reduced the daily maintenance burden through the use of automated irrigation equipment.
- We covered our original potting soil, suitable for wall greening, with non-woven fabric bags to suppress weed growth and soil scattering.

Effect

- The highly durable base enables diverse design possibilities.
- Suitable for highly public locations such as stations due to its stain-resistance.



Preservation of the Global Environment

Disclosure of Climate Change-Related Information

(Disclosure in Line with TCFD Recommendations)

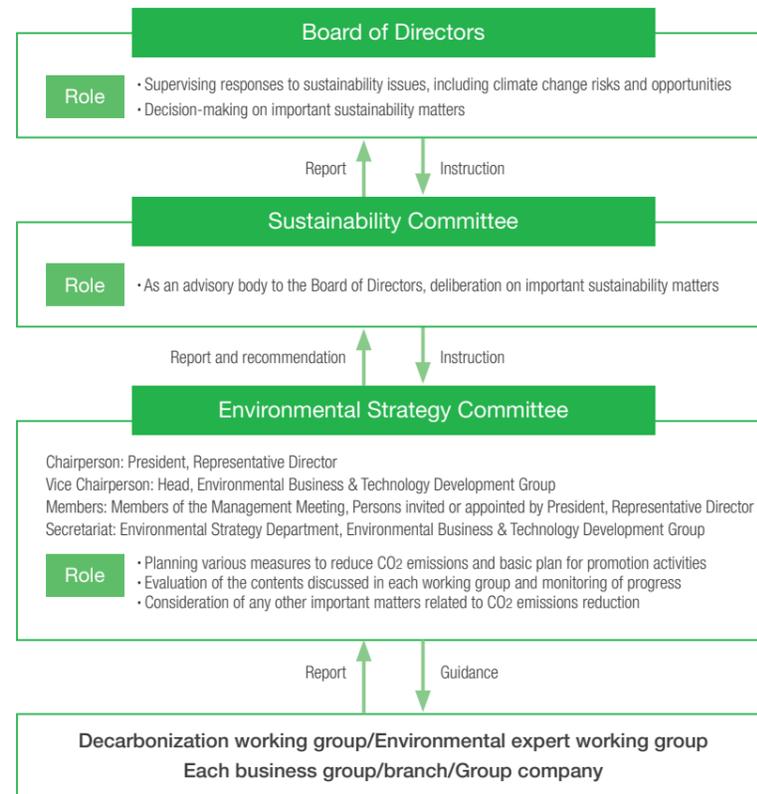
Based on our Management Philosophy, Corporate Vision, and Basic Sustainability Policy, the Group is conducting business activities aimed at creating a society where all stakeholders can live safely and securely, while considering the global environment, including reducing CO₂ emissions. In February 2022, recognizing that the disclosure of climate change-related information is essential for the implementation of ESG management, we expressed our support for the TCFD recommendations and joined the TCFD Consortium.

To understand the medium- to long-term impacts of climate change on our business, we identified and assessed related risks and opportunities, and conducted scenario analyses. Based on the results, we have disclosed climate change-related information in accordance with the TCFD recommendations.

Governance

The Group has established the Sustainability Committee to promote, spread, and establish solutions to sustainability-related issues. Furthermore, to further strengthen initiatives to “controlling global warming,” a key sustainability issue, we have established the “Environmental Strategy Committee” to enable agile responses.

This Committee is chaired by the President, Representative Director and consists of members of the Management Meeting, with the Environmental Strategy Department, Environmental Business & Technology Development Group serving as its secretariat. The Committee meets twice a year in principle to deliberate on important environmental issues, including planning various measures to reduce CO₂ emissions, establishing basic plans for promotion activities and evaluating their results, and monitoring progress. The deliberations of the Committee are reported and recommended to the Sustainability Committee and subsequently reported to the Board of Directors. This establishes a system ensuring that important matters concerning environmental issues, including climate change, are reflected in management decisions.



Strategy (scenario analysis)

The Group has identified risks and opportunities, analyzed their impacts on our business, and developed measures to address them, assuming two scenarios developed by the Intergovernmental Panel on Climate Change (IPCC): a 2°C rise and a 4°C rise in global temperatures by 2100.

Moving forward, we will continue to improve the accuracy of our scenario analyses and use the results to promote various initiatives aimed at reviewing and achieving the target values set forth in the “Environmental Initiatives” of our Medium-term Management Plan (2024–2029).

Risks and opportunities

Legend: Short-term is within 3 years; Medium-term is around 5 years; and Long-term is over 10 years.

Category	Factor	Risks/opportunities	Evaluation	Impact on business	Countermeasure	
Impact of transition (2°C)	Policies/regulations	Increase in costs due to carbon tax	Risk	Medium	<ul style="list-style-type: none"> Long-term: Increase in costs due to carbon tax imposed on CO₂ emissions from business activities 	<ul style="list-style-type: none"> Promoting CO₂ emissions reduction activities during construction Developing technologies and methods contributing to CO₂ emissions reduction Securing renewable energy sources
		Restrictions on business due to CO ₂ emissions regulations	Risk	High	<ul style="list-style-type: none"> Long-term: Decrease in government and private-sector construction and capital investment due to stricter CO₂ emissions regulations Loss of competitiveness and major customers due to insufficient response to stricter regulations 	<ul style="list-style-type: none"> Developing technology for renewable energy facilities and equipment
	Market/technology	Increase in demand for renewable energy	Opportunity	Medium	<ul style="list-style-type: none"> Short-term: Increase in demand for the construction of renewable energy power plants Expansion of renewable energy businesses (e.g. power sales) 	<ul style="list-style-type: none"> Strengthening ZEB-related proposal capabilities Accumulation of construction achievements
		Expansion of the ZEB market	Opportunity	Medium	<ul style="list-style-type: none"> Short-term: Increase in demand for new ZEB projects and ZEB renovation projects 	<ul style="list-style-type: none"> Improving construction techniques for service life extension Strengthening marketing for service life extension works
		Shift to service life extension contributing to CO ₂ emissions regulations	Opportunity	Large	<ul style="list-style-type: none"> Short-term: Increase in service life extension works due to a shift from new construction to service life extension 	<ul style="list-style-type: none"> Developing labor-saving construction technologies
		Increase in railway passenger figures and transportation volume	Opportunity	Large	<ul style="list-style-type: none"> Long-term: Increase in orders from major customers to the Company due to the modal shift of passengers and logistics to railways 	<ul style="list-style-type: none"> Securing suppliers capable of stable supply Lowering costs through centralized purchasing
Physical impact (4°C)	Chronic	Impact of rising temperatures on working conditions	Risk	High	<ul style="list-style-type: none"> Long-term: Increase in health risks for construction site staff and workers Decline in work efficiency and increase in countermeasure costs due to rising temperatures Aggravation of labor shortages due to deteriorating working conditions 	<ul style="list-style-type: none"> Improving working environments Developing and utilizing mechanized, remote, and labor-saving construction technologies
		Acute	Disaster prevention and mitigation Intensification of natural disasters	Opportunity	Large	<ul style="list-style-type: none"> Long-term: Generation of demand for disaster prevention and mitigation, including flood control, as well as reconstruction demand due to the intensification of heavy rainfall and abnormal weather Increase in repair demand due to damage to railway facilities and equipment caused by wind and water disasters
Risk	High			<ul style="list-style-type: none"> Long-term: Work stoppages, process delays, and increases in labor and temporary facility costs due to construction sites being affected by disasters Difficulties in procuring materials and labor due to partner companies being affected by disasters, leading to process delays and cost increases 	<ul style="list-style-type: none"> Strengthening BCP response capabilities during disasters in stronger collaboration with employers and suppliers 	

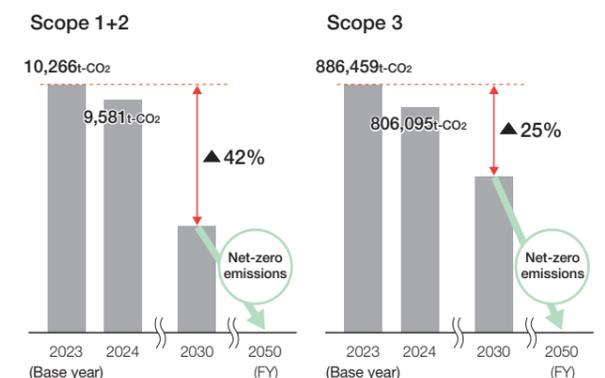
Risk management

The Environmental Strategy Committee identifies and evaluates risks and opportunities within the target business, deliberates on necessary response policies, and reports to the Sustainability Committee and Board of Directors, where management-level directives are made. The decided countermeasures are promoted by each working group as the implementing body in cooperation with Group companies and partner companies. The Environmental Strategy Committee continuously monitors progress and the results of implementation, making improvements as necessary. We conduct assessments and prioritization of the significance of risks and opportunities based on their impact and the timing of their occurrence.

Metrics and targets

In the Medium-Term Management Plan “Action Plan 2029,” we have positioned addressing climate-related risks and opportunities as a key issue. We have set CO₂ emissions as a major non-financial KPI and are working to reduce CO₂ emissions throughout the entire Group. Since FY2023, we have adopted an emissions calculation method based on the GHG Protocol, an international standard for calculating and reporting greenhouse gas emissions, and have continuously calculated and managed our Scope 1 to 3 emissions.

In addition, as CO₂ emission reduction targets, we have set medium-to-long-term targets to reduce Scope 1 and 2 emissions by 42% and Scope 3 emissions by 25% by FY2030 compared to FY2023 levels, and to achieve net-zero emissions by FY2050.



*CO₂ emissions for FY2023 have been revised from the previous calculation due to a thorough review.

Respect for Human Rights

We respect human rights in all business activities, based on the UN Guiding Principles on Business and Human Rights.

1. Totetsu Kogyo Group Human Rights Policy

The Totetsu Kogyo Group has formulated the Totetsu Kogyo Group Human Rights Policy in line with the UN Guiding Principles on Business and Human Rights. We are committed to promoting initiatives to respect human rights and disseminating this policy throughout the Group's officers and employees (including regular employees, seconded employees, contract employees, and dispatched employees) as well as our supply chain, including partner companies. We strive to respect human rights and prevent or mitigate negative impacts on human rights.

