Last Update: August 7, 2025

MIYAJI ENGINEERING GROUP, INC.

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The corporate governance of MIYAJI ENGINEERING GROUP, INC. (the "Company") is described below.

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

1. Basic Views

Our fundamental approach to corporate governance is based on the recognition that the foundation of our corporate activities consists of management that resonates with and earns the trust of our stakeholders, including our shareholders, customers, business partners, employees, and local communities. We aim to achieve sustained growth and to increase our corporate value over the medium and long term. We have defined key measures for achieving the following: we will strive to reinforce our management base on a sustained basis, to ensure the soundness and transparency of our management, to continuously enhance our corporate governance, and to prepare and reinforce our internal control structure.

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

[Supplementary Principle 4.2.1] Setting the Appropriate Percentage of Performance-linked Compensation and Stock Compensation
At the Board of Directors meeting held after the 18th Annual General Meeting of Shareholders on June 25, 2021, the Company established a Nomination and Compensation Committee as an advisory body under the Board of Directors for the purpose of reinforcing the independence, objectivity, and accountability of the Board of Directors' functions with respect to matters deemed necessary by the Board of Directors concerning remuneration, etc. for Directors. However, we have not introduced performance-linked compensation or a stock-based compensation plan at this time, and will continue to consider the link to medium- to long-term business performance in the future.

[Principle 4.11] Preconditions for Ensuring the Effectiveness of the Board of Directors and the Audit and Supervisory Committee
The Company's Board of Directors consists of Independent Outside Directors who have extensive knowledge in Japan and overseas and representatives of operating subsidiaries, as well as persons with expertise and a wealth of experience in their respective fields, such as persons with experience in corporate management and persons familiar with the business fields they are in charge of. We believe that the Board of Directors is constituted in a manner to achieve both diversity and appropriate size in order to effectively fulfill its roles and responsibilities as a Board of Directors. In addition, the Company's Audit and Supervisory Committee Members have a wealth of experience, achievements, and insight in corporate management and specific areas of expertise. In terms of gender, we appointed a female Outside Director at the 20th Annual General Meeting of Shareholders held on June 29, 2023 in the expectation that she will supervise the Company's management from a universal perspective. At the 22nd Annual General Meeting of Shareholders held on June 27, 2025, a new female Outside Director who also serves as the Audit and Supervisory Committee Member was appointed, increasing the number of female Directors to two out of seven (approximately 30%). In the future, we will continue to strive to appoint a diversity of Directors, taking into consideration the business environment and business strategy perspectives.

[Disclosure Based on the Principles of the Corporate Governance Code]

[Principle 1.4] Cross-Shareholdings
The Group holds listed shares as a cross-shareholding for the purpose of maintaining business relationships, including the establishment of long-term, stable relationships between the Company and the companies issuing such shares. Our shareholdings are examined each fiscal year from various perspectives, such as the business performance, stock price, dividends, and growth potential of each company in which we hold shares, and the results are discussed and approved by the Board of Directors. As a result, we will continue to reduce shareholdings for which we deem the significance of holding these shares to be insufficient or not commensurate with the cost of capital based on dialogue with the companies in which we hold shares. We will also reduce the ratio of the cross-shareholdings book value to net assets to 10% or less during the period of the Medium-Term Business Plan from 2022 to 2026.
The exercise of voting rights in connection with cross-shareholdings is decided whether to approve or disapprove each proposal

from the perspective of whether the proposal will contribute to the sustainable growth of the Group and individual investees.

[Principle 1.7] Related Party Transactions
The Company requires Directors' competitive transactions and conflict of interest transactions to be discussed, resolved, and reported at meetings of the Board of Directors, depending on the nature of the transaction. If the Audit and Supervisory Committee receives a request from a Director for approval of a conflict of interest transaction, the Committee decides whether to approve the transaction. The Company conducts a survey each fiscal year of related parties that may affect its financial position and operating results in accordance with the Accounting Standard for Related Party Disclosures and the Guidance on Accounting Standard for Related Party Disclosures, confirms whether there are transactions with such related parties and the materiality of such transactions, and discloses any transactions subject to disclosure.

