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TODA CORPORATION

President and Representative Director: Seisuke Otani

Inquiries: IR Department, Planning & IR Division

Securities Code: 1860

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

The Company's corporate governance is as follows.

I Basic Approach to Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Approach

The Company believes that the essence of corporate governance is to ensure transparency and fairness in management, to make effective use of management resources, and to enhance management vitality through prompt and decisive decision-making, and is working to enhance corporate governance. In addition, the Company has systematized and established its corporate philosophy, which has been cultivated throughout its history, in the form of the "Management Policy," "Charter of Corporate Behavior," and "Code of Conduct," and will seek to ensure that these are widely disseminated and observed throughout all levels of its business activities.

【Reasons for non-compliance with the principles of the Corporate Governance Code】

The Company complies with all principles of the Corporate Governance Code, including those for the Prime Market, as revised in June 2021.

【Disclosure based on the principles of the Corporate Governance Code】

The Company has established the "TODA CORPORATION Corporate Governance Basic Policy (revised on July 31, 2025)" by resolution of the Board of Directors as a statement of its basic approach, framework, and management policy regarding corporate governance, and has disclosed it on the Company's website. Please refer to the following:

"TODA CORPORATION Corporate Governance Basic Policy"

<https://www.toda.co.jp/sustainability/governance/governance.html> (Japanese)

【Principle 1-4】 Cross-shareholdings

The Company holds cross-shareholdings only when they contribute to strengthening important business alliances and transaction relationships in promoting its business strategy and to enhancing corporate value over the medium to long term.

(Policy regarding the reduction of cross-shareholdings)

The Company's basic policy is to reduce the balance of cross-shareholdings from the perspective of controlling holding risks and improving capital efficiency. The Company examines the significance of holding and the economic rationale of each holding, and, with respect to cross-shareholdings for which the significance of continued holding is not necessarily recognized, the Company's policy is to actively sell such shares after sufficient dialogue with the issuing company. The proceeds from such sales will be used to enhance corporate value, including as part of the funds invested in growth strategies such as strengthening the business foundation of the construction business, M&A, offshore wind power generation projects, and investment in human capital. Such sales will be carried out at the most appropriate time, taking into consideration the Company's overall financial condition and market trends.

In addition, if a company holding the Company's shares as cross-shareholdings indicates its intention to sell such shares, the Company will not hinder such sale.

(Method of verifying the economic rationale for holding shares)

Once a year, the Board of Directors verifies, on an individual basis, the significance of holding and the economic rationale of all investment shares held for strategic investment purposes from a medium- to long-term perspective, including profitability and the strengthening of business relationships. The verification of economic rationale is based on the average return on equity (ROE) of companies listed on the Prime Market of the Tokyo Stock Exchange as of the most recent period, and is conducted using the sum of the following three ratios as an indicator.

- Operating profit ratio on construction orders received: The ratio obtained by dividing the average operating profit earned from construction orders received from the relevant counterparty during the past five fiscal years by the value of the relevant counterparty's shares.
- Dividend ratio: The ratio obtained by dividing the average dividends received during the past five fiscal years by the value of the relevant counterparty's shares.
- Share price fluctuation ratio: The ratio obtained by dividing the difference between the price calculated by a statistical method (VaR: Value at Risk) as the lower limit of fluctuations in the market value of the relevant counterparty's shares and the value of the relevant counterparty's shares by the product of the value of the relevant counterparty's shares and the number of years the shares have been held.

(Details of the Board of Directors' verification of the appropriateness of holding individual shares as of December 31, 2025)

At the meeting of the Board of Directors held on March 30, 2026, verification was conducted using the method described above based on actual results as of December 31, 2025. As a result of this verification, with respect to individual shares whose economic rationale or significance of holding has declined, including those falling below the standard value, the Company has commenced negotiations with the relevant business partners for sale from April 2026 onward.

In addition, under the "Medium-Term Management Plan 2027" announced in May 2025, from the perspective of securing financial resources for growth investments while maintaining capital efficiency and financial soundness, the Company's policy is to sell cross-shareholdings of at least ¥50 billion (market value basis) over the three-year period from FY2025 to FY2027.

Please refer to the Annual Securities Report for details of the shares held by the Company.

https://www.toda.co.jp/ir/securities/assets/pdf/103_securities-report.pdf#page=77

(Japanese)

In exercising voting rights pertaining to cross-shareholdings, the Company closely examines the status of the other company, including its business performance, governance structure such as the number of Outside Directors, and whether it has an appropriate dividend policy, and exercises such voting rights appropriately based on a comprehensive determination of whether the relevant proposal will contribute to the enhancement of corporate value over the medium to long term.

【Principle 1-7】 Transactions with related parties

If the Company conducts a transaction with a Director, major shareholder, or other related party, the Company shall submit the matter to the Board of Directors and obtain its approval in advance in order to ensure that the transaction does not harm the interests of the Company or the common interests of its shareholders. Please refer to Article 20 (Transactions with Related Parties) of the "TODA CORPORATION Corporate Governance Basic Policy."

【Principle 2-4-1】 Ensuring diversity in the appointment of core human resources, etc.

The Group promotes Diversity, Equity & Inclusion as one of its management strategies for achieving sustainable growth on a global basis and enhancing corporate value over the medium to long term. By respecting the diverse perspectives and values of its employees and combining different viewpoints and experiences, the Group seeks to generate innovation and create new value as "a corporate group that brings joy."

(1) Basic approach to ensuring diversity

The Company aims to realize comfort and prosperity for a broad range of stakeholders, including employees of Group companies and partner companies. To this end, the Company strives to ensure a comfortable workplace environment with due consideration for health and safety, while respecting diversity, character, and individuality and enabling employees to maximize their qualities and abilities. As society and people's values change and the roles expected of companies continue to expand, the Company will turn diversity into strength and move forward

toward realizing “a co-creative society as a gatekeeper of value” by building a flexible and resilient organization.

(2) Voluntary and measurable targets for ensuring diversity and the status of progress

(i) Women

As of June 30, 2026, the Company has two female officers (one Outside Director and one Outside Audit & Supervisory Board Member). The Company will continue to promote the development and appointment of human resources through selective training programs and other initiatives aimed at developing future management personnel. With regard to female managers, the Company aims to increase their number by 30%, from 88 as of March 31, 2025 to 114 by March 31, 2030. As of March 31, 2026, the number stood at 97, showing steady progress.

(ii) Foreign nationals

The Group conducts an 18-month training program in Japan for local staff from various countries in order to develop executive personnel who will lead the future of its overseas operations. To date, six cohorts have completed the program, with a cumulative total of 32 participants. The Group aims to develop an additional 34 personnel by March 31, 2030. In addition to acquiring Japanese language skills, trainees learn the Company’s strength in construction technology through on-site experience. They also develop multifaceted perspectives through a systematic understanding of the vision of the Group as a whole.

(iii) Mid-career hires

As of April 1, 2026, the Company had 786 mid-career hires, of whom 346 were in management positions, and they are already playing significant roles as core human resources. The Company will continue to recruit mid-career personnel as immediately contributing human resources in order to incorporate diverse knowledge and expertise into the organization, and will appoint them to management positions according to their abilities and experience.

(3) Human resources development policy, internal environment development policy, and the status thereof for ensuring diversity

In an era of uncertainty and rapid change, it is employees who realize the sustainable growth of a company. By linking areas such as human resources development, diversity, and globalization, the Group will develop a large number of highly valuable human resources and contribute to the enhancement of corporate value.

For details of the development policy and internal environment development, please refer to the Company’s website.

<https://www.toda.co.jp/sustainability/social/diversity.html>

(Japanese)

【Principle 2-6】 Fulfilling the function as an asset owner of the corporate pension plan

The Company regularly holds meetings of the Asset Management Committee, whose members include the heads of the Corporate Planning & IR Division and the Human Resources Division, to examine asset allocation ratios and monitor investment performance. In addition, the Human Resources Division, which serves as the secretariat of the Committee, has assigned staff with specialized knowledge and experience, and works to improve their expertise by dispatching them to various external seminars.

【Principle 3-1】 Enhancement of information disclosure

(1) Management philosophy, management strategy, and management plans

The Company established its Management Policy in 1967, and by conducting corporate activities in accordance with this policy, has been striving to build relationships of trust with shareholders, customers, and other stakeholders. On the other hand, since the establishment of the Management Policy, social conditions and social demands, as well as the business structure of the Group, have changed significantly. From a medium- to long-term perspective, the Group is in a position where it must respond swiftly to management issues such as shrinking construction investment and changes in the social structure due to the declining birthrate and aging population, and achieve sustainable growth.