1. Compliance with norms and laws related to respect for human rights

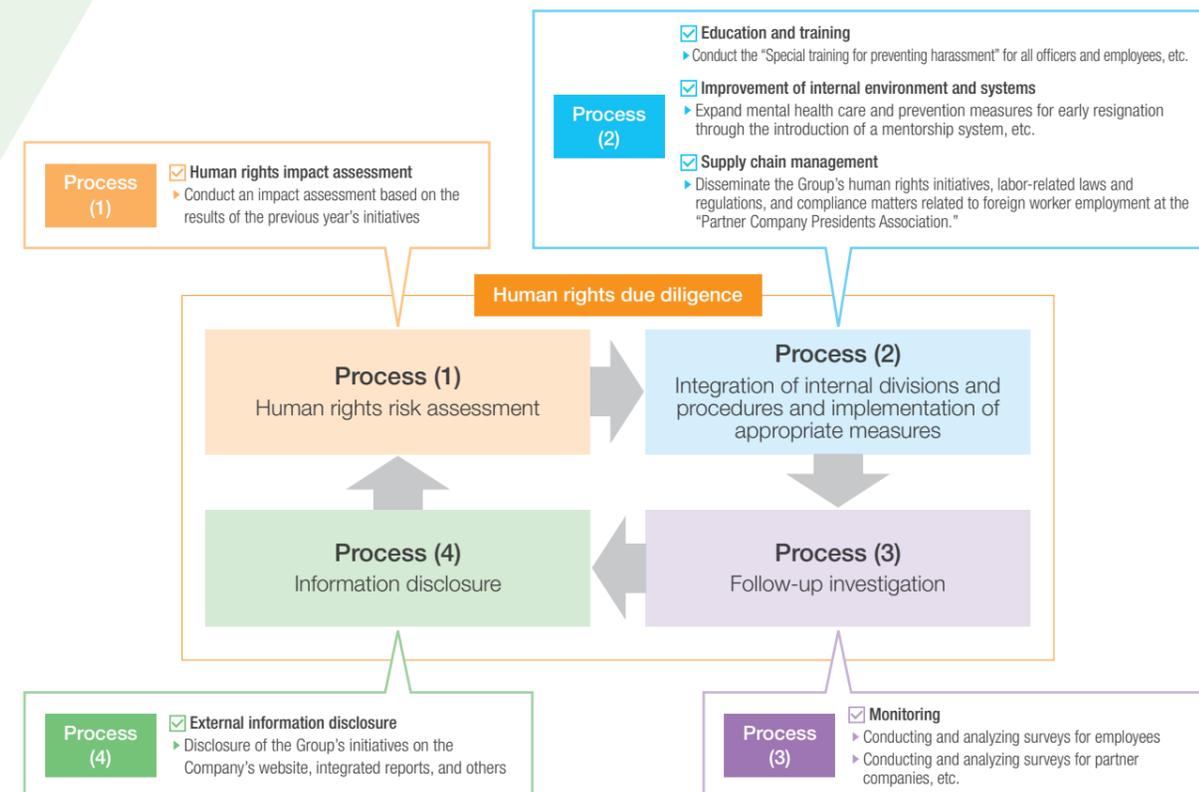
The Group supports and respects international human rights norms, such as the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work formulated by the International Labour Organization (ILO). We have developed this policy and will work on respecting human rights in accordance with the UN Guiding Principles on Business and Human Rights.

2. Initiatives to respect human rights

- (1) Proper labor management
- (2) Promotion of decent work* (*Decent work: Work that is fulfilling and humane)
- (3) Pursuit of safety
- (4) Respect for workers' rights
- (5) Realization of a non-discriminatory society
- (6) Education and training
- (7) Human rights due diligence
- (8) Remedies

2. Implementation of human rights due diligence

The Group conducts human rights due diligence based on the Totetsu Kogyo Group Human Rights Policy to prevent and mitigate negative impacts on human rights in the Group's business activities.



Contribution to Local Communities

As a good corporate citizen, we will actively communicate with local communities and strive to contribute to local communities.

1. Social contribution through our business: Disaster recovery

This project involved restoration works for the landslide disaster near the Ipponmatsu Tunnel on the Tokaido Line between Manazuru and Yugawara, and the landslide disaster that occurred on the premises of the "KOUSAI GAKUEN," Comprehensive Welfare Center of TETSUDOU KOUSAIKAI, a public interest incorporated foundation, in Hadano City, Kanagawa Prefecture. These disasters were part of the damage primarily affecting western Kanagawa Prefecture caused by Typhoon No. 10, which made landfall on the Japanese archipelago in August 2024. The landslide disaster near the Ipponmatsu Tunnel was caused by a slope failure on private land adjacent to the cut section of the Tokaido Line. Therefore, in addition to the prompt restart of operations, restoration work had to proceed while consulting with neighboring residents. This project, which began immediately after the disaster on August 31, involved conducting an initial investigation, design, and construction in the shortest possible time. As a result, restricted speed railway operations started just one day after work began, and restricted speed was lifted for the first train 13 days later on September 14. For this temporary construction work, Head Office's specialized design department also participated. Through collaboration among the site, Branches, and Head Office, we leveraged the strengths that we have cultivated over the years and made every effort to achieve "early resumption of railway operations."

In addition, the landslide disaster that occurred on the premises of the "KOUSAI GAKUEN," Comprehensive Welfare Center of TETSUDOU KOUSAIKAI, a public interest incorporated foundation, occurred outside the railway-adjacent area. However, we received a direct request for restoration work, which resulted from our sincere response to past disaster restoration.

We will continue to maintain our initial response and construction systems. In the event of a disaster, we will leverage the Company's advanced technical capabilities, aim for prompt responses and the early restoration of damaged areas, thereby contributing to local communities.



Area near the Ipponmatsu Tunnel immediately after the disaster and after emergency response was completed

After restoration, the premises of the "KOUSAI GAKUEN," Comprehensive Welfare Center of TETSUDOU KOUSAIKAI, a public interest incorporated foundation

2. Publication of "TOTETSU x Unko Drill Railway Safety"

Hoping that the generation supporting future railway and construction technologies will understand the importance of railway maintenance and safety, and develop an interest in the railway and construction industries, we have published "TOTETSU x Unko Drill Railway Safety" in collaboration with the wildly popular "Unko Drill" series (Bunkyo-sha Co., Ltd.) for children nationwide.

This booklet provides a story told through quizzes featuring characters like Unko Sensei, making it a fun way to learn about railway safety.

Distribution targets include elementary schools primarily in the East Japan area, as well as children visiting the Totetsu Training Institute and construction site tours.

The Company will continue to carry out various activities under the mission of contributing to the creation of safe and comfortable transportation networks and social infrastructure.



Corporate Governance

List of Officers (as of June 26, 2025)

Director



MAEKAWA Tadao

Chairman, Director

Attendance at Board of Directors meetings: 15/15

Career summary
 Apr. 1981 Joined Japanese National Railways
 Apr. 1987 Joined East Japan Railway Company
 July 2005 General Manager of Facilities Department, Tokyo Branch Office
 June 2008 General Manager of Facilities Department, Railway Operations Headquarters
 June 2009 General Manager of Public Relations Department
 June 2012 Executive Officer, General Manager of Administration Department
 June 2015 Senior Executive Officer, Deputy Director General of Railway Operations Headquarters
 June 2016 Executive Director, General Manager of Tokyo Branch Office
 June 2019 Executive Vice President and Representative Director, Director General of Railway Operations Headquarters (retired in June 2021)
 June 2021 Joined the Company
 June 2025 Chairman, Director (present position)



ISE Katsumi

New election

President, Representative Director

Attendance at Board of Directors meetings: --/

Career summary
 Apr. 1988 Joined East Japan Railway Company
 May 2015 General Manager of Facilities Department, Railway Operations Headquarters
 June 2015 Executive Officer, General Manager, Investment Planning Department, Corporate Planning Headquarters
 June 2016 Executive Officer, General Manager of Facilities Department, Railway Operations Headquarters
 Director of the Company (retired in June 2018)
 June 2018 Senior Executive Officer, in charge of Reconstruction Planning Department, Corporate Planning Headquarters, and Facilities Department, Railway Operations Headquarters, East Japan Railway Company
 June 2021 Executive Vice President and Representative Director, Director General, Technology Innovation Headquarters
 June 2022 Executive Vice President and Representative Director, Director General, Innovation Strategy Headquarters (retired in June 2025)
 June 2025 Joined the Company
 President, Representative Director (present position)



SHIMOMURA Hikaru

Director

Attendance at Board of Directors meetings: 15/15

Career summary
 Apr. 1985 Joined The Fuji Bank, Limited
 Apr. 2012 Executive Officer General Manager, Corporate Banking Division No. 2, Mizuho Bank, Ltd.
 Apr. 2014 Managing Executive Officer, in charge of Corporate Banking
 Apr. 2017 Managing Executive Officer, Joint Head of Business Banking Division, Mizuho Securities Co., Ltd. (retired in March 2019)
 Apr. 2019 Joined the Company
 June 2019 Managing Director & Executive Officer, Head, Finance & Corporate Planning Group
 June 2022 Senior Managing Director & Executive Officer, Head, Finance & Corporate Planning Group (present position)



NAKAYAMA Hiroshi

Outside Director
Independent officer

Director

Attendance at Board of Directors meetings: 15/15

Career summary
 Apr. 1977 Joined Hitachi Ltd.
 Apr. 2012 Chief Executive Officer and President of Transport Systems Company, Infrastructure Systems Group
 Apr. 2016 Vice President and Executive Officer, Head of MONOZUKURI & Quality Assurance and Head of MONOZUKURI Strategy Division
 June 2019 Director of the Company (present position)
 Apr. 2020 Senior Advisor, Hitachi Power Solutions Co., Ltd.
 Apr. 2021 Advisor, Corporate Quality Assurance Group, Corporate Quality Assurance Division, Hitachi, Ltd. (retired in March 2025)



MIYAMA Miya

Outside Director
Independent officer

Director

Attendance at Board of Directors meetings: 15/15

Career summary
 Oct. 2002 Appointed Public Prosecutor (Public Prosecutor, Tokyo District Public Prosecutors Office)
 July 2013 Head, Compliance department, The Innovation Network Corporation of Japan
 July 2016 Retired from Public Prosecutor
 July 2016 Registered as an attorney at law of Japan Federation of Bar Associations (a member of Dai-ichi Tokyo Bar Association)
 Apr. 2018 Permanent Member, Dai-ichi Tokyo Bar Association
 Apr. 2020 Vice Chair, Gender Equality Committee of Kanto Federation of Bar Associations
 June 2020 Auditor, Japan International Cooperation System (present position)
 June 2021 Director of the Company (present position)



TAMAGAWA Takehiro

Outside Director

Director

Attendance at Board of Directors meetings: 15/15

Career summary
 Apr. 1992 Joined East Japan Railway Company
 June 2007 Manager of Track Maintenance Division, Facilities Department, Yokohama Branch Office
 May 2008 Manager of Facilities Department, Railway Operations Headquarters
 July 2011 Manager of General Affairs Department, Chiba Branch Office
 June 2014 General Manager of Facilities Division, Omiya Branch Office
 June 2017 General Manager of Facilities Department, Railway Operations Headquarters
 June 2021 Executive Officer, General Manager of Facilities Department, Railway Operations Headquarters
 Director of the Company (present position)
 June 2021 Executive Officer, General Manager of Facilities Division, Railway Operations Headquarters, East Japan Railway Company
 June 2023 Senior Executive Officer, Deputy Director General of Railway Operations Headquarters, General Manager of Facilities Division, Railway Operations Headquarters
 June 2024 Senior Executive Officer, Deputy Director General of Railway Operations Headquarters (present position)



IIZUKA Hiroyuki

Director

Attendance at Board of Directors meetings: 12/12

Career summary
 Apr. 1982 Joined the Company
 Dec. 2005 Deputy General Manager, Personnel Department, Business Administration Group
 Oct. 2007 General Manager, General Affairs Department, Takasaki Branch
 Aug. 2010 Project General Manager, Personnel Department, Business Administration Group
 June 2012 General Manager, Personnel Department, Business Administration Group
 June 2017 General Manager, Corporate Planning Department, Finance & Corporate Planning Group
 June 2019 Executive Officer, General Manager, Corporate Planning Department, Finance & Corporate Planning Group
 June 2021 Executive Officer, General Manager, Takasaki Branch
 June 2023 Executive Officer, Deputy Head, Business Administration Group
 June 2024 Director & Executive Officer, Head, Business Administration Group
 June 2025 Managing Director & Executive Officer, Head, Business Administration Group (present position)



OGAWA Eiichi

New election

Director

Attendance at Board of Directors meetings: --/

Career summary
 Apr. 1981 Joined the Company
 June 2007 Presidential Project Manager, Construction Department, Tokyo Branch (Architectural Business) and Project General Manager, Construction Department
 June 2008 Project General Manager, Purchasing Department, Business Administration Group
 Sep. 2010 General Manager, Estimation Department, Architectural Business Group
 Jan. 2014 General Manager, Architecture Department, Hachioji Branch and Project General Manager, Sales Department
 June 2017 General Manager, Architectural Planning Department, Architectural Business Group
 June 2019 Executive Officer, Deputy General Manager, Tokyo Branch (Architectural Business) and General Manager, Construction Department
 June 2020 Executive Officer, Deputy General Manager, Tokyo Branch (Architectural Business) and General Manager, Sales Department (Architectural Business)
 June 2020 Director & Executive Officer, General Manager, Tokyo Branch (Architectural Business)
 June 2023 Executive Officer, General Manager, Saitama Branch
 June 2025 Managing Director & Executive Officer, Head, Architectural Business Group, Deputy Head, DX Promotion Office (present position)