[Supplementary Principle 2.4.1] Ensuring Diversity in Core Personnel
The Company recognizes that it is essential for the sustainable development of a company to have active human resources with diverse backgrounds. In addition to previous efforts to set measurable goals for the promotion of the attributes indicated in the Code, the Company has adopted a policy to evaluate all employees based on common criteria (work attitude of making an effort and management skills for employees in managerial positions) by changing the excessive performance-based approach, so that we can flexibly operate in response to changes in the business environment and other circumstances. We have established a Charter of Corporate Behavior and a Code of Conduct that should serve as indicators, and have created an environment in which all employees, including women, foreign nationals, and mid-career hires, can fully play an active role. In particular, we believe that the active participation of women and foreign nationals in the construction industry is an issue that must be actively addressed. We are developing our female workforce by actively hiring women not only for administrative positions but also for technical and skilled positions, and we are also actively hiring foreign nationals, as we believe that bringing sensitivities from other cultures into the Company will be highly beneficial for revitalizing the Company and changing mindsets.

[Principle 2.6] Roles of Corporate Pension Funds as Asset Owners
The Group has adopted optimal methods for the administration and management of corporate pension funds, including entering into contracts with external asset administration and management institutions and other organizations in accordance with the circumstances at each Group company. We formulate basic management policies, management guidelines, etc. for assets and entrust the management of assets in accordance therewith, while regularly evaluating the assets under management at market value. In addition, a department familiar with asset management of corporate pension plans is in charge of operations in order to appropriately monitor management performance, etc. by such external institutions.

[Principle 3.1] Full Disclosure
(1) Business principles, etc., business strategies, and business plans
Our Group's management philosophy is to "contribute to the enrichment of our nation and the creation of a brighter society through the construction, maintenance, and repair of societal infrastructure such as bridges, buildings, and coastal structures." Led by this corporate philosophy, we have created a compliance and risk management structure and will appropriately implement it. Our aims are to provide safe, high-quality products, construction, and services that meet the needs of society and our customers through fair competition and to achieve sustained Group growth. At the same time, we also strive to live up to our corporate social responsibility to our shareholders and investors, our clients, our employees, local communities, and all of our other stakeholders.
Regarding business strategies and plans, etc., the Company posted on its website (https://www.miyaji-eng.com/en/zaimu/mid-term.html) the overview of the "Medium-Term Business Plan (FY2022 to FY2026)" that reflects the contents of "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" disclosed on August 9, 2023, as well as materials and videos for the financial briefings held biannually (https://www.miyaji-eng.com/en/zaimu/library5.html).
(2) Basic views and guidelines on corporate governance
Please refer to "I. 1. Basic Views" in this report.
(3) Policies and procedures in determining executive remuneration
Please refer to "II. 1. Organizational Composition and Operation, [Director Remuneration]" in this report.
(4) Board policies and procedures in the appointment/dismissal of the senior management and the nomination of Director candidates
Given that the appointment of the senior management is an important corporate decision, the Board of Directors, with appropriate involvement and advice from independent outside officers, shares the importance of compliance and governance and selects personnel who have achievements, knowledge, and foresight and can demonstrate top management qualities and abilities, such as leadership and problem-solving skills. In addition, the Board of Directors carefully deliberates on whether the dismissal of the senior management is objectively appropriate, with appropriate involvement and advice from independent outside officers, if the senior management engages in any misconduct or violation of laws, regulations, or the Articles of Incorporation when executing duties, or if the corporate value is deemed to have been significantly damaged, etc. The Board of Directors selects Directors who have excellent character and insight, as well as the knowledge, experience, and ability to accurately carry out the required responsibilities, and Outside Directors who have a wealth of experience, expertise, and broad insight into corporate management and who fulfill the Company's standards for independence based on the standards established by the Companies Act and the Tokyo Stock Exchange.
(5) Explanations with respect to the individual appointments/dismissals and nominations of officer candidates
The reasons for the appointment of Outside Directors are described in "II. 1. Organizational Composition and Operation, [Directors] Outside Directors' Relationship with the Company (2)."
The reasons for the appointment of Directors other than Outside Directors are described on the "Directors" page (https://www.miyaji-eng.com/en/corporate/officer.html#officer) of the Company's website, or in the Reference Documents for

the Convocation Notices of the Company's Annual General Meetings of Shareholders (the reasons for the appointment of Directors are described in Proposal 2 in the Reference Documents for the Notice of the 21st Annual General Meeting of Shareholders), which are available on the "Shareholders Meetings" page (https://www.miyaji-eng.com/en/zaimu/meeting.html) of the Company's website.
When a case of dismissal arises, a proposal for dismissal is submitted to the General Meeting of Shareholders, and the reasons for dismissal of the relevant person are disclosed in such proposal in the Reference Documents for the General Meeting of Shareholders.