Given this background, the Company believes it is important to reaffirm the values and spirit cultivated throughout its long history, while clearly defining its guiding principles for the future. Accordingly, in 2015, the Company established the “TODA Global Vision” (“a corporate group that brings joy”) to represent the ideal form of the Group.

In July 2021, the Company announced the “Future Vision CX150” (hereinafter, “CX150”) toward its 150th anniversary in 2031, and positioned “realizing a co-creative society as a gatekeeper of value” as the Group’s vision (the image of society it seeks to realize) and value (the values it seeks to uphold). As the first phase toward its realization, “Access to the Sources of Value,” the Company formulated the “Medium-Term Management Plan 2024 - Rolling Plan”

in May 2022, and has been working to strengthen its business portfolio and create sustainable value.

Furthermore, in May 2025, the Company formulated the “Medium-Term Management Plan 2027” as the second phase of CX150, “Value Reconstruction.” Amid an uncertain business environment, the Company will identify and further develop its solid strengths based on the issues that have become apparent and the results achieved to date.

Going forward, the Group will continue to create its own “Distinctive Value,” achieve sustainable growth that meets the expectations of stakeholders, and enhance corporate value over the medium to long term.

“Corporate Philosophy and Global Vision”

<https://www.toda.co.jp/company/philosophy.html>

(Japanese)

“Medium-Term Management Plan 2027”

https://www.toda.co.jp/english/investor_relations/pdf/Medium-Term%20Management%20Plan%202027.pdf

(2) Basic approach and basic policy on corporate governance

This is described in I-1 of this report.

(3) Policy and procedures for determining compensation for senior management and Directors

The Company has established a policy regarding the determination of the amount of remuneration, etc. for Directors and Executive Officers and the method of calculation thereof.

(i) Basic policy on compensation for Directors

Based on the TODA Group Global Vision of being “a corporate group that brings joy,” the Company has established a compensation system designed to contribute to sustainable growth over the medium to long term while engaging with various stakeholders. In order to maximize the value of the Company as a whole, the compensation system is designed from the perspective of overall optimization to enhance motivation to drive appropriate growth in each business, while ensuring a transparent decision-making process and a rational compensation design.

(ii) Compensation levels and composition ratio

The Company sets the amount of compensation, etc. at an appropriate level compared with listed companies of similar size in Japan, and refers to objective compensation data provided by external professional organizations.

Compensation for Directors who concurrently serve as Executive Officers consists of base compensation, performance-linked compensation (annual bonus), and stock compensation, with a standard ratio of base compensation : performance-linked compensation : stock compensation = 1 : 0.40–0.50 : 0.40–0.50, depending on position. The stock compensation ratio shall consist of two-thirds performance-linked compensation and one-third non-performance-linked compensation.

Compensation for Directors who do not concurrently serve as Executive Officers consists of base compensation and stock compensation (non-performance-linked portion only), with a standard ratio of base compensation : stock compensation of approximately 1 : 0.55 for Internal Directors and approximately 1 : 0.1 for Outside Directors.

(iii) Base compensation

Base compensation is determined according to position and paid monthly.

(iv) Performance-linked compensation (annual bonus)

Performance-linked compensation is paid with the aim of raising awareness of the need to improve performance in each fiscal year. The performance evaluation period is one year, and payment is made at a certain time each year. The Representative Director, President is evaluated solely on the basis of company-wide performance, while Executive Officers other than the Representative Director, President are evaluated on the basis of company-wide performance (70% weighting) and individual performance (30% weighting).

The company-wide performance evaluation indicators are those emphasized in the business plan for the relevant fiscal year, and target values are set at the beginning of the fiscal year. The individual performance evaluation consists of an evaluation of performance in the areas for which the individual is responsible, focusing mainly on financial targets, and a qualitative evaluation focusing mainly on important initiatives for sustainable growth, with targets set at the beginning of the fiscal year. Consolidated net sales, consolidated operating income, and consolidated net income are used as company-wide performance evaluation indicators, as the

Company places particular emphasis on these metrics in realizing the sustainable growth of the Group.

(v) Stock compensation

Two types of stock compensation are provided: a performance-linked portion, which aims to raise awareness of improving performance over the medium term, and a non-performance-linked portion, which aims to raise awareness of enhancing corporate value over the long term.

For the performance-linked portion, points are awarded at a certain time each year, and shares are delivered three years after the points are awarded, depending on the degree of achievement of performance over the three-year period from the time the points are awarded. (However, a portion of the shares granted will be paid in cash to fund tax payments.) Performance evaluation is based on company-wide performance evaluation and ESG evaluation.

The company-wide performance evaluation indicators are consolidated net sales, consolidated operating income, and ROE, which are key indicators emphasized in the medium-term business plan, and target values are set at the time of point allocation (i.e., the beginning of each performance evaluation period). For ESG evaluation, CO2 emissions, which is an indicator emphasized in the practice of ESG management aimed at enhancing corporate value, is used, and a target value is set at the time of point allocation (i.e., the beginning of each performance evaluation period).

For the non-performance-linked portion, points are awarded at a certain time each year, and shares are delivered upon retirement. (However, a portion of the shares granted will be paid in cash to fund tax payments.)

(vi) Compensation determination process

Compensation for Directors is determined by the Board of Directors within the remuneration limit approved at the General Meeting of Shareholders, following deliberations by the Personnel and Compensation Committee, which is chaired by an Independent Outside Director and composed of a majority of Independent Outside Directors. Such deliberations include performance evaluations for performance-linked compensation and the performance-linked portion of stock compensation.

If exceptional measures are required in performance evaluations, etc., necessary measures may be taken based on deliberations by the Personnel and Compensation Committee and a resolution of the Board of Directors. In the event of illegal acts or violations of laws and regulations, compensation may be reduced or the return of compensation may be required based on deliberations by the Personnel and Compensation Committee and a resolution of the Board of Directors.

Please refer to Article 10 (Remuneration for Directors, etc.) and Article 11 (Personnel and Compensation Committee) of the “TODA CORPORATION Corporate Governance Basic Policy.”

(4) Policy and procedures for the appointment and dismissal of senior management and the nomination of candidates for Directors and Audit & Supervisory Board Members

The nomination of candidates for Directors is determined by the Board of Directors after review by the Personnel and Compensation Committee. Candidates for Audit & Supervisory Board Members are determined by the Board of Directors after review by the Personnel and Compensation Committee and with the consent of the Audit & Supervisory Board. Please refer to Article 6 (Qualifications and Nomination Procedures for Directors) and Article 8 (Qualifications and Nomination Procedures for Audit & Supervisory Board Members) of the “TODA CORPORATION Corporate Governance Basic Policy.”

(5) Explanation of the individual appointments of senior management and the nomination of candidates for Directors and Audit & Supervisory Board Members

Please refer to the “NOTICE OF CONVOCAION FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS” for the brief biographical data of each candidate for Director and Audit & Supervisory Board Member and the reasons for their appointments.

https://www.toda.co.jp/english/investor_relations/pdf/toda103_notice-of-convocation_en.pdf#page=5

【Supplementary Principle 3-1-3】 Initiatives on sustainability

At the Board of Directors Meeting held on December 24, 2021, the following was decided as the Group's Basic Sustainability Policy.

(1) Basic approach

The TODA Group's Management Policy is to “contribute to the development of society,” “achieve sustainable business growth,” and “enhance stakeholder value.” The Group has always managed its business in line with the

concept of sustainability, with stakeholders constantly in mind, by considering the impact of its business activities on customers, employees, partner companies, local communities, shareholders/investors, and the global environment, and by striving to build relationships of trust through dialogue. In addition, through its support for the TCFD and participation in the TNFD Forum, the Group analyzes and discloses information on climate change and nature-related issues in accordance with their recommendations.

The TODA Group conducts its business under its Global Vision formulated in 2015 in order to continue to be a corporate group that “brings joy” to all stakeholders.

Toward the realization of a sustainable society, the Group has re-identified its Materiality (Key Issues) and established its management vision for 2050 as “Sustainability Vision 2050.”