TAKAHASHI Kiyotaka

New election

Outside Director

Independent officer

Director

Attendance at Board of Directors meetings: --/

Career summary
 Apr. 1980 Joined National Police Agency
 Aug. 2002 Chief of the Okinawa Prefectural Police Headquarters
 Aug. 2004 Director, Security Division, Security Bureau, National Police Agency
 Aug. 2007 Chief of the Hokkaido Prefectural Police Headquarters
 Aug. 2008 Director-General, Security Department, Tokyo Metropolitan Police Department
 Sep. 2009 Councilor and Director-General for Crisis Management, Cabinet Secretariat and Deputy Director-General, Cabinet Information Security Center
 Aug. 2011 Deputy Superintendent General, Tokyo Metropolitan Police Department
 Jan. 2013 Director General, Security Bureau, National Police Agency
 Aug. 2015 Superintendent General, Tokyo Metropolitan Police Department
 Sep. 2016 Deputy Chief Cabinet Secretary for Crisis Management (retired in April 2019)
 Dec. 2020 Advisor, Nippon Steel Corporation (present position)
 June 2025 Director of the Company (present position)

Audit & Supervisory Board Member



NIITSUMA Makoto

Full-Time Audit & Supervisory Board Member

Attendance at Board of Directors meetings: 11/12
 Attendance at Audit & Supervisory Board meetings: 9/10

Career summary
 Apr. 1991 Joined the Company
 July 2006 Deputy General Manager, Finance Department, Finance & Corporate Planning Group
 Oct. 2008 Deputy General Manager, Accounting Department, Finance & Corporate Planning Group
 June 2010 General Manager, General Affairs Department, Tokyo Branch (Civil Engineering Business)
 May 2011 General Manager, General Affairs Department, Tokyo Branch (Railway Track Maintenance Business)
 June 2011 General Manager, General Affairs Department, Tokyo Branch (Railway Track Maintenance Business), General Manager of Quality Management Department
 July 2013 General Manager, Public Relations & Investor Relations Department, Finance & Corporate Planning Group
 June 2020 Executive Officer, General Manager, Public Relations & Investor Relations Department, Finance & Corporate Planning Group
 June 2021 Executive Officer, General Manager, Corporate Planning Department, Finance & Corporate Planning Group
 June 2022 Executive Officer, General Manager, Internal Control Group
 June 2024 Full-Time Audit & Supervisory Board Member (present position)



ISHIKAWA Takako

New election

Outside Director

Independent officer

Full-Time Audit & Supervisory Board Member

Attendance at Board of Directors meetings: --/

Career summary
 Apr. 1992 Joined Nomura Securities Co., Ltd. (retired in July 1995)
 Oct. 2003 Joined Asahi & Co. (current KPMG AZSA LLC)
 Mar. 2008 Registered as a certified public accountant
 Aug. 2020 Retired from KPMG AZSA LLC
 Sep. 2020 Joined Mazars Audit LLC (current Forvis Mazars Japan Audit LLC)
 Sep. 2023 Senior Manager, Forvis Mazars Japan Audit LLC (retired in June 2025)
 June 2025 Full-Time Audit & Supervisory Board Member of the Company (present position)



MATSUI Gan

Outside Director

Independent officer

Audit & Supervisory Board Member

Attendance at Board of Directors meetings: 15/15
 Attendance at Audit & Supervisory Board meetings: 13/13

Career summary
 Apr. 1980 Appointed Public Prosecutor (Public Prosecutor, Tokyo District Public Prosecutors Office)
 Apr. 1990 Public Prosecutor, Tokyo District Public Prosecutors Office (Special Investigation Department)
 Jan. 2005 Director-General, Special Trial, Tokyo District Public Prosecutors Office
 June 2012 Director, Criminal Affairs Department, Supreme Public Prosecutors Office
 Jan. 2014 Chief Prosecutor, Yokohama District Public Prosecutors Office
 Jan. 2015 Superintending Prosecutor, Fukuoka High District Public Prosecutors Office
 Sep. 2016 Resigned Public Prosecutor
 Nov. 2016 Registered as an attorney at law of Japan Federation of Bar Associations (a member of Tokyo Bar Association)
 June 2018 Outside Audit & Supervisory Board Member of the Company (present position)

Corporate Governance

Basic approach

The Group considers disciplined, highly transparent, and more efficient management, along with the establishment of a management structure that enables swift decision-making and flexible responses to changes in the business environment, as the core of our corporate governance. This is defined as follows in the Totetsu Kogyo Codes of Conduct.

Totetsu Kogyo Codes of Conduct

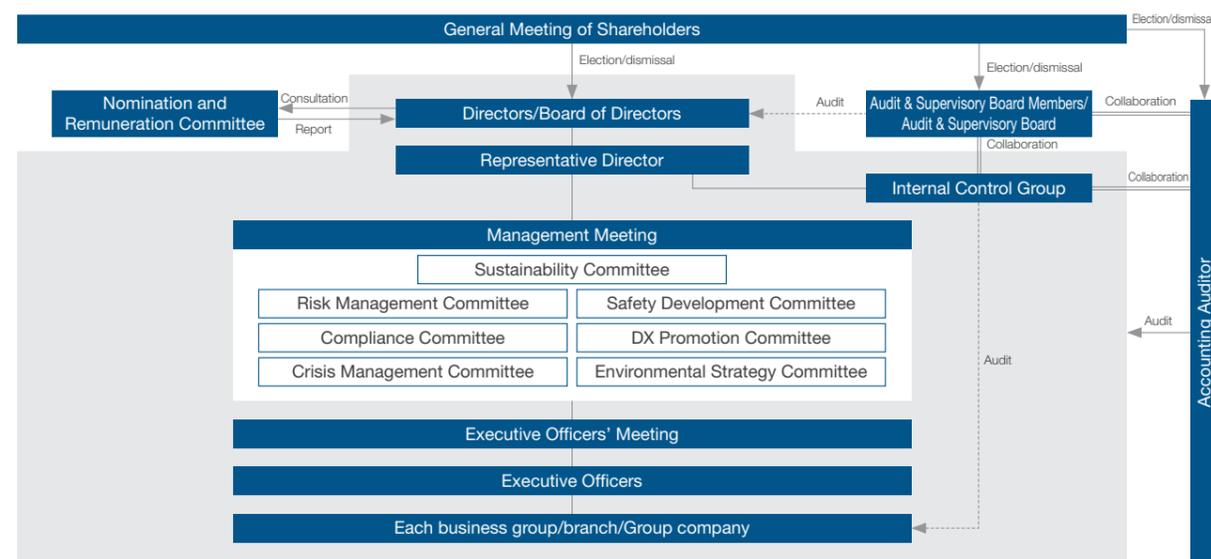
- Based on our Management Philosophy of “Safety first above all else,” make every endeavor to provide customers with safe, quality technology and services, and thereby create added value useful for society.
- Always comply with and respect legal requirements and social ethical standards, and fulfill our corporate social responsibility through faithful and fair corporate activities.
- Contribute to the realization of a sustainable society through these corporate activities, and strive to ensure the trust and confidence of all stakeholders, including shareholders, customers, local communities, and employees.
- All officers and employees of the Group shall observe the Totetsu Kogyo Codes of Conduct, and each individual shall perform their duties with a strong sense of mission.

Corporate governance structure (as of June 26, 2025)

The Company is a company with Audit & Supervisory Board. The Audit & Supervisory Board includes two independent Outside Audit & Supervisory Board Members. Each of them remains a single-person organ and has provided advice and suggestions from an external, professional perspective at important meetings.

In addition, the Board of Directors includes four Outside Directors (three of whom are independent officers), ensuring external independence. Each of them has provided advice and suggestions from a professional perspective at important meetings. Furthermore, we have established a Nomination and Remuneration Committee, which explains our ideas and policies to independent Outside Directors and hears their opinions before the consideration of particularly important matters related to corporate governance. To separate management from business execution, we have introduced an executive officer system to enhance both the speed of decision-making and the function of business execution.

Corporate governance structure diagram



Overview of the corporate governance structure

1 Directors/ Board of Directors

Directors are elected by resolution of the General Meeting of Shareholders, and the Articles of Incorporation stipulate that a resolution to elect a Director shall be made by a majority of the votes of the shareholders present at that meeting where the shareholders holding one-third or more of all the votes of the shareholders who are entitled to exercise their votes are present.

The Company is a company with a Board of Directors. The Board of Directors consists of nine Directors, including four Outside Directors (three of whom are independent officers). The Articles of Incorporation stipulate that the number of Directors of the Company shall not exceed 13.

The Board of Directors meets once a month, in principle, to determine the basic policies for company management and important matters related to business execution, and supervises the duties of executive officers.

2 Nomination and Remuneration Committee

To further enhance the corporate governance structure, the Nomination and Remuneration Committee has been established as a voluntary advisory body to the Board of Directors. Its purpose is to explain the Company's ideas and policies to independent Outside Directors and hear their opinions before the consideration of particularly important matters related to corporate governance.

The committee consists of five Directors: Director TAKAHASHI Kiyotaka (Outside Director), Director NAKAYAMA Hiroshi (Outside Director), Director MIYAMA Miya (Outside Director), Chairman and Director MAEKAWA Tadao, and President and Representative Director ISE Katsumi, including three independent Outside Directors. The chairperson of the committee is Director TAKAHASHI Kiyotaka (Outside Director).

3 Audit & Supervisory Board Members/ Audit & Supervisory Board

The Company is a company with Audit & Supervisory Board. The Audit & Supervisory Board is chaired by Full-Time Audit & Supervisory Board Member NIITSUMA Makoto and consists of three Audit & Supervisory Board Members, including Full-Time Audit & Supervisory Board Member ISHIKAWA Takako (Outside Audit & Supervisory Board Member) and Audit & Supervisory Board Member MATSUI Gan (Outside Audit & Supervisory Board Member), two of whom are independent Outside Audit & Supervisory Board Members.

The Audit & Supervisory Board Members attend Board of Directors meetings and other important meetings to monitor Directors' decision-making process as well as the Board of Directors' execution of supervisory duties, and verify them in accordance with laws and the Articles of Incorporation.

Additionally, once a year, they hold an opinion exchange meeting with independent Outside Directors to exchange views on important audit-related issues and ensure proper communication.

4 Management Meeting

The Management Meeting is a forum for deliberating and reporting on important matters related to management and business execution, contributing to the overall corporate governance. It consists of the President and Director, business group heads, and the Full-Time Audit & Supervisory Board Members, and meets twice a month, in principle.

5 Executive Officers/ Executive Officers' Meeting

The Company has introduced an executive officer system to separate management from business execution and strengthen the function of business execution.

The Executive Officers' Meeting consists of 38 executive officers, including four Directors who concurrently serve as executive officers, in principle. Its purpose is to deliberate and report on matters related to management policies and important measures, ensuring smooth business execution.

The meeting is held at least once every three months to communicate and disseminate resolutions of the Board of Directors and deliberate on matters related to execution as well as those related to the promotion of business plans for each group and branch.

6 Accounting Auditor

The Company has entered into an audit contract with KPMG AZSA LLC, as its Accounting Auditor, to undergo accounting audits. The certified public accountants responsible for business execution are TOGASHI Takahiro and TASAKA Mako, both of whom belong to the same audit firm.