[Supplementary Principle 3.1.3] Sustainability Initiatives and Investments in Human Capital and Intellectual Properties
The Company's sustainability initiatives and investments in human capital and intellectual properties are incorporated into our Charter of Corporate Behavior and Code of Conduct, which are disclosed on our website.

[Supplementary Principle 4.1.1] Scope of Matters Delegated to the Management
The Board of Directors deliberates and decides on matters that the Board of Directors is authorized to decide exclusively by laws, regulations, and the Articles of Incorporation, matters related to General Meetings of Shareholders, settlement of accounts, officers, shares and corporate bonds, personnel affairs and organizations, development of internal control systems, assets, financing and accounting, business restructuring, and the entire Group set forth in the Board of Directors Rules, matters to be resolved by the Board of Directors of subsidiaries that are important matters for the Company, and other important matters related to business execution. The Board of Directors also supervises the execution of duties by Directors (including subsidiaries). Decisions on business execution other than those stated above are delegated to the management under the President, the details of which are clearly defined in the Regulations on Division and Authority of Duties and other internal rules.

[Principle 4.9] Independence Standards and Qualification for Independent Outside Directors
The Company's policy for appointing Outside Directors is to select candidates who is not likely to cause a conflict of interest with the Company's general shareholders and who can appropriately and satisfactorily perform the duties expected of him or her as Outside Director, based on the standards established by the Companies Act and the Tokyo Stock Exchange.
In addition, the standards for determining the independence of the Company's Independent Outside Directors are persons who do not fall into any of the following categories.
(1) Officers or key employees ("Business Executives, etc.") of major clients*1 or lenders*2 of the Company and its consolidated subsidiaries (the "Group") and those who were Business Executives, etc. in the three years prior to their appointment
(2) Accounting experts, legal experts, or consultants, etc., who have received cash or other assets worth 10 million yen or more per year in any of the past three years from the Group, other than executive remuneration
(3) Employees, etc. of the Group's audit firm and those who were employees, etc. in the three years prior to their appointment
(4) Business Executives, etc. of public interest incorporated foundations, public interest incorporated associations, etc. that receive annual donations of 10 million yen or more per year from the Group and those who were Business Executives, etc. in the three years prior to their appointment
(5) Major shareholders holding 10% or more of the Company's voting rights and their Business Executives, etc.
(6) Business Executives, etc. of the Group and those who were Business Executives, etc. in the ten years prior to their appointment
(7) Spouses and relatives up to the second degree of kinship of those persons falling under (1) to (6) above
*1 Major clients mean companies, etc., for which the amount paid or received as consideration for transactions with the Group in any of the three years prior to appointment is 2% or more of the annual consolidated net sales of the Company or the client.
*2 Major lenders mean lenders that have accounted for 2% or more of consolidated total assets in any of the three years prior to appointment.

[Supplementary Principle 4.10.1] Independence, Authority, Roles of Composition of the Nomination and Compensation Committee
As of June 25, 2021, the Company has established a Nomination and Compensation Committee, which is chaired by an Independent Outside Director and over half of whose members are Independent Outside Directors. The Committee has the authority to report independently of the Board of Directors on consultations from the Board of Directors regarding the nomination and remuneration.