*TCFD: Task Force on Climate-related Financial Disclosures established by the Financial Stability Board (FSB)

*TNFD: Taskforce on Nature-related Financial Disclosures, an international organization established to build a framework for corporate risk management and disclosure related to natural capital and related matters

(2) Sustainability Vision 2050

The Group has defined Sustainability Vision 2050 as “a corporate group that creates a better future.” Looking ahead to 2050 and beyond, the TODA Group will aim to create a better future society together with its stakeholders while conducting business activities with the five Materiality of “Community,” “Social Infrastructure,” “Decarbonization,” “Value,” and “People” in mind.

(3) Sustainability promotion policy

(i) Establishment and operation of the sustainability promotion framework

The “Sustainability Committee” has been established as an advisory body to the Board of Directors to oversee and provide guidance on the promotion of sustainability. On the executive side, the “Sustainability Strategy Committee” has been established to deepen discussions on themes to be addressed from the four perspectives of “ESG+B” (E: Environment, S: Social, G: Governance, and B: Benefit (economic value)) and to reflect them in business strategies under the appropriate allocation of management resources.

Efforts to resolve the issues identified by the Sustainability Strategy Committee are prioritized and implemented by executive divisions, such as Headquarters and business divisions.

(ii) Information disclosure to society

The Company appropriately discloses to stakeholders its efforts to resolve sustainability-related issues, as well as the risks and revenue opportunities associated with such issues.

(4) Re-identification of the TODA Group’s Materiality (Key Issues)

Since identifying its materiality in 2022, the Group has re-identified its materiality in order to fulfill its social responsibility more clearly in response to growing social demands, including environmental and human rights issues and changes in laws and regulations. Looking ahead to 2050, the Group re-evaluated social and business challenges based on the two axes of “impact on business” and “impact on stakeholders,” and re-identified the following five items as the “TODA Group’s Materiality.” The Group has also formulated themes for initiatives relating to each item.

(i) Community development supporting affluent lifestyles

(ii) Contribution to solving environmental issues

(iii) Technological innovation and creation of outstanding value

(iv) Realization of an inclusive society where diverse individuality can thrive

(v) Strengthening the foundation for sustainable growth

For further details, please refer to “Sustainability of the TODA Group.”

<https://www.toda.co.jp/sustainability/>

(Japanese)

(5) Investment in human capital, intellectual property, etc.

Please refer to the Company’s Integrated Report 2025, pp. 35–40 (Human Resources Strategy) and pp. 43–44 (Innovation and Research & Development). The Company will continue to disclose information on investments in human capital and intellectual property in line with its strategies, including in disclosures on management strategies such as the Medium-Term Management Plan.

https://www.toda.co.jp/english/sustainability/pdf/TODA_Integrated_Report_2025.pdf#page=35

【Supplementary Principle 4-1-1】 Scope of matters delegated to the management

The Company stipulates matters to be resolved by the Board of Directors in the Board of Directors Regulations. In addition, the Company has adopted an Executive Officer System in order to speed up and improve the efficiency of decision-making related to the execution of business operations. The Board of Directors delegates the execution of business operations to Executive Officers and supervises the status of their execution of duties. Please refer to Article 4 (Roles of the Board of Directors) of the “TODA CORPORATION Corporate Governance Basic Policy.”

【Principle 4-9】 Independence standards and qualifications for independent Outside Directors

In order to ensure the objectivity and transparency necessary for the proper governance of the Company, the Company has established the “Independence Standards for Outside Directors.” The Company has also established the qualifications necessary for Directors to perform their duties. Please refer to Article 6 (Qualifications and Nomination Procedures for Directors) of the “TODA CORPORATION Corporate Governance Basic Policy” and the “Independence Standards for Outside Directors.”

【Supplementary Principle 4-11-1】 Views on the balance of knowledge, experience and abilities of the Board of Directors as a whole, and on diversity and size

➤ Role of the Board of Directors:

The Board of Directors, entrusted by shareholders, is responsible for making decisions on basic management strategies, business plans, and important business execution, while exercising a supervisory function over management as a whole to ensure transparency and fairness in management. It also appoints Executive Officers, delegates to them decisions on business execution other than important business matters, and supervises the status of the execution of their duties.

➤ Basic approach to Board composition:

The Board of Directors shall be composed of Directors with a well-balanced mix of knowledge, experience, and abilities (hereinafter referred to as “skills”), while taking into consideration diversity, including gender and professional backgrounds inside and outside the Company. The Board of Directors shall consist of seven members, which the Company considers to be an appropriate number in light of its management issues. In order to further strengthen the objectivity and accountability of the Board of Directors, four of the seven Directors, constituting a majority, are Independent Outside Directors.

➤ Skill Matrix:

As the skill areas that Directors and Audit & Supervisory Board Members should possess for the realization of the Medium-Term Management Plan 2027, the Company has defined eight skill categories: “Corporate Management / Management Strategy,” “Finance / Accounting,” “Human resources development / Diversity,” “Legal / Risk management,” “Global Business,” “Manufacturing / Technology,” “ICT / Digital transformation / AI,” and “Environment / Energy.” The Company has also newly identified the skills that it particularly expects each individual to demonstrate. Based on this process, the Company believes that the Board of Directors as a whole currently maintains a well-balanced mix of skills.

Please refer to the “NOTICE OF CONVOCATION FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS,” which sets out the skill items that Directors and Audit & Supervisory Board Members should possess in light of the Medium-Term Management Plan 2027, as well as the Company’s Board skill matrix.

https://www.toda.co.jp/english/investor_relations/pdf/toda103_notice-of-convocation_en.pdf#page=14

【Supplementary Principle 4-11-2】 Status of concurrent positions as officers of other listed companies

No Internal Directors or Internal Audit & Supervisory Board Members of the Company concurrently serve as officers of other listed companies. Outside Directors and Outside Audit & Supervisory Board Members may concurrently serve as officers of other listed companies; however, there are no circumstances that would affect the performance of their duties as officers of the Company, such as hindering their attendance at meetings of the Board of Directors. Please refer to the “NOTICE OF CONVOCATION FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS” for the status of concurrent positions held by each officer.

https://www.toda.co.jp/english/investor_relations/pdf/toda103_notice-of-convocation_en.pdf#page=5

【Supplementary Principle 4-11-3】 Analysis and evaluation of the effectiveness of the Board of Directors

The Board of Directors annually analyzes and evaluates the validity and effectiveness of the Board of Directors as a whole, with reference to the self-evaluations of each Director and other relevant information, and works to enhance the effectiveness of the Board of Directors. Please refer to Article 14 (Evaluation of the Effectiveness of the Board of Directors) of the “TODA CORPORATION Corporate Governance Basic Policy.”

<https://www.toda.co.jp/sustainability/governance/governance.html>

(Japanese)

The evaluation of the effectiveness of the Board of Directors for FY2025 (April 2025 - March 2026) was conducted as follows:

(1) Purpose: To analyze and evaluate the effectiveness of the Board of Directors as a whole and reflect the results in initiatives for the following fiscal year.

(2) Method and timing:

- (i) April 2026: Survey (targeting all 7 Directors and all 4 Audit & Supervisory Board Members)
- (ii) April 2026: Individual interviews with 4 Outside Directors
- (iii) May 2026: Third-party review (by an attorney)
- (iv) May 29, 2026: Reporting and discussion of the results of the effectiveness evaluation at the Board of Directors meeting

➤ Summary of the effectiveness evaluation results

• In FY2025, the Company’s Board of Directors was evaluated as having secured a considerably high level of effectiveness as a whole. In particular, the balance of the composition of the Board of Directors, the assurance of free and active discussion, and the manner of providing materials were highly evaluated.

• In addition, based on the results of the previous year’s evaluation of the effectiveness of the Board of Directors, three issues were identified as operational challenges for FY2025, and initiatives were undertaken accordingly.

The evaluation of these initiatives was as follows:

- (i) Regarding “post-reporting on agenda items submitted to the Board of Directors,” many comments expressed expectations for its continued establishment, noting that a framework for post-reporting and review has been put in place and is now being implemented appropriately.
- (ii) Regarding “oversight of subsidiary management,” while opportunities to receive reports from subsidiaries and the amount of information increased considerably, several comments noted that more detailed follow-up will be necessary going forward with respect to subsidiaries that actually face issues.
- (iii) Regarding “enhancing discussions on priority agendas,” this was highly evaluated on the grounds that discussions on the eight priority agendas were actively conducted in accordance with the plan. Several comments also expressed a desire for further enhancement of discussions on the business portfolio that forms the premise for individual investment proposals, including acquisitions.