Corporate Governance

Skills matrix of the Board of Directors

Name	Position and responsibilities in the Company	Corporate management	Business strategy	Finance Accounting	Sustainability ESG	Legal affairs Compliance Risk management	Human resources Human resource development	Safety Quality management	Construction technology	Experience and knowledge relevant to railway operations
MAEKAWA Tadao	Chairman, Director	●	●		●	●	●	●	●	●
ISE Katsumi	President, Representative Director	●	●		●	●		●	●	●
SHIMOMURA Hikaru	Senior Managing Director & Executive Officer, Head, Finance & Corporate Planning Group	●	●	●	●	●	●			
IIZUKA Hiroyuki	Managing Director & Executive Officer, Head, Business Administration Group		●	●	●	●	●			
OGAWA Eiichi	Managing Director & Executive Officer, Head, Architectural Business Group, Deputy Head, DX Promotion Office		●					●	●	●
TAKAHASHI Kiyotaka	Director (Independent Outside Director)		●		●	●	●	●		
NAKAYAMA Hiroshi	Director (Independent Outside Director)	●	●					●		●
MIYAMA Miya	Director (Independent Outside Director)				●	●	●			
TAMAGAWA Takehiro	Director (Outside Director)						●	●	●	●

Note: The table above is not a comprehensive list of the expertise and experience possessed by each Director.

Evaluation of the overall effectiveness of the Board of Directors

A questionnaire survey for evaluating the Board of Directors was conducted, targeting all Directors and Audit & Supervisory Board Members. The Nomination and Remuneration Committee, a voluntary advisory body to the Board, heard opinions, and then the Board of Directors analyzed and evaluated the results. Audit & Supervisory Board Members also participated in the questionnaire survey to ensure that diverse opinions and suggestions were reflected.

As a result, the survey included opinions and suggestions on issues to further enhance the effectiveness of the Company's Board of Directors, such as "increasing opportunities for Inside Directors to speak" and "further enhancing diversity." On the other hand, since the Company's Board of Directors meetings not only foster an atmosphere that values free and open, constructive discussions and exchanges of opinions, but also receive opinions such as "each Director actively and vigorously expresses their opinions based on their skills and experience, leading to substantial discussions" and "there are increasing situations where opinions are exchanged between Inside and Outside Directors even in technical areas of expertise," we believe that the Board of Directors as a whole ensures its effectiveness.

Taking the results of this evaluation into account, we will work toward further enhancing the overall effectiveness of the Board of Directors.

Questionnaire items

- ① Size (number of members) and composition of the Board of Directors
- ② Operation of the Board of Directors
- ③ Self-evaluation and mutual evaluation
- ④ Information provision to Outside Directors
- ⑤ Comprehensive evaluation

Officers' remuneration, etc.

The Company has established the policy on determining the remuneration, etc. of each Director as follows.

- ① A fixed remuneration shall be calculated based on position and role and paid once a month as monthly remuneration.
- ② Performance-linked remuneration shall consist of a bonus paid once at a designated time each year as an incentive based on short-term performance and non-monetary trust-type share-based remuneration that awards points at a certain time once a year as an incentive for improvement in medium- to long-term performance and enhancement of corporate value, and provides Company shares equivalent to the cumulative points upon retirement. The indicators for performance-linked remuneration shall be the numerical targets set by the medium-term management plan (net sales, operating profit, ROE, and DOE) and said remuneration shall be calculated after taking into account the level of achievements in safety and quality, which are important Company issues, and the performance results of each individual. The results of each individual shall be evaluated according to the progress of achieving management challenges and other targets set for each domain of which a Director, etc. is in charge.
- ③ Fixed remuneration, short-term performance-based remuneration (bonuses), and medium to long-term performance-linked remuneration (share-based remuneration) shall consist by and large of a 6:3:1 ratio.
- ④ Outside Directors shall only receive fixed remuneration and not performance-linked remuneration due to their stance independent from business execution.
- ⑤ In accordance with a resolution by the Board of Directors, the Representative Director and President shall assume responsibilities with respect to the specific details of all remuneration as the corporate officer who has a comprehensive understanding of business performance throughout the entire Company and can evaluate each Director. The Nomination and Remuneration Committee shall listen and consult with the Representative Director and President as an advisory body of the Board of Directors to ensure the Representative Director and President properly exercises this authority. After assuming these responsibilities, the Representative Director and President must make decisions on remuneration based on feedback from the Nomination and Remuneration Committee.

Indicators for performance-linked remuneration, reasons for the selection, and results

The indicators for performance-linked remuneration are the numerical targets set by the Medium-Term Management Plan (net sales, operating profit, ROE, and DOE). The results were net sales of 160.0 billion yen, operating profit of 15.5 billion yen, ROE of 10.1%, and DOE of 4.0%. The reasons for the selection of these indicators are to clarify responsibilities for achieving short-term performance targets and to enhance the motivation to achieve the Medium-Term Management Plan. The Company's performance-linked remuneration is calculated based on the achievement of the above indicators, taking into account the performance results of each individual.

Details of the resolution of the General Meeting of Shareholders regarding officers' remuneration, etc.

The maximum remuneration for Directors was resolved at the 63rd Ordinary General Meeting of Shareholders held on June 29, 2006 to be within 300 million yen per year (excluding the portion of employee salary). The number of Directors at the conclusion of that General Meeting of Shareholders was eight.

Separately, at the 79th Ordinary General Meeting of Shareholders held on June 28, 2022, it was resolved that the maximum number of Company shares, etc. to be granted through the performance-linked and share-based remuneration system (Board Benefit Trust; the "Plan") to Directors (excluding Outside Directors and Audit & Supervisory Board Members) and executive officers would be 51,000 shares per fiscal year (of which 21,400 shares are allocated for Directors). However, the Company shares will be rationally adjusted in the event of a stock split, allotment of shares without contribution, or a consolidation of shares, etc. in proportion to the relevant ratio, etc. Five Directors are eligible for the Plan.

The maximum remuneration for Audit & Supervisory Board Members was resolved at the 63rd Ordinary General Meeting of Shareholders held on June 29, 2006 to be within 60 million yen per year. The number of Audit & Supervisory Board Members at the conclusion of that General Meeting of Shareholders was four.

Training policy for Directors and Audit & Supervisory Board Members

The Company conducts an annual training program for Directors and Audit & Supervisory Board Members to help them acquire necessary knowledge and stay up-to-date with relevant developments. We also provide opportunities to take external training sessions deemed necessary, such as seminars for new Directors and Audit & Supervisory Board Members, covering the costs of such training to support them.

Additionally, for new Outside Directors and Audit & Supervisory Board Members, we provide thorough explanations of our business, finance, and organizations. Even after their assumption of office, we offer opportunities for site visits.

Corporate Governance

Internal control

System to ensure that the execution of duties by Directors and employees of the Group complies with laws and the Articles of Incorporation

- ① To ensure that the execution of duties by officers and employees of the Group complies with laws and the Articles of Incorporation, and to fulfill our social responsibilities, the Totetsu Kogyo Codes of Conduct are thoroughly communicated to all officers and employees.
- ② We have appointed a Chief Compliance Officer (CCO) and established a department supervising compliance. A Compliance Officer (CO) and persons in charge of compliance are assigned to each group, branch, and subsidiary.
- ③ The Compliance Committee meetings are held regularly to establish, disseminate, and solidify the Group's compliance system.
- ④ The Internal Control Group monitors the internal control system through audits.

System for the preservation and management of information related to the execution of duties by Directors

Matters concerning the preservation and management of information related to the execution of duties by Directors are handled in accordance with the Company's internal regulations, and such information is made available for Directors to review at any time.

System to ensure the efficient execution of duties by Directors

The Regulations of the Board of Directors are established to resolve basic policies related to company management and important matters related to business execution at the Board of Directors. Additionally, the Regulations of the Board of Directors and the Regulations on Official Authority are established to clarify responsibilities and expedite decision-making in business execution.

Regulations for risk of loss management and other systems

- ① To establish a risk management system, rules related to risk management are reviewed and established.
- ② The Risk Management Committee meetings are held regularly to comprehensively manage the identification of potential risks and the formulation of avoidance measures.
- ③ In the event of a situation that has a significant impact on business operations, the Crisis Management Committee will be convened to minimize damage, losses, and other impacts.
- ④ Education and training are provided to officers and employees involved in risk management.
- ⑤ The whistleblowing system for officers and employees of the Group is operated properly.

System to ensure proper operations in the Group

- ① Subsidiaries are required to regularly report on their business performance, financial status, and other important information in accordance with the Subsidiary Management Regulations.
- ② Subsidiaries are required to establish a risk management system in accordance with rules related to risk management.
- ③ In line with the annual plan, the goals to be achieved by the Group are clarified, and each subsidiary's business execution is evaluated and managed using the PDCA method.
- ④ To ensure that the execution of duties by officers and employees of the Group complies with laws and the Articles of Incorporation, and to fulfill our social responsibilities, the Totetsu Kogyo Codes of Conduct are thoroughly communicated to all officers and employees of subsidiaries.

Matters concerning employees who assist with duties of Audit & Supervisory Board Members

- ① Employees belonging to the Internal Control Group may be assigned to assist with duties of Audit & Supervisory Board Members as needed.
- ② Any personnel matters related to such employees in the Internal Control Group will be discussed with the Audit & Supervisory Board Members in advance.
- ③ A system is in place to ensure that, when employees assisting the duties of Audit & Supervisory Board Members receive instructions from Audit & Supervisory Board Members regarding their duties, they follow such orders exclusively.

System for reporting to Audit & Supervisory Board Members

- ① If officers or employees of the Group become aware of the occurrence or potential occurrence of any significant violations of laws or the Articles of Incorporation, acts of misconduct, or facts that cause substantial losses to their company regarding the execution of duties, they must report such matters to Audit & Supervisory Board Members without delay.
- ② If officers or employees of the Group make decisions that have a significant impact on the relevant business or organization, they must report such decisions to Audit & Supervisory Board Members without delay.
- ③ A whistleblowing system is in place for officers and employees of the Group, with the Company's Audit & Supervisory Board Members serving as the contact point for reporting.
- ④ Reports from third parties are accepted through the Company's website inquiry form (email) or by phone, and if necessary, these reports will be conveyed to Audit & Supervisory Board Members.
- ⑤ It is prohibited to treat officers or employees of the Group unfavorably for making reports under any of the above paragraphs.

Matters concerning policies for procedures for advance payment or reimbursement of expenses arising from the execution of duties by Audit & Supervisory Board Members and for other processing of expenses arising from the execution of such duties or their reimbursement

If an Audit & Supervisory Board Member requests advance payment, etc. of expenses necessary for the execution of their duties, the Company will promptly process the relevant expenses or obligations.

Other systems to ensure the effective execution of audits by Audit & Supervisory Board Members

- ① The Representative Director regularly holds opinion exchange meetings with Audit & Supervisory Board Members to exchange views on company management and ensure proper communication.
- ② To ensure the effective performance of audit activities, the Company promotes collaboration between the Audit & Supervisory Board Members and the Internal Control Group.

Matters concerning the operational status of the system to ensure proper operations in the Group

The operational status of the system to ensure proper operations in the Group is regularly reviewed by the Board of Directors, and an overview of the operational status for each fiscal year is included in the relevant business report.

Matters concerning a system for internal control related to financial reporting and its evaluation

- ① We establish and operate a system necessary to ensure the appropriateness of documents and other information related to finance and accounting.
- ② The status of the establishment and operation of the system specified in the preceding paragraph is evaluated each fiscal year in accordance with generally accepted standards for the evaluation of internal control related to financial reporting.

Basic approach to eliminating antisocial forces and its development status

In the Totetsu Kogyo Codes of Conduct, the Group declares, "We anticipate and strive to prevent risks posed by antisocial forces that threaten corporate activities and daily life. We also ensure that a crisis management system is always in place and, in the event of an incident, respond swiftly, appropriately, and systematically." We are committed to severing any relationships with antisocial forces.

We actively collect and share information related to antisocial forces through full cooperation with police authority and relevant agencies. Furthermore, through training and other opportunities, we continue to educate and train employees on how to respond to antisocial forces.