[Supplementary Principle 4.11.1] Approach to Balance of Knowledge, Experience, and Abilities as well as Diversity and Size of the Board of Directors as a Whole
The number of Directors of the Company is no more than 10 (excluding Directors who are Audit and Supervisory Committee Members) and four (Directors who are Audit and Supervisory Committee Members) as provided for in the Articles of Incorporation, and the Board of Directors consists of seven members, including four independent persons outside the Company and three inside Directors (including two representatives of operating subsidiaries) who have expertise and a wealth of experience.
The Board of Directors determines candidates based on a policy of having a structure that takes into consideration the balance of knowledge, experience, and abilities as described above in a manner to achieve both diversity and appropriate size in order to effectively fulfill its roles and responsibilities. In addition, a skills matrix that indicates the skills particularly expected of each Director and the definitions of those skills are described on the "Directors" page (https://www.miyaji-eng.com/en/corporate/officer.html#officer) of the Company's website, or in the Reference Documents for the Convocation Notice of the 22nd Annual General Meetings of Shareholders, which are available on the "Shareholders Meetings" page (https://www.miyaji-eng.com/en/zaimu/meeting.html) of the Company's website.

[Supplementary Principle 4.11.2] Status of Concurrent Positions of Officers Serving Concurrently as Officers at Other Listed Companies

The Company's Directors, including Outside Directors, devote to their operations the time and effort necessary to appropriately fulfill their roles and responsibilities. The status of concurrent positions of Directors serving concurrently as officers, etc., at other listed companies is disclosed on our website, as well as in convocation notices of General Meetings of Shareholders and in securities reports.

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

The Company evaluates the effectiveness of the Board of Directors as a whole with the aim of further improving the operation, etc. of the Board of Directors. A summary of the evaluation method and results for the current fiscal year is as follows.

(1) Evaluation method and process
   1) The secretariat prepared a questionnaire to evaluate the effectiveness of the Board of Directors. After deliberation and approval at the meetings of the Board of Directors, it was distributed to all Directors, who then conducted individual evaluations.
   2) Based on the individual evaluation results compiled by the secretariat, the Board of Directors conducted an overall evaluation and discussion.

(2) Evaluation items
   1) Role, function, size, and composition of the Board of Directors
   2) Operation of the Board of Directors and status of discussions
   3) Activities of the Nomination and Compensation Committee and other special committees
   4) Support system for Outside Directors
   5) Evaluation of individual Directors

(3) Summary of evaluation results
   1) We believe that the current Board of Directors is adequately fulfilling its roles and responsibilities. However, there was a shared recognition of issues that should be improved, including the need for more in-depth discussions on medium- to long-term corporate strategies and the nature of risks to be taken and how to respond to them. The current composition and size of the Board of Directors (three internal and four Outside Directors) was considered appropriate at the moment. However, some members expressed the view that adding a Director with financial expertise should be considered, and this perspective was shared.
   2) The frequency and duration of the monthly meetings, along with the quality and content of the agenda and discussions, were deemed appropriate given the active and meaningful exchange of views. However, many Directors pointed out that delays in agenda notifications and material distribution were hindering more robust discussions. To address this, from FY2025 onward, we have been working to ensure that agendas are communicated at least one week in advance and materials are distributed at least three days prior to meetings.
   3) The Nomination and Compensation Committee, as well as other special committees, have also engaged in active exchange of opinions and are considered to be fulfilling their roles and functions appropriately. However, there was a shared understanding that there are issues that need to be improved, such as in agenda selection and committee operations, to further enrich these discussions.
   4) The support system for Outside Directors was confirmed to be appropriate, with no issues identified.
   5) Individual Directors were evaluated as meeting or exceeding expectations, based on their appropriate conduct in line with Japan's Corporate Governance Code. However, Outside Directors expressed a desire for more active participation and comments from internal Directors.
   6) Based on the above findings, we confirmed that the Board of Directors is functioning appropriately and that a sound governance system is firmly in place. Accordingly, we have evaluated that the effectiveness of the Board of Directors has been secured. We remain committed to continuously addressing issues and making improvements to further improve the effectiveness of the Board of Directors.

[Supplementary Principle 4.14.2] Director Training Policy

The Company's training policy for Directors is as follows.

1. New Directors
   New Directors attend outside seminars, etc. related to the knowledge required as a new Director.
2. Directors
   The Company provides regular training led by attorneys, certified public accountants, etc., and Directors attend outside seminars as appropriate, in an ongoing effort to acquire knowledge and improve their abilities.
3. Outside Directors
   In addition to site visits to the Group's offices, Outside Directors are provided with educational opportunities to acquire necessary information such as the Company's history, an overview of its business, and an overview of business performance. Outside Directors also attend outside seminars as appropriate and as necessary, in an effort to acquire the necessary expertise, etc.