➤ Third-party review

As a third-party evaluation, the results of the survey and interviews conducted by the Company were presented to an outside attorney with expertise in corporate governance, who reviewed the method of the effectiveness evaluation and the issues derived from the evaluation results.

• Regarding the method of the effectiveness evaluation, the overall assessment was that an appropriate and effective method combining the survey and interviews had been adopted.

• In addition, the following points were cited as features of the evaluation:

- (i) interviews with Outside Directors were conducted to further explore the survey responses;
- (ii) interviews with the survey questions were comprehensive;
- (iii) a mid-year review of the effectiveness of the Board of Directors was conducted; and
- (iv) the evaluation was conducted on an effective schedule aligned with the terms of office of Directors.

• Points for improvement in enhancing the effectiveness of the Board of Directors included:

- (i) enhancing reporting and deliberations from the perspective of the Group-wide business portfolio (thereby leading to enhanced oversight of subsidiaries and follow-up on investment proposals);

- (ii) deepening discussions on medium- to long-term growth strategy, business portfolio reform, capital allocation, performance improvement of unprofitable segments, and human resources strategy; and
- (iii) reviewing agenda items and matters to be reported in order to secure sufficient time for such deliberations.

➤ Challenges for the future

Based on the above, the Company believes that it is necessary to address the following issues in FY2026:

- (i) Enhancing discussions on the business portfolio
- (ii) Strengthening oversight of subsidiary management
- (iii) Institutionalizing post-reporting and review of agenda items submitted to the Board of Directors (continuation)
- (iv) Securing deliberation time (including a review of agenda items)

➤ Reflection in the Board of Directors’ operational policy

Based on the results of the effectiveness evaluation described above, the Chairperson of the Board of Directors established the FY2026 Board Operational Policy and explained and communicated it at the Board of Directors meeting held immediately after the Annual General Meeting of Shareholders.

【Supplementary Principle 4-14-2】 Training policy for Directors Audit & Supervisory Board Members

The Company provides opportunities to acquire necessary knowledge, especially for newly appointed Directors and Audit & Supervisory Board Members. Please refer to Article 16 (Study and Training of Directors and Audit & Supervisory Board Members, etc.) of the “TODA CORPORATION Corporate Governance Basic Policy.”

【Principle 5-1】 Policy for constructive dialogue with shareholders

The Company places importance on institutional investors who seek the long-term and sustainable growth of the Company, and has a policy of actively engaging in dialogue with such shareholders. Please refer to Article 23 (Dialogue with Shareholders) of the “TODA CORPORATION Corporate Governance Basic Policy.” Please also refer to the following https://www.toda.co.jp/english/investor_relations/info.php

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

Disclosed information	Updated disclosure of initiatives
English disclosure	Available
Update date:	July 31, 2025

Supplementary explanation

The Company recognizes that, in order to enhance corporate value over the medium to long term, it is necessary not only to strengthen its core businesses but also to invest in new business domains. In order to achieve its profitability target of ROE of 8% or higher, the Company is strengthening its business portfolio and promoting appropriate capital allocation through growth investments and investments in intangible assets.

Based on its current recognition, the Company aims to improve PBR and achieve ROE of 10% or higher by securing profitability in its core construction business, enhancing capital efficiency through asset replacement and the sale of cross-shareholdings, increasing shareholder returns, and strengthening IR activities.

For further details, please refer to the following.

https://www.toda.co.jp/english/investor_relations/pdf/20250731_Notify_01.pdf

2. Capital Structure

Percentage of foreign shareholders:	More than 20% but less than 30%
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【Major Shareholders】

Name of shareholder	Number of shares held	Percentage (%)
Daiichi Shokusan	42,923,653	14.32
The Master Trust Bank of Japan, Ltd. (Trust Account)	33,224,000	11.09
Custody Bank of Japan, Ltd. (Trust Account)	10,492,300	3.50
Ally	8,977,916	3.00
Hiroko Toda	6,611,595	2.21
STATE STREET BANK AND TRUST COMPANY 505001	6,009,703	2.01
MUFG Bank, Ltd.	5,891,761	1.97
Company's Employee Shareholding Association	5,831,941	1.95
Company Business Partners' Shareholding Association	5,823,184	1.94
Yakult Honsha	4,955,556	1.65

Controlling shareholder (except for parent company)	—
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Parent company	None
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Supplementary explanation

The above status of "Major shareholders" is as of March 31, 2026.

In addition to the above, the Company holds 18,330,899 shares of treasury stock.

The percentage of shares held is calculated based on the total number of issued shares excluding treasury stock.

3. Corporate Attributes

Listed exchange and market segment	Tokyo Stock Exchange, Prime Market
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Fiscal year-end	March
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Industry	Construction
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Number of employees (consolidated) at the end of the previous fiscal year	1,000 or more
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Net sales (consolidated) in the previous fiscal year	100 billion yen or more, less than 1 trillion yen
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Number of consolidated subsidiaries at the end of the previous year	10 or more and less than 50
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4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

5. Other Special Circumstances that May Have a Material Impact on Corporate Governance

None.

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

1. Matters Related to Organizational Structure and Operation, etc.

Type of organization	Company with Audit & Supervisory Board
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【Directors】

Number of Directors stipulated in the Articles of Incorporation	12
Term of office of Directors stipulated in the Articles of Incorporation	One year
Chairman of the Board of Directors	Chairman (except where the Chairman also serves as President)
Number of Directors	7
Status of appointment of Outside Directors	Appointed
Number of Outside Directors	4
Number of Outside Directors designated as Independent Officers	4

Relationship with the Company (1)

Name	Attributes	Relationship with the Company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Toshihiko Itami	Attorney at law											
Kumi Arakane	From another company								△			
Masashiro Muroi	From another company								△			
Kiyoshi Mizuhara	From another company								△			

* Selection items regarding the relationship with the Company

* “○” indicates that the person currently or recently falls under the relevant category; “△” indicates that the person fell under the relevant category in the past.

* “●” indicates that a close relative currently or recently falls under the relevant category; “▲” indicates that a close relative fell under the relevant category in the past.

a Executive of the listed company or its subsidiaries

b Executive or non-executive Director of a parent company of the listed company

c Executive of a sibling company of the listed company

d A person for whom the listed company is a major business partner, or an executive thereof

e A major business partner of the listed company, or an executive thereof

f Consultant, accounting professional, or legal professional who receives a large amount of money or other property from the listed company other than officers’ remuneration

g Major shareholder of the listed company (if such major shareholder is a legal entity, an executive thereof)

h Executive of a business partner of the listed company (not falling under any of d, e, or f) (the person himself/herself only)

- i Executive of a company that has a reciprocal appointment relationship for Outside Officers (the person himself/herself only)
- j Executive of an entity to which the listed company has made donations (the person himself/herself only)
- k Others

Relationship with the Company (2)

Name	Independent Director	Supplementary explanation of the relationship	Reasons for appointment
Toshihiko Itami	○	—	Mr. Toshihiko Itami has served in prominent positions including Chief Prosecutor of the Tokyo District Public Prosecutors Office, Deputy Prosecutor-General of the Supreme Public Prosecutors Office, and Superintending Prosecutor of the Osaka High Public Prosecutors Office, and thereafter has been engaged as an attorney at law in corporate governance, corporate crisis management, and corporate compliance, and possesses abundant experience and a high level of professional expertise. He is expected to provide appropriate advice and recommendations on the Company's management from an objective standpoint independent of the management team responsible for business execution. Although he has not been involved in corporate management by means other than serving as an Outside Director, the Company has determined that he will be able to appropriately perform his duties as an Outside Director for the above reasons. In addition, there is no risk of a conflict of interest arising with general shareholders from an objective perspective based on his career history, and he has therefore been designated as an Independent Director.
Kumi Arakane	○	Ms. Kumi Arakane served as Executive Officer, Director, and Full-time Audit & Supervisory Board Member of KOSÉ Corporation until June 2019, but is not currently involved in the execution of its business. In addition, the amount of transactions between the Company and KOSÉ Corporation in the fiscal year ended March 31, 2026 was less than 0.1% of the Company's net sales.	Ms. Kumi Arakane possesses abundant experience and insight in corporate management, having been involved in the execution and supervision of management as a Director and served as the person responsible for corporate R&D, product development, and quality assurance as a Doctor of Pharmaceutical Science. She is expected to provide appropriate advice and recommendations at the Company's Board of Directors from an objective standpoint independent of the management team responsible for business execution. In addition, as she is not a major shareholder of the Company, nor a person formerly employed by a major business partner of the Company, there is no risk of a conflict of