Reasons for appointment as Outside Directors

Name	Reasons for appointment	Independent officer	Tenure of office	Attendance at Board of Directors meetings during FY2024
TAKAHASHI Kiyotaka	He has extensive experience in the government sector and deep insight gained through that experience. We believe he is well-suited to ensuring that the Company's decision-making is adequate and appropriate and have therefore appointed him. Given his independent position, with no risk of conflicts of interest with general shareholders, he has been designated as an independent officer.	○	—	—
NAKAYAMA Hiroshi	He has utilized his extensive experience as a corporate manager at other companies and his deep insight gained through that experience for the Company's management and contributed to ensuring the adequateness and appropriateness of its decision-making. Given his independent position, with no risk of conflicts of interest with general shareholders, he has been designated as an independent officer.	○	6 years	15/15
MIYAMA Miya	She has utilized her extensive experience as a public prosecutor at a public prosecutor's office, an attorney, etc. in the legal field and her deep insight gained through that experience for the Company's management and contributed to ensuring the adequateness and appropriateness of its decision-making. Given her independent position, with no risk of conflicts of interest with general shareholders, she has been designated as an independent officer.	○	4 years	15/15
TAMAGAWA Takehiro	He has utilized his extensive knowledge and experience at East Japan Railway Company for the Company's management and therefore has been appointed as an Outside Director.		4 years	15/15

Criteria for determining the independence of independent Outside Directors

The Company's Board of Directors includes independent Outside Directors appointed in accordance with the requirements for outside directors as specified by the Companies Act and the independence standards set forth by the Tokyo Stock Exchange.

The Company has appointed three independent Outside Directors who have extensive knowledge and experience in the government sector, or as a corporate manager or an attorney, and have deep insight gained through their respective experiences. At Board of Directors meetings, these independent Outside Directors have provided valuable and active advice to promote the Company's sustainable growth and enhance its medium- to long-term corporate value. Their roles and responsibilities are adequately fulfilled, and the necessary framework is in place.

Risk Management

Basic approach

The Company is engaged in risk management activities to continue sound business activities.

We have established a risk management system to address various risks and manage them appropriately, working to prevent crises before they occur. In terms of disaster-related risks, we have been promoting the preparation of a Business Continuity Plan (BCP) across the Group, learning from the lessons of the Great East Japan Earthquake.

Risk management system

To comprehensively manage the identification of risks that have a significant impact on the achievement of management goals or business activities, as well as new risks that need to be anticipated, and the formulation of avoidance measures, we have established a Risk Management Committee chaired by the President at the Head Office. This committee works to strengthen risk management across all groups and Group companies, and maintain and enhance corporate value.

We have also established a Crisis Management Committee chaired by the President at the Head Office to centralize information gathering and management and take appropriate countermeasures in the event of a situation that could have a significant impact on business activities. Under the direct leadership of the top management, the committee strives to minimize damage, loss, and other impacts.

Business Continuity Plan (BCP)

The Company has formulated the Totetsu Kogyo Business Continuity Plan (BCP) to prepare for emergencies, such as large-scale disasters. Fully recognizing our role as a comprehensive construction company that supports the foundation of social and economic activities, and as part of the construction company's corporate social responsibility (CSR), we aim to actively contribute to railway, road, and other infrastructure restoration works. We have therefore established and been implementing three basic policies: (i) ensuring the safety of officers, employees, and their families, (ii) rapid restoration of company functions, and (iii) early establishment of rescue and recovery support systems.

The BCP is updated as necessary by reference to the latest disaster prevention cases in order to improve adaptability to disasters and strengthen our disaster prevention system. In addition, we conduct disaster drills jointly conducted by the Head Office, branches, and construction sites, safety confirmation drills for all employees, and evacuation drills at the Head Office and each branch.

Conducting security and incident response drill

In November 2024, we conducted an information security and incident response drill supervised by JR East in order to confirm our crisis management system (establishment of a response headquarters, division of roles, response procedures, etc.) when information security issues or major incidents occur.

We conducted practical exercises centered on each key operation to respond to scenarios including cyberattacks and information leaks, and learned rapid and effective response methods. These exercises focused on controlling crisis management systems, addressing corporate management related to fund management, etc., confirming practical cybersecurity operations, and collaborating with JR East, security companies, and others.

Through this training, we discovered issues and areas for improvement. We will aim to strengthen the crisis management system and further enhance our incident response capabilities.



Information security

The Company has established the Personal Information Protection Policy and the Basic Policy on the Proper Handling of Specific Personal Information as basic policies for the appropriate handling and protection of all information on our customers and business partners, including personal information.

As part of our information security measures, we implement security measures for various internal systems. Additionally, we have established rules such as the Regulations on Information Systems, the Ten Principles of Information Security, and the Smart Device Security Guidelines. We continuously provide education and training to all employees to enhance their awareness of information security.

Compliance

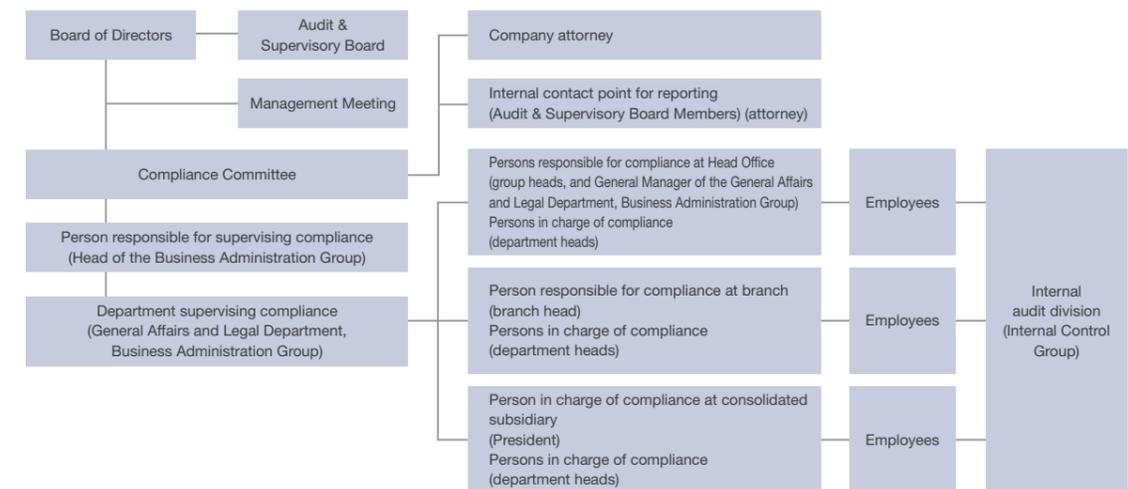
Basic approach

To meet the trust of our customers and other stakeholders, the Company positions compliance management as one of our most critical issues. We disseminate the Totetsu Kogyo Codes of Conduct to all officers and employees and are committed to ensuring thorough compliance and developing a compliance system.

Compliance system

Regarding our compliance system, under the supervision of the Chief Compliance Officer, we have established a department supervising compliance and assigned a responsible person and persons in charge to each group, branch, and subsidiary. Additionally, we have established a Compliance Committee chaired by the President at the Head Office to discuss measures to mitigate compliance-related risks. Similar committees have also been set up at branches and subsidiaries, with the entire Group working toward establishing, disseminating, and solidifying a compliance system. We strive to promote a swift and appropriate response, thorough cause analysis, and the formulation of recurrence prevention measures in the event of an issue.

Compliance system diagram



Implementation of compliance training

To enhance compliance awareness among officers and employees and prevent compliance violations, we conduct Totetsu Kogyo Group Compliance Training for all officers and employees. Additionally, we are promoting the dissemination and entrenchment of compliance through training programs tailored to years of service with the company or occupational hierarchy.

The training content is reviewed as necessary to ensure that both internal and external key compliance issues are appropriately communicated.

Special lecture on compliance by an Outside Director

In October 2024, we held a special lecture for employees by the Outside Director, MIYAMA Miya. She has been involved in internal and external investigations concerning corporate fraud and scandals, as well as in building crisis management systems to prevent fraud and scandals.

Through these initiatives, we will raise our employees' awareness of compliance and strive to prevent fraudulent activities before they occur.



Communication with Stakeholders

Basic approach

The Company has established a basic policy on the timely and appropriate disclosure of corporate information in the Totetsu Kogyo Codes of Conduct and the Disclosure Policy. In order to contribute to highly transparent management, we actively strive to disclose information to stakeholders in a fair and prompt manner.

Disclosure Policy
<https://www.totetsu.co.jp/english/ir/disclosure/>

Totetsu Kogyo's IR policy

The Company promotes company-wide IR, which is strongly backed by all officers and employees, with the President personally participating in major IR events. Furthermore, as part of our quaternary IR approach, we utilize IR materials not only for IR activities but also for PR (publicity), SR (operation of the General Meeting of Shareholders), and Recruitment (recruiting activities). By pursuing synergy among these four areas, we are working to further deepen stakeholders' understanding of the Company's business.

Major IR activities

Shareholders and investors

Financial results IR briefings (FY2022: 2 times/74 participants, FY2023: 2 times/109 participants, FY2024: 2 times/114 participants)
 The Company holds financial results IR briefings twice a year, with the President as the speaker. These sessions involve lively Q&A discussions regarding business plans and results.



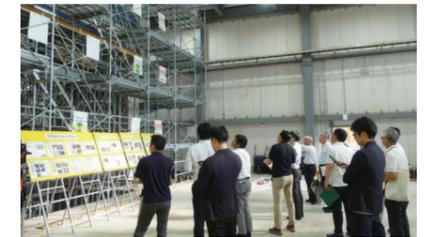
Q4 FY2024 financial results IR briefing

One-on-one meetings (FY2022: 75 companies/110 participants, FY2023: 83 companies/135 participants, FY2024: 121 companies/156 participants)
 Every year, we conduct one-on-one meetings (individual interviews) with numerous institutional investors and analysts. The feedback gathered through these activities is regularly reported to the Management Meeting and the Board of Directors, and is reflected in our management and business activities.

Small meetings (FY2022: 6 companies, FY2023: 6 companies, FY2024: 5 companies)
 We hold a small meeting annually with the President and the Head of the Finance & Corporate Planning Group as speakers, attended by five covering analysts. Through constructive dialogue, we understand and recognize the perspectives of institutional investors, which are incorporated into management analyses aimed at sustainable growth.

Site tours for institutional investors at the Totetsu Training Institute (FY2022: 7 companies/9 participants, FY2023: 6 companies/10 participants, FY2024: 14 companies/20 participants)

We host site tours for institutional investors at the Totetsu Training Institute. We explain the Company's investments in human capital through demonstrations of large-scale track maintenance machinery in operation, tours of various training facilities, and VR experiences in the Safety Training Room so that participants can recognize the effectiveness of training using hands-on equipment.



Briefings for private investors (FY2022: 2 times/91 participants, FY2023: 2 times/112 participants, FY2024: 2 times/119 participants)

We hold briefings for private investors in Tokyo and Osaka, where we explain the Company's business in a way that is easy for the general public to understand.

Materials for briefings for private investors
https://www.totetsu.co.jp/ir/library/meeting_schedule/



Report (shareholder communication)

To help shareholders better understand the current status of the Company, we send out the TOTETSU REPORT twice a year.

Receipt of several awards from the Japan Investor Relations Association (JIRA)

The Company has been actively engaging in IR activities. We believe that these efforts have been recognized, leading to the receipt of several awards from the JIRA. Moving forward, we will continue to strive for proactive IR activities.

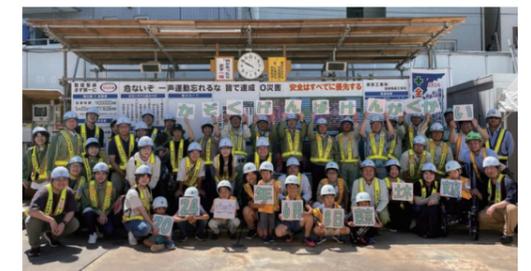


*The Company was the first in the construction industry to receive this award.