[Principle 5.1] Policy for Constructive Dialogue with Shareholders

1. IR Policy
   We take the opinions of our shareholders very seriously, and in order to reflect them in the operation of our company, we disclose accurate information regarding our management in a timely manner and we engage in constructive dialogue with our shareholders. Through this, we strive to produce sustained growth and increase our corporate value over the medium and long term.
2. IR Structure and Methods of Engaging in Dialogue

We strive to actively engage in dialogue with our shareholders, primarily through the senior management and our Sustainable Management Promotion Office. Furthermore, we hold financial results briefings for analysts and institutional investors (twice per year), and we post the materials used in these briefings, along with videos of the briefings, on our website. We strive to immediately post information such as our company profile, management policy, group structure, compliance information (Charter of Corporate Behavior), IR information (convocation notices, reports, interim reports, earnings briefings, securities reports, and other disclosure materials), and the like on our website.

3. Insider Information
   We manage insider information thoroughly with respect to our dialogue with shareholders.
4. Status of Dialogue with Shareholders
   The status of dialogue with shareholders was disclosed on May 14, 2024 in a document titled, "Status of Dialog with Shareholders and Investors," and is posted on the Company website (https://ssl4.eir-parts.net/doc/3431/tdnet/2439012/00.pdf). [Also available in English (https://ssl4.eir-parts.net/doc/3431/tdnet/2439375/00.pdf)]

   [Action to Implement Management that is Conscious of Cost of Capital and Stock Price]
   Actions taken to implement management that is conscious of the cost of capital and of stock price have been disclosed in "Action to Implement Management that is Conscious of Cost of Capital and Stock Price," on August 9, 2023, and are posted on the Company website (https://ssl4.eir-parts.net/doc/3431/tdnet/2324150/00.pdf). [Also available in English (https://ssl4.eir-parts.net/doc/3431/tdnet/2324318/00.pdf)]

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

Content	Disclosure of initiatives (updates)
Disclosure in English	Available
Date of Update Updated	August 7, 2025

Explanation for Applicable Items Updated

For the current fiscal year, the Group will continue to aim for medium- to long-term sustainable growth and further enhancement of its corporate value, with a target of 10% ROE by implementing the following measures.

(1) Achievement of the Medium-Term Business Plan (FY2022 to FY2026)
Compared to FY2021, when the current Medium-Term Business Plan was formulated, the market environment has changed significantly in FY2024, with rising prices and other factors causing a decrease in order volume for new construction-related projects, measured by weight, and a growing trend toward the scaling down of construction work for new contracts due to the need for significant budget additions for existing construction contracts. Furthermore, in light of impact from delays of several years in construction periods for large-scale construction projects with high-level technical difficulties, caused by difficulties in detailed design and discussions with third parties, we revised our financial result forecasts for the fiscal year ending March 31, 2026 and the fiscal year ending March 31, 2027 at the time of the financial results briefing for the six months ended September 30, 2024 (November 2024). While we expect current market conditions to persist for some time, in order to achieve the Group's sustainable growth and business development, we will continue to optimize our management by appropriately allocating management resources to new construction-related, large-scale renovation and maintenance-related, and private-sector projects (including railroad-related, buildings with large interior spaces and special buildings, and coastal structures projects). In addition, by improving productivity through technology development and digital transformation (DX), securing and training human resources, promoting the career advancement of women, and carrying out work style reforms, we will strive to exceed the goals of our revised Medium-Term Business Plan.

(2) Implementation of active IR activities
The Company is actively engaged in dialogue with shareholders and investors, primarily through the Sustainable Management Promotion Office. In FY2024, in addition to holding two financial results briefings, we also held a total of 59 one-on-one shareholder relations and investor relations meetings, and organized six plant visits in an effort to help shareholders and investors have a better understanding of the Group. In FY2025, we will continue to engage in active dialogue with shareholders and institutional investors.
In addition, we created an English version of our website, with a view toward expanding investments from overseas. Since FY2023, we have been posting timely disclosure materials in English, including Notices of General Meetings of Shareholders and financial results. We will continue these efforts along with shareholder relations and investor relations meetings.
We plan to publish this fiscal year's Integrated Report 2025 around the end of September.