			interest arising with general shareholders, and she has therefore been designated as an Independent Director.
Masahiro Muroi	○	Mr. Masahiro Muroi served as Director and Representative Director of Nomura Research Institute, Ltd. until May 2017, but is not currently involved in the execution of its business. In addition, the amount of transactions between the Company and Nomura Research Institute, Ltd. in the fiscal year ended March 31, 2026 was less than 0.1% of the Company's net sales.	Mr. Masahiro Muroi has served as Representative Director of a major private think tank and possesses abundant experience and insight in corporate management, including as an officer responsible for risk management, as well as a high level of professional expertise in the IT field. He is expected to supervise the Company's management as a whole and provide effective advice for improving operational efficiency. In addition, as he is not a major shareholder of the Company, nor a person formerly employed by a major business partner of the Company, there is no risk of a conflict of interest arising with general shareholders, and he has therefore been designated as an Independent Director.
Kiyoshi Mizuhara	○	Mr. Kiyoshi Mizuhara served as Director and Representative Director of Komatsu Ltd. until June 2023, but is not currently involved in the execution of its business. In addition, the amount of transactions between the Company and Komatsu Ltd. in the fiscal year ended March 31, 2026 was less than 0.1% of the Company's net sales.	Mr. Kiyoshi Mizuhara has served as Representative Director of a major construction and mining equipment company and possesses abundant experience and insight in corporate management. He also possesses a high level of professional expertise in global business through his experience as CMO (Chief Marketing Officer) and broad overseas assignments. In addition, he has participated in the activities of an environment and energy committee of an economic organization in order to contribute to solving environmental issues. He is expected to supervise the Company's management as a whole and provide effective advice for improving operational efficiency. In addition, as he is not a major shareholder of the Company, nor a person formerly employed by a major business partner of the Company, there is no risk of a conflict of interest arising with general shareholders, and he has therefore been designated as an Independent Director.

Voluntary establishment of committee(s) equivalent to the Nominating Committee or Compensation Committee

Established

Status of establishment of voluntary committees, composition of members, and attributes of committee chair

	Name of committee	Total number of committee members	Number of fulltime members	Number of Internal Directors	Number of Outside Directors	Number of external experts	Number of other members	Committee chair
Committee equivalent to the Nominating Committee	Personnel and Compensation Committee	5	0	1	4	0	0	Outside Director
Committee equivalent to the Compensation Committee	Personnel and Compensation Committee	5	0	1	4	0	0	Outside Director

Supplementary explanation

The Company has established a Personnel and Compensation Committee for the purpose of examining the eligibility and appropriateness of the nomination of candidates for Directors and Audit & Supervisory Board Members, the appointment and dismissal of key officers (Executive Officers, Branch Managers, etc.), and the calculation of remuneration for officers, and reporting the results to the Board of Directors. In addition to the above, the Committee is responsible for receiving reports from the Representative Director, President and others regarding succession plans for key officers, and making recommendations to the Board of Directors as necessary.

【Matters related to Audit & Supervisory Board Members】

Whether or not Audit & Supervisory Board has been established	Established
Number of Audit & Supervisory Board Members stipulated in the Articles of Incorporation	6
Number of Audit & Supervisory Board Members	4

Cooperation among Audit & Supervisory Board Members, Accounting Auditor, and the Internal Audit Division

The Company has established the Internal Audit Division (consisting of seven members) as its internal audit department. The Internal Audit Division periodically audits the status of business operations, and the audit results are reported to the President, the Board of Directors, and the Audit & Supervisory Board. With regard to cooperation with Audit & Supervisory Board Members, four meetings were held in FY2025 for the exchange of opinions on audit plans and the status of audit implementation. In addition, the Company promotes mutual cooperation with the Accounting Auditor by regularly exchanging opinions on the internal audit framework and other matters.

The Internal Audit Division reports to the Compliance Committee on the progress of the development of internal control, evaluation results, and the results of examination of deficiencies identified in the evaluation process, and also reports to the President, the Board of Directors, and the Audit & Supervisory Board. In addition, the Internal Audit Division holds meetings with the President and the Accounting Auditor to discuss internal control evaluation plans, the progress of development, and evaluation results.

As for the status of the Audit & Supervisory Board and Audit & Supervisory Board Members, in addition to prior confirmation of agenda items for meetings of the Board of Directors, the Audit & Supervisory Board, which is in principle held after meetings of the Board of Directors, deliberates on audit policies and other important matters, and discusses important matters raised at meetings of the Board of Directors and other audit-related issues. Audit & Supervisory Board Members attend meetings of the Board of Directors and other major meetings deemed necessary and audit the execution of duties by Directors. They also conduct interviews with the heads of Headquarters divisions and General Managers of Corporate Staff Departments,

visit branches, worksites, and important subsidiaries of the Company, and regularly hold meetings with the internal audit department, the internal control department, the Accounting Auditor, and Audit & Supervisory Board Members of Group companies, thereby confirming the overall status of internal control across the Group through coordinated audits, including the three-way audit framework. Based on the status of these audits, they periodically exchange opinions with the Representative Directors.

Mr. Shunji Momoi, a full-time Outside Audit & Supervisory Board Member, possesses professional expertise in finance and accounting based on his many years of practical experience as a certified public accountant. As described above, the status of cooperation between the Audit & Supervisory Board and the Internal Audit Division is as stated above. On the other hand, in relation to the Accounting Auditor, the Audit & Supervisory Board monitors the independence and appropriateness of the Accounting Auditor’s audits as appropriate, and exchanges information and opinions each time it receives reports on the annual audit plan and the results of accounting audits (quarterly reviews and year-end audits), as well as whenever necessary.

Status of appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	3
Number of Outside Audit & Supervisory Board Members designated as Independent Officers	3

Relationship with the Company (1)

Name	Attributes	Relationship with the Company (*)													
		a	b	c	d	e	f	g	h	i	j	k	l	m	
Shunji Momoi	Certified Public Accountant														
Junko Nishiyama	From another company										△				
Satoshi Machida	Attorney at law														

* Selection items regarding the relationship with the Company

* “○” indicates that the person currently or recently falls under the relevant category; “△” indicates that the person fell under the relevant category in the past.

* “●” indicates that a close relative currently or recently falls under the relevant category; “▲” indicates that a close relative fell under the relevant category in the past.

- a Executive of the listed company or its subsidiaries
- b Non-executive Director or Accounting Advisor of the listed company or its subsidiaries
- c Executive or non-executive Director of a parent company of the listed company
- d Audit & Supervisory Board Member of a parent company of the listed company
- e Executive of a sibling company of the listed company
- f A person for whom the listed company is a major business partner, or an executive thereof
- g A major business partner of the listed company, or an executive thereof
- h Consultant, accounting professional, or legal professional who receives a large amount of money or other property from the listed company other than officers’ remuneration
- i Major shareholder of the listed company (if such major shareholder is a legal entity, an executive thereof)
- j Executive of a business partner of the listed company (not falling under any of f, g, or h) (the person himself/herself only)
- k Executive of a company that has a reciprocal appointment relationship for Outside Officers (the person himself/herself only)
- l Executive of an entity to which the listed company has made donations (the person himself/herself only)
- m Others

Relationship with the Company (2)

Name	Independent Officer	Supplementary explanation of the relationship	Reasons for appointment
Shunji Momoi	○	—	Mr. Shunji Momoi possesses professional knowledge as a Certified Public Accountant and abundant experience in corporate audits. The Company judges that his expertise in finance and accounting can be utilized in the Company's audit system. Although he has not been directly involved in corporate management in the past, the Company judges that he will be able to appropriately perform his duties as an Outside Audit & Supervisory Board Member for the above reasons. In addition, there is no risk of a conflict of interest arising with general shareholders from an objective perspective based on his career history, and he has therefore been designated as an Independent Officer.
Junko Nishiyama	○	Ms. Junko Nishiyama was employed by Lion Corporation until March 2019, where she served as the person responsible for research and development and environmental promotion, among other matters, and as a Full-time Audit & Supervisory Board Member, but is not currently involved in the execution of its business. In addition, the amount of transactions between the Company and Lion Corporation in the fiscal year ended March 31, 2026 was less than 0.1% of the Company's net sales.	Ms. Junko Nishiyama has abundant experience and achievements in overall corporate management, including serving as the person responsible for research and development and environmental promotion at a major healthcare company, as well as being involved in audits of company-wide operations as a Full-time Audit & Supervisory Board Member. Based on such abundant experience and high level of insight, the Company judges that she is able to audit the execution of duties by Directors from an objective and fair standpoint. In addition, there is no risk of a conflict of interest arising with general shareholders from an objective perspective based on her career history, and she has therefore been designated as an Independent Officer.
Satoshi Machida	○	—	Mr. Satoshi Machida engaged in audit operations at a major audit firm after graduating from university and holds the qualification of Certified Public Accountant. In addition, as an attorney at law, he has been engaged in a wide range of corporate legal affairs at a law firm and possesses sufficient and appropriate abilities, experience, and knowledge in finance, accounting, and legal affairs. He has also been involved in management as an Outside Director, and the Company

			judges that he has the qualifications to serve as an Outside Audit & Supervisory Board Member and that his appointment will contribute to strengthening the Company's audit system. In addition, there is no risk of a conflict of interest arising with general shareholders from an objective perspective based on his career history, and he has therefore been designated as an Independent Officer.
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【Independent Officers】