Communication with employees and their families

Family site tour (FY2024 Tokyo Branch (Civil Engineering Business), Niigata Branch)

We invite employees' families to visit our workplace and to observe job sites and construction processes. This helps promote a better understanding of the daily work and the Company's operations while also expressing our gratitude to the families who support our employees. We set up events enjoyable for both adults and children with the aim of boosting employee motivation, creating a pleasant workplace and promoting work-life balance.



Totetsu Kogyo Family Night Game

In July 2024, we invited around 600 members of the Totetsu Kogyo Group, including officers, employees, and their families to the game of the Tokyo Yakult Swallows, of which the Company is an official sponsor, as the Totetsu Kogyo Family Night Game. This event will continue to be enhanced as part of our efforts to improve the motivation of officers and employees, foster a sense of unity, and create a pleasant workplace.



11-Year Summary

		72nd Term (FY2014)	73rd Term (FY2015)	74th Term (FY2016)	75th Term (FY2017)	76th Term (FY2018)	77th Term (FY2019)	78th Term (FY2020)	79th Term (FY2021)	80th Term (FY2022)	81st Term (FY2023)	82nd Term (FY2024)
Operating results												
Orders received	(Millions of yen)	125,458	115,456	127,067	126,717	134,164	134,317	122,406	118,286	124,155	154,237	149,454
Net sales	(Millions of yen)	116,106	126,807	130,634	131,209	134,739	146,034	132,919	114,718	124,661	141,845	160,047
Operating profit	(Millions of yen)	9,205	12,480	13,371	13,002	12,216	14,858	13,915	7,261	9,070	11,751	15,526
Ordinary profit	(Millions of yen)	9,581	12,749	13,668	13,301	12,704	15,347	14,293	7,576	9,487	12,106	16,035
Profit attributable to owners of parent	(Millions of yen)	6,533	8,518	9,583	9,982	8,862	10,657	9,689	5,326	7,905	8,296	11,564
Cash flows												
Cash flows from operating activities	(Millions of yen)	3,470	2,123	3,587	2,667	6,088	8,060	21,116	3,094	(8,956)	4,839	4,160
Cash flows from investing activities	(Millions of yen)	(444)	(801)	(1,565)	(1,417)	(1,719)	(4,417)	(3,659)	(5,831)	(4,964)	(3,680)	(1,247)
Cash flows from financing activities	(Millions of yen)	(1,141)	(2,199)	(2,494)	(2,818)	(3,278)	(3,046)	(3,238)	(3,171)	1,749	1,607	(3,579)
Cash and cash equivalents at end of period	(Millions of yen)	18,706	17,830	17,357	15,788	16,878	17,475	31,694	25,785	13,613	16,379	15,714
Financial position												
Current assets	(Millions of yen)	81,329	94,224	101,113	104,711	111,570	119,704	112,500	104,031	112,533	126,057	137,954
Current liabilities	(Millions of yen)	41,062	47,878	48,679	46,450	49,324	53,162	42,129	35,582	43,383	52,620	55,483
Property, plant and equipment	(Millions of yen)	6,518	6,312	6,950	7,470	7,700	12,381	15,281	19,500	22,841	23,690	22,495
Net assets	(Millions of yen)	57,137	62,960	70,341	78,127	83,719	89,389	96,754	98,525	103,490	111,483	120,777
Total assets	(Millions of yen)	101,961	114,156	122,320	127,839	135,291	145,349	141,701	136,669	149,700	168,117	181,115
Per share information												
Basic earnings per share	(Yen)	183.83	240.92	272.06	287.02	257.08	309.58	281.46	154.72	229.65	241.00	335.87
Price-earnings ratio	(Times)	14.60	14.36	11.74	11.36	11.86	9.42	9.40	14.66	11.80	12.47	9.1
Dividend paid per share	(Yen)	30	40	48	58	78	93	85	85	92	97	135
Net assets per share	(Yen)	1,582.14	1,754.68	1,979.28	2,218.19	2,397.44	2,560.78	2,771.67	2,821.32	2,974.11	3,207.70	3,473.85
Financial indicators												
Return on assets (ROA)	(%)	9.9	11.8	11.6	10.7	9.7	10.9	10.0	5.4	6.6	7.6	9.2
Return on equity (ROE)	(%)	12.4	14.4	14.6	13.6	11.1	12.5	10.6	5.5	7.9	7.8	10.1
Equity-to-asset ratio	(%)	55.1	54.3	56.7	60.3	61.0	60.7	67.3	71.1	68.4	65.7	66.0
Net sales of completed construction contracts by segment												
Railway Track Maintenance	(Millions of yen)	30,018	30,139	32,375	32,875	34,213	33,904	34,339	29,062	29,427	30,754	35,955
Of which, railway	(Millions of yen)	28,523	29,727	31,955	32,494	33,834	33,543	34,094	28,814	28,110	29,902	35,010
Civil engineering	(Millions of yen)	49,135	52,811	56,630	53,827	52,901	55,714	55,548	49,511	52,702	57,458	64,881
Of which, railway	(Millions of yen)	45,869	48,840	52,499	48,748	48,455	50,386	48,480	42,398	44,391	50,277	57,639
Architecture	(Millions of yen)	29,813	37,916	35,107	37,210	39,726	48,005	33,405	27,858	35,786	45,247	49,668
Of which, railway	(Millions of yen)	20,080	24,138	19,332	23,336	25,674	29,328	22,470	16,021	20,399	25,937	26,377

Notes: 1. Net sales do not include consumption tax, etc.

2. As there are no dilutive shares, diluted earnings per share are omitted.

3. We have applied the Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) and other guidance effective from the beginning of the 76th term. The major management indicators for the 75th term reflect the retrospective application of this accounting standard.

Operating Results and Financial Analysis

Operating results

During the fiscal year under review, the Japanese economy showed signs of gradual recovery, with improvements in capital investment and exports while the employment and income environment continued to improve, despite weak consumer sentiment. However, uncertainty was seen due to U.S. trade policies, etc.

In the construction industry, government construction investment surpassed the previous fiscal year's level, private residential construction investment saw a slight increase compared to the previous fiscal year, and non-residential construction investment also increased compared to the previous fiscal year. Overall, construction investment is projected to exceed the previous fiscal year's level.

In these circumstances, in the railway field, where the Group excels, transportation volume is gradually recovering, and restraints on and deferrals of capital investment are easing. To fulfill the Group's social mission of "ensuring safe and stable railway transportation," we have continued to carry out works necessary to maintain social infrastructure, including seismic reinforcement measures in preparation for large earthquakes and responses to increasingly severe natural disasters.

The Group begun the five-year Medium-term Management Plan: Action Plan 2029 in the fiscal year under review. As a growth story within the Medium-term Management Plan, we are advancing business expansion that contributes to solving social issues, centered on the three key business fields: (i) JR East and other public and private railways; (ii) railway-related fields such as railway-adjacent projects; and (iii) public and private entities.

In the JR East and other public and private railways, we have focused on safety-related construction, primarily for JR East's project-related works, such as large-scale earthquake countermeasure work, platform improvement work related to the installation of platform doors, and station facility improvement work, which is our key safety measure. Additionally, we have undertaken large-scale works aimed at enhancing convenience, including construction works of over-track station buildings and the commercial facilities and office buildings adjacent to stations. In the case of public and private railways, as maintaining maintenance systems becomes a management issue for each railway company, the Company has contributed to a safe and stable transportation infrastructure by providing construction know-how utilizing technical expertise cultivated through years of railway works and large-scale track maintenance machinery for labor savings.

In the railway-related fields such as railway-adjacent projects, we have addressed the growing demand for service life extension

at railway crossovers with roads and other structures nationwide. Leveraging the Group's special qualifications and technical expertise, we have undertaken highly complex works, including service life extension works for road bridges and under-railway track works.

As for public and private entities, demand is expanding for infrastructure-related works such as roads ordered by public entities, and for life extension works on civil engineering and architectural structures owned by private entities. Leveraging the high-value-added construction capabilities refined through railway works, we have contributed to solving issues across the entire social infrastructure.

In addition, as the basic strategy of the Medium-term Management Plan, we are promoting initiatives centered on five strategies: Safety strategy, Order receiving strategy, Human resource strategy, Productivity increase strategy, and ESG strategy.

In the case of the safety strategy, based on the management philosophy of "Safety first above all else," we have pursued the ultimate safety and peace of mind for our customers, local communities, partner companies, and employees, as well as aimed to secure trust. Accordingly, we have implemented various measures, including safety training utilizing IT.

As for the order receiving strategy, we have actively developed it centered on the aforementioned three key business fields.

For the productivity increase strategy, we have strengthened our construction capabilities by enhancing safety and productivity through working on further improvements to the cover plates used in platform door construction, technical development of scaffolding, etc., in response to the Shinkansen large-scale renovation works planned for the future, and further evolution of non-welding systems in station building renovation works. Furthermore, in response to Japan's declining population and the increasingly challenging environment surrounding the construction industry, we are strategically promoting digitization to secure construction capacities, centered on the DX Promotion Office, and aggressively advancing the digitalization at construction sites. We have achieved labor savings and safety improvements by utilizing IT and ICT technologies, such as introducing the Totetsu DX Office Car (T-DOC) and leveraging 3D scanners and point cloud data.

In the case of the human resource strategy, we are further advancing measures to "enhance human resources capabilities." To secure competent employees and improve work style satisfaction, we have implemented various measures including raising starting salaries, providing continuous and appropriate base salary increases, promoting young employees from an early stage, introducing an internal job posting system for personnel transfers, developing female managers and executive candidates, improving treatment for senior employees, and expanding support systems for childcare-age employees to improve work-life balance. As part of initiatives for health management, we have developed a workplace environment where everyone can work comfortably and implemented events with the themes of "exercise, diet, and quitting smoking" to support lifestyle improvements. We

have continuously been recognized as a Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category). Moving forward, we will continue to actively invest in human capital.

In the ESG strategy, we are committed to promoting sincere management that earns the trust of stakeholders. Our policy is to link SDGs (Sustainable Development Goals) and ESG to our business activities, aiming to fulfill the Group's social mission through the business activities. Through this process, in addressing "Environment (E)," as an initiative to reduce CO₂ emissions in line with the TCFD recommendations, we are advancing ZEB and ZEH businesses toward the target of achieving net-zero CO₂ emissions by FY2050. In addition, in order to raise awareness of environmental issues, many employees are working to pass the Eco Test. In addressing "Society (S)," we have aimed to maintain and enhance a solid construction system by strengthening partnerships with partner companies. To this end, we have continuously implemented human rights due diligence and conducted supply chain management and monitoring. In addressing "Corporate governance (G)," in order to ensure thorough compliance across the entire Group, we implemented training conducted by Outside Directors and enhanced internal control audits.

Additionally, we are progressing with the sale of cross-shareholdings while verifying their holding rationale, taking into full account the strategic importance of management as well as the need to build, maintain, and strengthen good and smooth relationships with business partners.

While advancing initiatives based on the above five strategies, we have promoted a "trinity management" involving the Company, Group companies, and partner companies. As part of our initiatives to support Group companies, we have promoted personnel exchanges and facilitated the joint purchase and use of machinery and materials, strengthening integrated management with the Company. As part of our initiatives to support partner companies, we have worked to maintain and expand our construction systems through measures such as assisting with raising the wage levels of their employees. We have also engaged in management support including recruitment assistance and employee development utilizing the Totetsu Training Institute, thereby enhancing the overall capabilities of the Totetsu Kogyo Group. By advancing these initiatives, we have been committed to achieving the Group's sustainable growth, corporate value enhancement, and common value creation with our stakeholders.