(3) Buy-back of shares
As announced on August 7, 2024 in "Action to Implement Management that is Conscious of Cost of Capital and Stock Price (FY2024)," the Company implemented a buy-back of shares of ¥1,494 million (350,000 shares/percentage of total number of issued shares (excluding treasury shares): 2.6%) on August 8, 2024 to enable the execution of a flexible capital policy.
With the aim of continuing to execute a flexible capital policy going forward, the Company will consider implementing share

buy-backs under special circumstances, such as when companies intend to sell shares to reduce cross-shareholdings, and will also consider the effective use of treasury shares, such as reviewing the officer remuneration system.

(4) Share split

Effective October 1, 2023 and October 1, 2024, the Company implemented two-for-one share splits of its common shares, bringing the current total number of issued shares to 27,677,816 shares. These share splits were conducted with the aim of developing an investor-friendly environment by reducing the transaction amount per investment unit (share unit number), thereby further enhancing the liquidity of the Company's shares while widening the range of investors.

As a result, the number of shareholders increased from 3,554 on March 31, 2023 to 13,332 on March 31, 2024 (3.8 times of the previous fiscal year), and significantly increased to 31,222 on March 31, 2025 (2.3 times of the previous fiscal year), thereby improving liquidity. Our PBR has also consistently remained at or above 1.1 times, which we believe demonstrates a certain level of effectiveness. Going forward, we will consider implementing additional share splits depending on the situation with the aim of improving liquidity.

(5) Continuation of the dividend policy (implementation of capital efficiency-conscious, flexible shareholder returns)

i) Basic dividend policy

The Company positions the return of profits to shareholders as an important management measure, and strives to maintain and increase shareholder returns. We will achieve the profit target under the Medium-Term Business Plan (FY2022 to FY2026), which was announced in the financial results briefing for the six months ended September 30, 2024, with the aim of maintaining and further increasing the dividend per share. In addition, we will appropriately control the level of equity capital, paying careful attention to maintaining capital efficiency toward achieving a target of 10% ROE under the Plan, while flexibly implementing shareholder returns when performance is strong. At the same time, we have a basic policy of implementing a well-balanced capital policy, including investments for sustainable growth, which is a concept shared by all shareholders and stakeholders, and a certain level of capital reinforcement.

ii) Required equity capital

We have set our equity ratio target at roughly 55%, based on the estimation that the amount of equity capital equivalent to roughly seven months of monthly sales (60% of annual net sales) should be required to ensure the sustainable growth of the Group, in consideration of factors such as the working capital required to expand our scale of business under the Medium-Term Business Plan, costs for managing the risk of loss associated with the engagement in highly difficult construction projects, and preparation for business continuity in the event of a major natural disaster.

iii) Shareholder returns (dividend policy) during the period under the Medium-Term Business Plan (FY2022 to FY2026)

Based on the content (shareholder returns that are conscious of maintaining an equity ratio of 55% and capital efficiency) of the "Action to Implement Management that is Conscious of Cost of Capital and Stock Price (FY2024)" announced on August 7, 2024, we plan to set the policy on shareholder returns for the fiscal year ending March 31, 2026 at ¥97.50 as a lower limit, with a target total payout ratio of 60%, as announced in the financial results briefing for the six months ended September 30, 2024.

(6) Reduction of cross-shareholdings

The Group currently owns certain listed stocks on a cross-shareholding basis, with the aim of maintaining business relationships, such as building stable long-term relationships with investees. Regarding shareholdings, we conduct a multifaceted review of business performance, share price, dividends, growth potential, etc. for each investee every fiscal year, the results of which are discussed and approved by the Board of Directors. As a result, if the significance of such shareholdings is found to be insufficient or not appropriate to the cost of capital, we will reduce the shareholdings after engaging in dialogue with the investees.

We will also proceed with planned sales and are scheduled to reduce the ratio of cross-shareholdings against consolidated net assets to 10% or less on a book value basis, in the period under the Medium-Term Business Plan (FY2022 to FY2026).