Number of Independent Officers	7
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Other matters related to Independent Officers

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【Incentives】

Status of implementation of measures to provide incentives to Directors	Introduction of a performance-linked compensation system
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Supplementary explanation on this matter
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The Company has introduced a performance-linked stock compensation system under which stock compensation is granted according to the degree of achievement of the Company's performance targets, with the aim of clarifying the linkage between Directors' compensation and the value of the Company's shares, enhancing medium- to long-term business performance and corporate value, and raising awareness of shareholder-oriented management.

Recipients of stock options

Supplementary explanation on this matter
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【Compensation for Directors】

Disclosure of compensation (for individual Directors)	Individual compensation is not disclosed.
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Supplementary explanation on this matter
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Compensation paid to the Directors (7) and the Audit & Supervisory Board Members (4) during FY2025 amounted to 317 million yen and 60 million yen, respectively.

Policy on determining compensation amounts and calculation methods	Established
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Disclosure of policy on determining compensation amounts and calculation methods
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Please refer to the disclosure based on the principles of the Corporate Governance Code, 【Principle 3-1】

Enhancement of information disclosure, (3) Policy and procedures for determining compensation for senior management and Directors.

【System for supporting Outside Directors (Outside Audit & Supervisory Board Members)】

Outside Directors are assisted in their duties by the Board of Directors Office and the Secretarial Division. In addition, prior explanations on matters to be submitted to the Board of Directors are provided before meetings of the Board of Directors, which are in principle held once a month and at each quarterly financial closing.

The Auditors Office has been established as the department to assist Audit & Supervisory Board Members (Internal and Outside) in their duties. The Auditors Office is an organization directly under the Audit & Supervisory Board and has two dedicated staff members to support overall audit activities, including the collection of internal information.

The opinions of the Audit & Supervisory Board or an Audit & Supervisory Board Member designated by the Audit & Supervisory Board are sought in advance regarding personnel matters and organizational changes relating to the Auditors Office.

2. Matters Related to Functions of Business Execution, Audit and Supervision, Nomination, and Decisions on Compensation, etc. (Overview of the Current Corporate Governance System)

The Company has adopted an Executive Officer System. Executive Officers appointed by the Board of Directors execute the Company's business operations under the direction of the President and Executive Officer (Representative Director, hereinafter referred to as the "President") in accordance with the basic management policy determined by the Board of Directors.

In addition, the Company holds the Management Committee, Approval Committee, and Strategy Meeting to discuss and provide direction on important matters concerning management and business execution. In the execution of business operations, the Rules on Office Organization, Rules on Division of Duties, Rules on Administrative Authority, and Rules on Decision-making Procedures stipulate the respective responsible persons, their responsibilities, execution procedures, and other matters.

The reasons for adopting the current system are as described in the next section, "Reasons for Adoption of the Current Corporate Governance System."

Efforts to strengthen the functions of Audit & Supervisory Board Members are as described in **【Matters related to Audit & Supervisory Board Members】** "Cooperation among Audit & Supervisory Board Members, Accounting Auditor, and the Internal Audit Division" and **【System for supporting Outside Directors (Outside Audit & Supervisory Board Members)】** in this report.

The Company has established the Internal Audit Division as its internal audit function. The Internal Audit Division conducts regular audits of operational conditions across internal departments. The audit results are reported to the President, the Audit & Supervisory Board, and the Board of Directors.

Accounting audit system: In FY2025, the Certified Public Accountants who executed the Company's accounting audit were Mr. Toshio Saito and Mr. Takeshi Morinaga, both of Fujimi Audit Corporation. In addition, the assistants involved in the Company's accounting audit were Certified Public Accountants belonging to the same audit firm.

Please refer to the schematic diagram at the end of this report for an overview of the current corporate governance system.

3. Reasons for Adoption of the Current Corporate Governance System

The Company has adopted the current system in the belief that the appropriateness of business execution can be ensured by having four Outside Directors with abundant experience in corporate management and corporate legal affairs supervise the execution of duties by Directors from an independent and fair standpoint, and by having four Audit & Supervisory Board Members, including three Outside Audit & Supervisory Board Members with expertise in planning, management, and finance and accounting, conduct audits in cooperation with the Accounting Auditor and the Internal Audit Division.

III Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary explanation
Early dispatch of the notice of convocation for the Annual General Meeting of Shareholders	The NOTICE OF CONVOCATION FOR THE 103rd ANNUAL GENERAL MEETING OF SHAREHOLDERS was dispatched on June 5, 2026 (date of meeting: June 26, 2026).
Scheduling the General Meeting of Shareholders avoiding the peak day	The 103rd Annual General Meeting of Shareholders was held on June 26, 2026.
Electronic exercise of voting rights	The Company has adopted the electronic exercise of voting rights.
Participation in the electronic voting platform and other measures to improve the environment for the exercise of voting rights by institutional investors	The Company has adopted the electronic voting platform for institutional investors. In addition, on May 30, 2026, prior to the dispatch of the notice, the Company posted the NOTICE OF CONVOCATION FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS on TDnet and the Company's website to promote the exercise of voting rights.
Providing an English version of the Convocation Notice (Summary)	The Company prepares an English translation of the NOTICE OF CONVOCATION FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS and posts it on TDnet and the Company's website.

2. IR-Related Activities

	Supplementary explanation	Explanation by representative
Regular briefings for analysts and institutional investors	The Company holds briefings twice a year (in May and November), at which explanations are provided on the full-year and second-quarter financial results and the subsequent outlook. The meetings are held via the web.	Yes
Posting of IR materials on the Company's website	Financial results information and other timely disclosed information, Annual Securities Reports, Semi-annual Securities Reports, Fact Books, etc. Japanese: https://www.toda.co.jp/ir/ English: https://www.toda.co.jp/english/investor_relations/info.php	
Establishment of department (person in charge) of IR	IR-related operations are handled by the IR Department, Planning & IR Division. Contact: 03-3535-1357	

3. Measures to Ensure Due Respect for the Position of Stakeholders

	Supplementary explanation
Internal rules stipulated for respecting the position of stakeholders	The Company has established the “TODA CORPORATION Group Charter of Corporate Behavior,” which stipulates that management decisions shall be made in consideration of the interests of stakeholders. The Company has also established the “TODA CORPORATION Group Code of Conduct,” which sets forth action guidelines for each stakeholder, and requires executives and employees to comply with it. Furthermore, the Company has established the “TODA CORPORATION Group Human Rights Policy,” requires executives and employees to comply with it, and encourages business partners, suppliers, and other related parties involved in its business to undertake initiatives to respect human rights.
Implementation of environmental initiatives, CSR activities, etc.	Since entering into the “Eco-First Commitment” with the Minister of the Environment in 2010, the Company has regarded environmental issues as important management issues and has identified “Contribution to solving environmental issues” as one of its Materiality. Based on this, the Company has set forth in its Environmental Policy that it will “address environmental issues in all business activities and build a sustainable future,” and is addressing environmental issues such as climate change, resource circulation, and nature restoration through its business activities. With regard to decarbonization, the Company has received SBT certification and is working to achieve greenhouse gas reduction targets aligned with the 1.5°C pathway. In the construction business, the Company is actively working to reduce greenhouse gas emissions throughout the supply chain, including not only during construction but also through energy-saving building design and the procurement of low-carbon materials. The Company also strives to disclose information on these activities, and has been selected for the CDP Climate Change A List, the highest rating, nine times to date.

IV Matters Related to Internal Control System, etc.