As a result, for the fiscal year under review, orders received amounted to 149,454 million yen (down 4,783 million yen year-on-year), and net sales amounted to 160,047 million yen (up 18,201 million yen year-on-year).

Regarding profit, gross profit was 24,666 million yen (up 4,507 million yen year-on-year), operating profit was 15,526 million yen (up 3,774 million yen year-on-year), ordinary profit was 16,035 million yen (up 3,929 million yen year-on-year), and profit attributable to owners of parent was 11,564 million yen (up 3,267 million yen year-on-year).

Analysis of financial position

At the end of the fiscal year under review, total assets increased by 12,997 million yen year-on-year, amounting to 181,115 million yen. This is mainly due to an increase in notes receivable, accounts receivable from completed construction contracts and other associated with an increase in net sales.

Total liabilities increased by 3,703 million yen year-on-year, amounting to 60,338 million yen. This is mainly due to an increase in notes payable, accounts payable for construction contracts and other.

As a result, total net assets increased by 9,293 million yen year-on-year, amounting to 120,777 million yen. The equity-to-asset ratio increased from 65.7% at the end of the previous fiscal year to 66.0%.

Cash flows

At the end of the fiscal year under review, cash and cash equivalents decreased by 665 million yen year-on-year, amounting to 15,714 million yen. The cash flow status for the fiscal year under review and its contributing factors are as follows.

(Cash flows from operating activities)

Mainly due to a decrease in increase in trade payables, net cash provided by operating activities decreased by 678 million yen year-on-year to 4,160 million yen.

(Cash flows from investing activities)

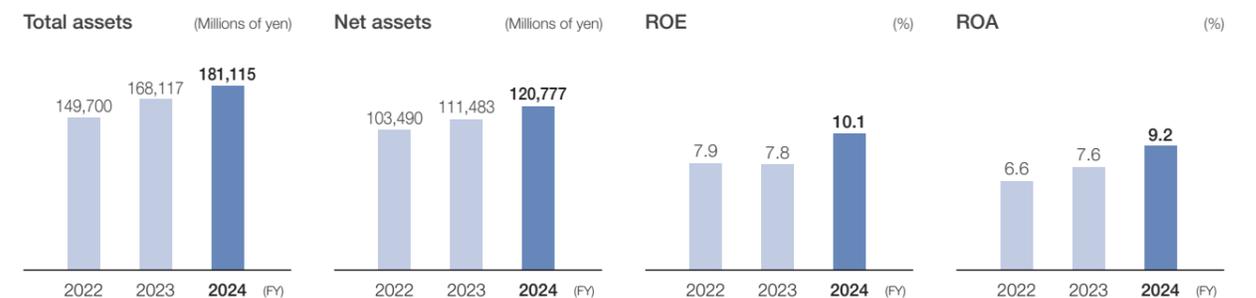
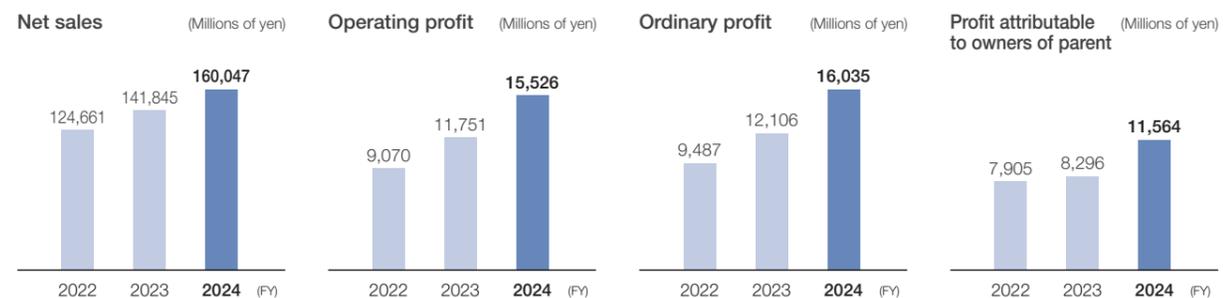
Mainly due to a decrease in purchase of property, plant and equipment, net cash used in investing activities decreased by 2,433 million yen year-on-year to 1,247 million yen.

(Cash flows from financing activities)

Mainly due to an increase in repayments of short-term borrowings, net cash used in financing activities increased by 5,186 million yen year-on-year to 3,579 million yen.

The major sources of the Group's funds include cash flows from operating activities and borrowings from financial institutions. The major uses of funds include material costs, outsourcing costs, and capital investments.

Regarding liquidity, we ensure sufficient working capital to carry out our business activities. Additionally, to prepare for emergency funding needs, we have secured credit lines that are available for use from financial institutions as needed.



Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	16,379,989	15,714,414
Notes receivable, accounts receivable from completed construction contracts and other	104,097,076	116,468,682
Costs on construction contracts in progress	3,758,038	4,088,130
Other	1,832,967	1,693,601
Allowance for doubtful accounts	(10,300)	(9,905)
Total current assets	126,057,772	137,954,924
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,695,283	13,982,892
Machinery, vehicles, tools, furniture and fixtures	23,569,413	24,557,213
Land	5,097,860	5,113,690
Leased assets	1,263,445	1,251,505
Construction in progress	122,914	5,038
Accumulated depreciation	(20,058,327)	(22,415,248)
Total property, plant and equipment	23,690,589	22,495,091
Intangible assets	416,952	651,020
Investments and other assets		
Investment securities	14,323,191	15,046,446
Retirement benefit asset	2,711,347	4,090,433
Other	1,327,813	923,884
Allowance for doubtful accounts	(409,737)	(46,378)
Total investments and other assets	17,952,614	20,014,386
Total non-current assets	42,060,157	43,160,498
Total assets	168,117,929	181,115,422

(Thousands of yen)

	FY2023 (As of March 31, 2024)	FY2024 (As of March 31, 2025)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	29,706,846	30,506,594
Short-term borrowings	10,000,000	10,000,000
Income taxes payable	2,289,744	2,999,820
Advances received on construction contracts in progress	872,516	881,616
Provision for warranties for completed construction	269,925	282,018
Provision for loss on construction contracts	166,939	85,319
Provision for bonuses	2,023,669	2,329,523
Other	7,290,881	8,398,700
Total current liabilities	52,620,523	55,483,592
Non-current liabilities		
Long-term accounts payable - other	741	8,795
Lease liabilities	658,908	536,988
Long-term leasehold and guarantee deposits received	327,777	331,843
Deferred tax liabilities	1,011,650	1,717,872
Provision for repairs	986,977	1,163,625
Retirement benefit liability	803,938	845,745
Provision for share awards for directors (and other officers)	71,789	93,987
Provision for retirement benefits for directors (and other officers)	14,900	17,070
Asset retirement obligations	137,231	138,547
Total non-current liabilities	4,013,913	4,854,477
Total liabilities	56,634,437	60,338,069
Net assets		
Shareholders' equity		
Share capital	2,810,000	2,810,000
Capital surplus	3,166,700	3,166,700
Retained earnings	102,929,517	111,041,273
Treasury shares	(3,894,896)	(3,879,539)
Total shareholders' equity	105,011,321	113,138,434
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,086,940	4,465,969
Remeasurements of defined benefit plans	1,331,366	2,010,687
Total accumulated other comprehensive income	5,418,306	6,476,657
Non-controlling interests	1,053,864	1,162,261
Total net assets	111,483,492	120,777,353
Total liabilities and net assets	168,117,929	181,115,422

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales		
Net sales of completed construction contracts	133,460,245	150,505,285
Net sales for incidental businesses	8,385,641	9,542,317
Total net sales	141,845,886	160,047,602
Cost of sales		
Cost of sales of completed construction contracts	115,566,269	128,287,153
Cost of sales on incidental businesses	6,120,663	7,093,531
Total cost of sales	121,686,933	135,380,684
Gross profit		
Gross profit on completed construction contracts	17,893,975	22,218,131
Gross profit on incidental businesses	2,264,977	2,448,786
Total gross profit	20,158,953	24,666,917
Selling, general and administrative expenses	8,407,780	9,140,905
Operating profit	11,751,172	15,526,012
Non-operating income		
Interest income	172	1,723
Dividend income	240,004	333,820
Share of profit of entities accounted for using equity method	52,788	118,454
Other	87,570	88,065
Total non-operating income	380,536	542,063
Non-operating expenses		
Interest expenses	19,100	31,480
Other	6,550	1,234
Total non-operating expenses	25,651	32,714
Ordinary profit	12,106,057	16,035,361
Extraordinary income		
Gain on sale of non-current assets	13,819	769
Gain on sale of investment securities	185,777	644,375
Other	48	—
Total extraordinary income	199,645	645,145
Extraordinary losses		
Loss on sale of shares of subsidiaries and associates	2,332	—
Loss on sale of non-current assets	3	0
Loss on retirement of non-current assets	20,881	76,665
Other	950	—
Total extraordinary losses	24,167	76,665
Profit before income taxes	12,281,535	16,603,841
Income taxes - current	3,928,256	4,792,243
Income taxes - deferred	(89,496)	130,977
Total income taxes	3,838,759	4,923,221
Profit	8,442,776	11,680,620
Profit attributable to non-controlling interests	146,260	116,172
Profit attributable to owners of parent	8,296,515	11,564,447

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	8,442,776	11,680,620
Other comprehensive income		
Valuation difference on available-for-sale securities	1,544,286	373,093
Remeasurements of defined benefit plans, net of tax	1,276,433	679,321
Total other comprehensive income	2,820,720	1,052,415
Comprehensive income	11,263,496	12,733,035
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,099,093	12,622,798
Comprehensive income attributable to non-controlling interests	164,402	110,236

Consolidated Financial Statements

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,810,000	2,977,863	97,878,547	(3,897,519)	99,768,890	2,560,795	54,933	2,615,728	1,105,448	103,490,067
Changes during period										
Dividends of surplus	—	—	(3,245,544)	—	(3,245,544)	—	—	—	—	(3,245,544)
Profit attributable to owners of parent	—	—	8,296,515	—	8,296,515	—	—	—	—	8,296,515
Purchase of treasury shares	—	—	—	(197)	(197)	—	—	—	—	(197)
Disposal of treasury shares	—	—	—	2,820	2,820	—	—	—	—	2,820
Change in ownership interest of parent due to transactions with non-controlling interests	—	188,837	—	—	188,837	—	—	—	—	188,837
Net changes in items other than shareholders' equity	—	—	—	—	—	1,526,145	1,276,433	2,802,578	(51,583)	2,750,994
Total changes during period	—	188,837	5,050,970	2,622	5,242,430	1,526,145	1,276,433	2,802,578	(51,583)	7,993,425
Balance at end of period	2,810,000	3,166,700	102,929,517	(3,894,896)	105,011,321	4,086,940	1,331,366	5,418,306	1,053,864	111,483,492

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,810,000	3,166,700	102,929,517	(3,894,896)	105,011,321	4,086,940	1,331,366	5,418,306	1,053,864	111,483,492
Changes during period										
Dividends of surplus	—	—	(3,452,691)	—	(3,452,691)	—	—	—	—	(3,452,691)
Profit attributable to owners of parent	—	—	11,564,447	—	11,564,447	—	—	—	—	11,564,447
Purchase of treasury shares	—	—	—	(623)	(623)	—	—	—	—	(623)
Disposal of treasury shares	—	—	—	15,980	15,980	—	—	—	—	15,980
Change in ownership interest of parent due to transactions with non-controlling interests	—	—	—	—	—	—	—	—	—	—
Net changes in items other than shareholders' equity	—	—	—	—	—	379,029	679,321	1,058,350	108,396	1,166,747
Total changes during period	—	—	8,111,756	15,356	8,127,113	379,029	679,321	1,058,350	108,396	9,293,860
Balance at end of period	2,810,000	3,166,700	111,041,273	(3,879,539)	113,138,434	4,465,969	2,010,687	6,476,657	1,162,261	120,777,353

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	12,281,535	16,603,841
Depreciation	2,670,823	2,761,373
Increase (decrease) in allowance for doubtful accounts	1,608	(363,753)
Loss (gain) on sale of shares of subsidiaries and associates	2,332	—
Increase (decrease) in long-term accounts payable - other	(3,058)	8,054
Increase (decrease) in provision for loss on construction contracts	53,380	(81,620)
Increase (decrease) in provision for warranties for completed construction	94,432	12,093
Increase (decrease) in provision for bonuses	52,046	305,853
Increase (decrease) in retirement benefit liability	10,619	41,807
Increase (decrease) in provision for share awards for directors (and other officers)	41,031	22,198
Increase (decrease) in provision for retirement benefits for directors (and other officers)	571	2,170
Increase (decrease) in provision for repairs	236,746	176,648
Interest and dividend income	(240,177)	(335,544)
Interest expenses	19,100	31,480
Share of loss (profit) of entities accounted for using equity method	(52,788)	(118,454)
Loss (gain) on sale and retirement of property, plant and equipment	7,065	75,895
Loss (gain) on sale of investment securities	(185,777)	(644,375)
Decrease (increase) in trade receivables	(10,675,058)	(12,371,606)
Decrease (increase) in costs on construction contracts in progress	(275,423)	(330,092)
Increase (decrease) in trade payables	2,878,075	801,456
Increase (decrease) in advances received on construction contracts in progress	35,546	9,099
Increase (decrease) in accrued consumption taxes	1,302,513	738,184
Other, net	703,503	585,284
Subtotal	8,958,648	7,929,996
Interest and dividends received	240,953	335,544
Interest paid	(19,100)	(31,480)
Income taxes paid	(4,340,666)	(4,073,179)
Net cash provided by (used in) operating activities	4,839,833	4,160,881
Cash flows from investing activities		
Proceeds from sale of shares of subsidiaries and associates	169,779	—
Purchase of property, plant and equipment	(3,866,613)	(1,678,833)
Proceeds from sale of property, plant and equipment	34,044	3,833
Purchase of investment securities	(2,025)	(828)
Proceeds from sale of investment securities	201,687	661,950
Purchase of intangible assets	(51,632)	(181,460)
Other, net	(165,763)	(51,804)
Net cash provided by (used in) investing activities	(3,680,524)	(1,247,143)
Cash flows from financing activities		
Proceeds from short-term borrowings	34,000,000	41,000,000
Repayments of short-term borrowings	(29,000,000)	(41,000,000)
Repayments of lease liabilities	(124,194)	(125,055)
Purchase of treasury shares	(197)	(623)
Dividends paid	(3,241,439)	(3,451,795)
Dividends paid to non-controlling interests	(1,823)	(1,840)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(25,326)	—
Net cash provided by (used in) financing activities	1,607,019	(3,579,313)
Net increase (decrease) in cash and cash equivalents	2,766,328	(665,575)
Cash and cash equivalents at beginning of period	13,613,661	16,379,989
Cash and cash equivalents at end of period	16,379,989	15,714,414

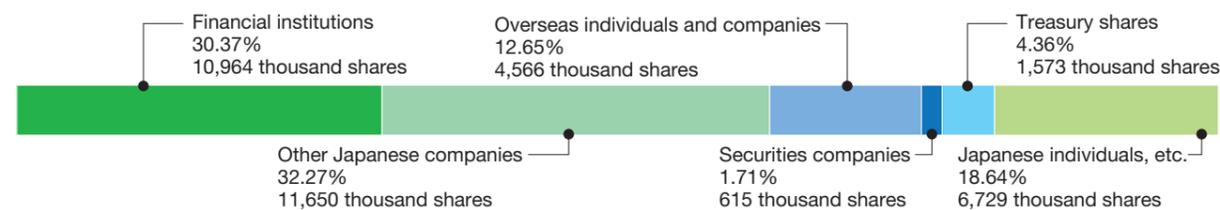
Corporate Overview/Stock Information (as of March 31, 2025)

Corporate Overview

Trade name	TOTETSU KOGYO CO., LTD.
Date of incorporation	July 7, 1943
Capital	2.81 billion yen
Number of employees	1,663 (non-consolidated)
Head Office location	4th Floor, JR Shinanomachi Building, 34 Shinanomachi, Shinjuku-ku, Tokyo 160-8589 Tel: +81-3-5369-7698
Authorizations and licenses	< Construction operator license > Authorization by Minister of Land, Infrastructure, Transport and Tourism (Special/General-1) No. 3502 < First-class architect offices > Head Office, and Tokyo (Architectural Business), Hachioji, Yokohama, Chiba, Mito, Saitama, and Takasaki Branches < Building lots and buildings trading license > Governor of Tokyo (15) No. 19956
Acquired certification standards	ISO 9001 certification: registration No. MSA-QS-49 ISO 14001 certification: registration No. MSA-ES-688 < Scope of certification > Business related to design and construction of civil engineering structures, buildings, and railway tracks, as well as environmental conservation Purchase, sale, and leasing of real estate Inspection and repair of track construction machinery (certification for QMS only) Rail welding and non-destructive testing of welded joints and base materials, etc. (certification for QMS only)

*For details on the scope of certification and related organizations included in the scope of certification, visit the "Search for certified organizations" section on the JAB website.
<https://www.jab.or.jp/iso/>

Distribution by Ownership



Trends in Stock Price



Stock Information

Total number of authorized shares	138,900,000 shares
Total number of shares issued	36,100,000 shares
Number of shareholders	14,879

Major Shareholders (top 10)

Name of shareholder	Investment in the Company	
	Number of shares held (in thousands)	Shareholding ratio (%)
East Japan Railway Company	6,699	19.40
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,989	11.55
Custody Bank of Japan, Ltd. (Trust Account)	3,616	10.48
NIPPON DENSETSU KOGYO CO., LTD.	1,088	3.15
TOTETSU KOGYO Employee Shareholding Association	843	2.44
Meiji Yasuda Life Insurance Company	731	2.12
Daiichi Kensetsu Corporation	547	1.59
Nippon Life Insurance Company	537	1.56
Mizuho Trust & Banking Co., Ltd.	525	1.52
GECOSS CORPORATION	498	1.44

Notes: 1. The Company holds 1,573,189 shares of treasury shares, but is excluded from the major shareholders listed above. The shareholding ratio is calculated after deducting treasury shares.
2. The Company has introduced a performance-linked and share-based remuneration system (Board Benefit Trust), and Custody Bank of Japan, Ltd. (Trust Account E) ("Trust Account E") holds 93,800 shares of the Company's stock. The shares of the Company held by Trust Account E are not included in treasury shares.

Head Office, Branches, and Offices (as of March 31, 2025)

Head Office	4th Floor, JR Shinanomachi Building, 34 Shinanomachi, Shinjuku-ku, Tokyo 160-8589	Tel: +81-3-5369-7698
Tokyo Branch (Civil Engineering Business)	3rd Floor, Toko Komagome Building, 1-8-11 Komagome, Toshima-ku, Tokyo 170-0003	Tel: +81-3-5978-2813
Tokyo Branch (Railway Track Maintenance Business)	4th Floor, Toko Komagome Building, 1-8-11 Komagome, Toshima-ku, Tokyo 170-0003	Tel: +81-3-5978-2811
Tokyo Branch (Architectural Business)	5th Floor, Toko Komagome Building, 1-8-11 Komagome, Toshima-ku, Tokyo 170-0003	Tel: +81-3-5940-4441
Hachioji Branch	3rd Floor, Nippon Life Hachioji Building, 12-4 Asahi-cho, Hachioji-shi, Tokyo 192-0083	Tel: +81-42-656-8811
Yokohama Branch	2nd Floor, JR East Yokohama Branch Office Bldg., 1-40-26 Hiranuma, Nishi-ku, Yokohama-shi, Kanagawa 220-0023	Tel: +81-45-290-8711
Chiba Branch	2-23-1 Bentei, Chuo-ku, Chiba-shi, Chiba 260-0045	Tel: +81-43-251-8221
Mito Branch	2-7-7 Miya-machi, Mito-shi, Ibaraki 310-0015	Tel: +81-29-231-6231
Saitama Branch	6th Floor, OS Building, 4-247 Sakuragi-cho, Omiya-ku, Saitama-shi, Saitama 330-0854	Tel: +81-48-631-3500
Tohoku Branch	4th Floor, Sendai KY Building, 3-10-19 Chuo, Aoba-ku, Sendai-shi, Miyagi 980-0021	Tel: +81-22-222-8641
Takasaki Branch	172-9 Azuma-cho, Takasaki-shi, Gunma 370-0045	Tel: +81-27-323-4630
Niigata Branch	4th Floor, Carp Niigata Building, 2-5-1 Higashiodori, Chuo-ku, Niigata-shi, Niigata 950-0087	Tel: +81-25-244-0647
Totetsu Training Institute	2-1 Shihogaoka, Tsukubamirai-shi, Ibaraki 300-2359	Tel: +81-297-38-8091
Equipment Center	490 Takamushi, Hasuda-shi, Saitama 349-0137	Tel: +81-48-766-9029
Nagano Office	3rd Floor, Nagano Branch, JR East Cross Station Co.,Ltd., 1-9-8 Nakagosho, Nagano-shi, Nagano 380-0935	Tel: +81-26-262-1797
Fukushima Office	2nd Floor, Takatoku Building No. 8, 6-3 Wase-cho, Fukushima-shi, Fukushima 960-8044	Tel: +81-24-572-7642
Morioka Office	3rd Floor, Ryowa Building, 3-3-2 Chuodori, Morioka-shi, Iwate 020-0021	Tel: +81-19-613-3496
Senboku Office	177-23 Aza Kamikawado, Yamoto, Higashimatsushima-shi, Miyagi 981-0503	Tel: +81-225-98-8903

Group Companies (Consolidated Subsidiaries) (as of March 31, 2025)

Totetsu Kiko Co., Ltd.	6th Floor, Toko Komagome Building, 1-8-11 Komagome, Toshima-ku, Tokyo 170-0003	Tel: +81-3-5940-4431
Kowa Kasei Co., Ltd.	2nd Floor, Kinsmen Building No. 3, 4-21-6 Higashi-ikebukuro, Toshima-ku, Tokyo 170-0013	Tel: +81-3-6384-7150
Totetsu Maintenance Koji Co., Ltd.	5-6-11 Higashishinagawa, Shinagawa-ku, Tokyo 140-0002	Tel: +81-3-5460-1718
Totetsu Soken Co., Ltd.	3-4 Kandakaji-cho, Chiyoda-ku, Tokyo 101-0045	Tel: +81-3-5295-0211
Zenyo Co., Ltd.	2-11-6 Higashioizumi, Nerima-ku, Tokyo 178-0063	Tel: +81-3-3922-1991



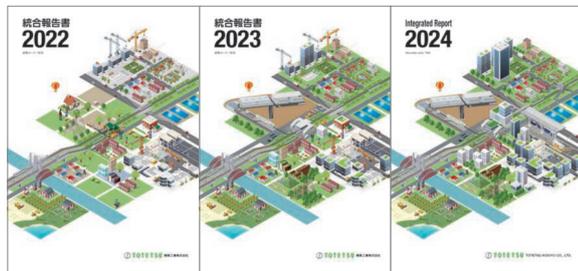
Totetsu Kogyo is an official sponsor of Tokyo Yakult Swallows.



▲ Jingu Baseball Stadium (outfield fence on the left side)



Cover design history (2022–2024)



Cover concept (2025–2028)

The design expresses the flow of communities becoming more connected around the railway.



TOTETSU KOGYO CO., LTD.

4th Floor, JR Shinanomachi Building, 34 Shinanomachi, Shinjuku-ku, Tokyo

TEL: +81-3-5369-7698 (main number)

<https://www.totetsu.co.jp/english/>