1. Basic Policy and Status of Internal Control System

The matters resolved by the Board of Directors as the systems to ensure the appropriateness of the Company’s business operations are as follows.

The Directors of the Company shall properly execute their duties in accordance with the philosophy set forth in the Management Policy and the Charter of Corporate Behavior. In principle, the Board of Directors meets once a month to make decisions on important management matters and supervise the status of the execution of duties by Directors, and the following systems have been established to ensure the appropriateness of the Company’s business operations.

1. Systems for the storage and management of information related to the execution of duties by Directors
 - Directors shall properly store and manage documents and other information related to the execution of their duties based on the Basic Policy on Information Management and in accordance with the Information Management Rules and other internal rules.

2. Rules and other systems regarding the management of risk of loss

- Based on the Basic Crisis Management Manual, the Company shall designate the responsible department, etc. for each individual risk, evaluate the magnitude and frequency of occurrence of each risk, identify the risks to be addressed, and establish systems for daily risk prevention activities and crisis management when risks occur.
- In particular, risks that may have a significant impact on management shall be shared throughout the organization, and summaries based on the status of risk inspection activities and internal audit results shall be regularly reported to the Board of Directors.
- In the event of a crisis, the Company will respond promptly and appropriately in accordance with the Basic Crisis Management Manual and take measures to minimize losses.

3. Systems to ensure that Directors execute their duties efficiently

- The Company has adopted an Executive Officer System under which Executive Officers appointed by the Board of Directors execute the Company's business operations in accordance with the basic management policy determined by the Board of Directors.
- The Company holds the Management Committee, Approval Committee, and Strategy Meeting to discuss important matters concerning management and business execution.
- In the execution of business operations, the Rules on Office Organization, Rules on Division of Duties, Rules on Administrative Authority, and Rules on Decision-making Procedures stipulate the respective responsible persons, their responsibilities, execution procedures, and other matters.

4. Systems to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation

- The Company has established the "TODA Group Charter of Corporate Behavior" and the "TODA Group Code of Conduct" as the Group's behavioral principles and guidelines, and has developed a compliance system for the entire Group.
- The Head Office Compliance Committee, chaired by the President, shall deliberate on important policies concerning the Company's compliance. In addition, the Company shall implement measures to ensure the permeation of compliance, such as monitoring conduct based on the Group Code of Conduct by the Branch Compliance Committee, the departments in charge, and the Corporate Ethics Helpline, and promoting compliance education.
- The Company has established the Internal Audit Division as its internal audit function. The Internal Audit Division conducts regular audits of operational conditions across internal departments, and reports the audit results to the Board of Directors and the Audit & Supervisory Board.

5. Systems to ensure the appropriateness of operations in the corporate group consisting of the Company and its subsidiaries

- In accordance with the Management Regulations for Domestic Affiliated Companies and the Management Regulations for Overseas Corporations, the status of execution of operations at Group companies is reported to the Company's Board of Directors and other relevant bodies. In addition, matters of material importance are subject to deliberation and approval by the Company's Board of Directors and other appropriate bodies.
- Under the Global Governance Policy, management policies and governance structures for overseas Group companies are established to maintain overall control of global operations.
- Group companies are required to develop and operate individual crisis management systems in accordance with the Basic Crisis Management Manual and to ensure appropriate reporting of significant incidents and related matters.
- The Group Business Promotion Division and the Overseas Management Division have been established as departments that monitor Group companies on a daily basis to provide thorough support and guidance. In addition, meetings are held regularly to share information among Group companies.
- The Internal Audit Division conducts operational audits of Group companies as appropriate and reports the audit results to the Company's Board of Directors and the Audit & Supervisory Board. In addition, the Legal & Compliance Division ensures the effectiveness of the compliance system by providing compliance education and establishing a Corporate Ethics Helpline.
- The Company has established and operates an internal control system necessary to ensure the reliability of financial reporting.

6. Systems related to employees assisting the duties of Audit & Supervisory Board Members, their independence from Directors, and matters to ensure the effectiveness of instructions given by Audit & Supervisory Board Members to such employees

- The Auditors Office has been established as a department to assist Audit & Supervisory Board Members in their duties. The Auditors Office reports directly to the Audit & Supervisory Board, and the opinions of the Audit & Supervisory Board or the Audit & Supervisory Board Member designated by the Audit & Supervisory Board shall be sought in advance with respect to personnel matters and organizational changes, etc. of the Auditors Office.

7. Systems related to reporting to Audit & Supervisory Board Members

- Directors and employees of the Company, as well as Directors, Audit & Supervisory Board Members, and employees of Group companies, or persons who receive reports from any of the foregoing, shall immediately report to the Company's Audit & Supervisory Board when they become aware of facts that may have a significant impact on the performance of the Group. Notwithstanding the foregoing, the Company's Audit & Supervisory Board Members may, at any time and as necessary, request reports from Directors and employees of the Company and from Directors, Audit & Supervisory Board Members, and employees of Group companies.
- The Company prohibits any disadvantageous treatment of a person who has made a report under the preceding paragraph on the grounds of having made such report.

8. Matters related to procedures for advance payment or reimbursement of expenses incurred in the execution of duties by Audit & Supervisory Board Members and other policies concerning the treatment of expenses or liabilities incurred in the execution of such duties

- Expenses or liabilities incurred in the execution of duties by Audit & Supervisory Board Members shall be promptly processed upon request.

9. Other systems to ensure that audits by Audit & Supervisory Board Members are conducted effectively

- Opportunities shall be provided for regular sharing of management information with the Representative Directors. In addition, Audit & Supervisory Board Members shall be given opportunities to attend various meetings, and relevant information shall be reported as appropriate.
- The Internal Audit Division shall maintain close coordination and cooperation with Audit & Supervisory Board Members in the execution of their duties. In addition, the Internal Audit Division and the Accounting Auditor shall hold regular meetings with Audit & Supervisory Board Members to ensure close coordination.

2. Basic Policy on the Elimination of Anti-social Forces and the Status of Its Development

The Company's basic policy on the elimination of anti-social forces and the status of its development are as follows.

1. Basic policy on the elimination of anti-social forces

The Charter of Corporate Behavior states that the Company's basic policy is to sever all relationships with anti-social forces that threaten the order and safety of civil society, and to take a firm, company-wide stance in dealing with such forces.

2. Status of development for the elimination of anti-social forces

(1) Status of internal rules and regulations

To confront anti-social forces, the Company has set forth its policy in the "Charter of Corporate Behavior" and the "Code of Conduct," and has distributed booklets to all employees to ensure that they are fully informed.

(2) Status of contracts with business partners

The Company has introduced clauses for the elimination of anti-social forces into the contractual terms and conditions with its business partners.

(3) Cooperation with external expert organizations

In preparation for emergencies, the Company regularly visits and contacts the police stations having jurisdiction over the Head Office and branch offices, and is a member of the Centers for Removal of Criminal Organizations in each prefecture.

(4) Status of collection and management of information on anti-social forces

The Company collects information through regular visits to the police stations having jurisdiction and the Centers for

Removal of Criminal Organizations, as well as through active participation in training sessions and similar programs, and such information is managed by the Compliance Committee.

(5) Status of preparation of response manuals

The Company has prepared a manual of procedures for dealing with anti-social forces.

Others

1. Adoption of Policy for Responding to Takeovers

Adoption of policy for responding to takeovers

Yes

Supplementary explanation

(1) Basic policy

In light of the fact that the source of the Company's corporate value lies in the management resources that the Group has cultivated over many years, if there is a risk that the corporate value of the Group or the common interests of shareholders may be impaired by a specific person or group acquiring shares carrying 20% or more of the Company's total voting rights, such specific person or group shall be deemed inappropriate as a person controlling decisions on the Company's financial and business policies, and the Company's basic policy regarding the nature of a person who controls decisions on the Company's financial and business policies is that the Company may take reasonable measures to ensure and enhance the corporate value of the Group or the common interests of shareholders (the "Countermeasures") to the extent permitted by law and the Articles of Incorporation.

In addition, the purpose of the Large-Scale Purchase Rules is to provide shareholders with information for determining whether or not to accept a large-scale purchase, to provide the opinions of the Board of Directors of the Company, which is currently responsible for the management of the Company, and to ensure that shareholders have an opportunity to receive alternative proposals. At present, certain regulations have been established under the Financial Instruments and Exchange Act to enable the provision of information and the securing of a period for consideration in the event of a takeover. However, such regulations may not always function effectively, for example, because they do not ensure the provision of information and consideration time before the commencement of a tender offer, and they do not apply to purchases of shares in the market. Therefore, the Company believes that the establishment of the Large-Scale Purchase Rules constitutes a prerequisite for shareholders and investors to make appropriate investment decisions, and that securing sufficient time will also be effective in engaging in constructive dialogue with the purchaser for the enhancement of corporate value for the benefit of shareholders. There may be proposals that could impair the corporate value of the Group and, in turn, the common interests of shareholders, such as where good relationships with stakeholders may not be maintained, proposals that cannot be said to adequately reflect the value of the Group, or proposals under which sufficient information necessary for shareholders to make a final decision is not provided. In response to such proposals, the Board of Directors of the Company believes that, as a body entrusted by shareholders, it is necessary to secure the necessary time and information and to negotiate with the proposer of the large-scale purchase for the benefit of shareholders.

(2) Measures to Prevent Decisions on the Company's Financial and Business Policies from Being Controlled by Persons Deemed Inappropriate in Light of the Basic Policy

At the Company's 103rd Annual General Meeting of Shareholders held on June 26, 2026, the Company obtained shareholders' approval for the continuation of the Policy Regarding Large-Scale Purchases of TODA CORPORATION's Shares, etc. (Takeover Response Policy) (hereinafter referred to as "this Policy") in response to inappropriate Large-Scale Purchases, etc. of the Company's shares, etc. in light of the above Basic Policy.

Under this Policy, a Purchaser, etc. that intends to conduct a Large-Scale Purchase, etc. that would result in a holding ratio of 20% or more of the Company's shares, etc. is required to provide in advance the necessary

information regarding the contemplated Large-Scale Purchase, etc., after which the Board of Directors of the Company is to secure the period necessary to conduct sufficient evaluation, examination and negotiations. In addition, in order to ensure the reasonableness and fairness of any decision on whether to invoke the Countermeasures (gratis allotment of Stock Acquisition Rights), the Company has established an Independent Committee, which makes recommendations to the Board of Directors, and the Board of Directors resolves whether or not to invoke the Countermeasures while respecting such recommendations to the maximum extent. However, except where the Purchaser, etc. has failed to comply with the procedures set forth in this Policy, if the Independent Committee recommends the invocation of the Countermeasures, such recommendation must be subject to the proviso that shareholders' intent regarding such invocation should be confirmed in advance. In such case, the Board of Directors of the Company shall convene, as promptly as practicable, a general meeting of shareholders for the purpose of confirming shareholders' intent and submit a proposal regarding the invocation of the Countermeasures.

The effective period of this Policy shall be three years. However, even before the expiration of such effective period, if a resolution is adopted at a general meeting of shareholders of the Company to amend or abolish this Policy, this Policy shall be amended or abolished at that time in accordance with such resolution.

(3) Reasonableness of this Policy

The Company believes that this Policy is in line with the Basic Policy described in (1) above and will contribute to the enhancement of the corporate value of the Company and the Group and, in turn, the common interests of shareholders. Furthermore, this Policy satisfies all three principles set forth in the "Guidelines Regarding Takeover Defense Measures for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests," released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, namely, the principle of protecting and enhancing corporate value and the common interests of shareholders, the principle of prior disclosure and shareholders' intent, and the principle of ensuring necessity and reasonableness. In addition, this Policy reflects the "Takeover Defense Measures in Light of Recent Environmental Changes," released by the Corporate Value Study Group on June 30, 2008, and also complies with the "Guidelines for Corporate Takeovers," announced by the Ministry of Economy, Trade and Industry on August 31, 2023.

For details, please refer to the following on the Company's website:

"Policy Regarding Large-Scale Purchases of TODA CORPORATION's Shares, etc. (Takeover Response Policy)"
https://www.toda.co.jp/english/investor_relations/pdf/2026-04-takeover-defense-update-en.pdf

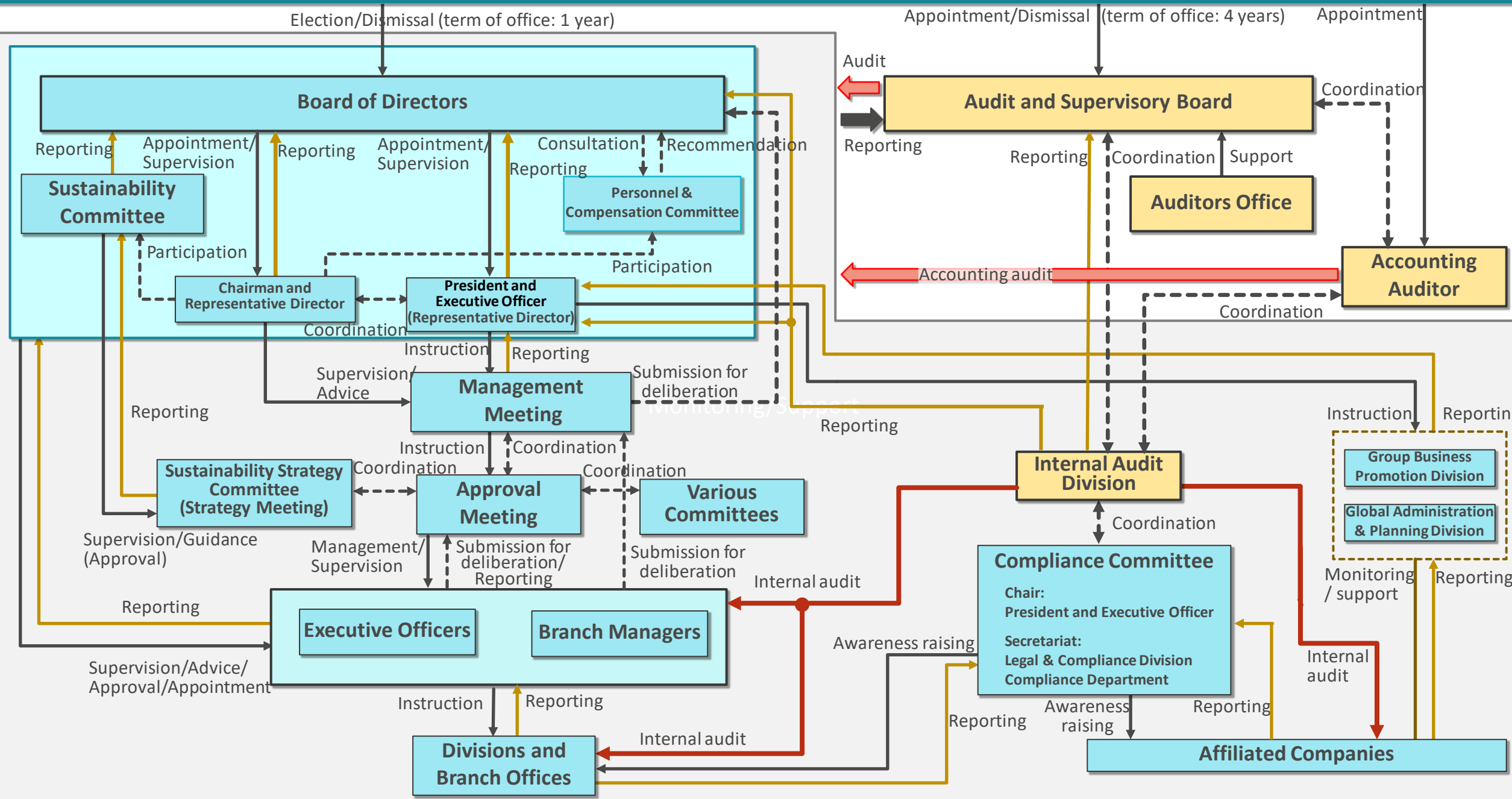
2. Other Matters Concerning the Corporate Governance System, etc.

The Company handles information subject to timely disclosure as follows.

Information on financial results and decisions is disclosed promptly upon approval or decision by the Board of Directors or the Approval Committee, under the instruction of the officer in charge of information disclosure (Group General Manager of Corporate Administration Group).

Information on occurrences is reported by each department to the person responsible for information handling (General Manager of the Corporate Planning & IR Division). The materiality of such information and the necessity of disclosure are reviewed in light of the Timely Disclosure Rules and other applicable rules, and disclosure is made under the instruction of the officer in charge of information disclosure. Details of such disclosure are reported by the person responsible for information handling to the Board of Directors.

General Meeting of Shareholders



Framework for Timely Disclosure