Under this policy, we reduced nine stocks (sold all holdings for seven stocks) in the past five years, including selling a portion of our holdings in two stocks in FY2024 (book value of ¥189 million at the end of the previous fiscal year). However, an increase in the stock prices of our remaining shareholdings has resulted in the ratio to consolidated net assets accounting for 13.9% at the end of March 2025. Going forward, we will systematically sell stocks over FY2025 and FY2026, with the aim of reducing the ratio to 10% or less in the period covered by the current Medium-Term Business Plan.

2. Capital Structure

Foreign Shareholding Ratio	Less than 10%

[Status of Major Shareholders]

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (trust account)	3,022,400	11.40
MUFG Bank, Ltd.	1,138,580	4.29
Meiji Yasuda Life Insurance Company	1,066,688	4.02
NIPPON STEEL CORPORATION	631,200	2.38

Custody Bank of Japan, Ltd. (trust account)	597,600	2.25
MIYAJI Client Stock Ownership Association	585,300	2.21
JFE Steel Corporation	360,000	1.36
Mitsubishi Heavy Industries, Ltd.	321,300	1.21
Sumitomo Mitsui Banking Corporation	236,800	0.89
Kawakin Core-Tech Co., Ltd.	234,400	0.88

Name of Controlling Shareholder, if applicable (excluding Parent Company)	—
Name of Parent Company, if applicable	None

Supplementary Explanation

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3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Business Sector	Metal Products
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	500 or more and fewer than 1,000
Net Sales (Consolidated) for the Previous Fiscal Year	¥10 billion or more and less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Fewer than 10

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

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

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

1. Organizational Composition and Operation

Organization Form	Company with Audit and Supervisory Committee

[Directors]

Number of Directors Stipulated in Articles of Incorporation	14
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	7
Election of Outside Directors	Elected
Number of Outside Directors	4
Number of Independent Outside Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Mayumi Hirase	Other											
Hidemi Ota	From another company											
Masato Higuchi	Lawyer											
Junko Uemura	Lawyer											

* Categories for "Relationship with the Company."
* Use "○" when the director presently falls or has recently fallen under the category, and "△" when the director fell under the category in the past
* Use "●" when a close relative of the director presently falls or has recently fallen under the category, and "▲" when a close relative of the director fell under the category in the past.
a Person who executes business of the Company or a subsidiary
b Person who executes business or a non-executive director of a parent company
c Person who executes business of a fellow subsidiary
d Person/entity for which the Company is a major client or a person who executes business for such person/entity
e Major client of the Company or a person who executes business for such client
f Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to executive remuneration from the Company
g Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
h Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to self only)
i Person who executes business for another company, between which and the Company outside officers are mutually appointed (applies to self only)
j Person who executes business for an entity receiving contributions from the Company (applies to self only)
k Other

Outside Directors' Relationship with the Company (2)

Name	Membership of Audit and Supervisory Committee	Designation as Independent Officer	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Mayumi Hirase		○	—	Ms. Hirase has been active as a "Dream Teacher" of the "JFA Kokoro Project" of the Japan Football Association, and she actively addresses "promotion of measures to support raising the next generation" and "promotion of women's advancement," which are our key issues for diversity promotion, in the Board of Directors by utilizing her experience as an athlete who excelled in the tough world of sport as a top professional not only in Japan but also overseas. She has the strength to drive reforms and improvements from an objective and universal perspective. At the Company, she has had a positive impact on mid-career and young employees through dialogue with them. As such, the Company has determined that she is qualified as the Company's Outside Director as a leader and supervisor of sustainable management that considers the Company's corporate activities from a universal perspective and works to resolve various social issues. In addition, the Company has determined that independence with respect to the attributes, etc. of independent officers is ensured and she is unlikely to be subject to conflicts of interest with general shareholders, and has designated her as an independent officer.
Hidemi Ota	○	○	—	Mr. Ota is one of the few persons who have played an important role in all the processes from planning to construction of the Tokyo Wan Aqua-Line Expressway, a national project. Furthermore, he is also an authority on the area of steel structures who pushed forward the national project of constructing the Runway D at Tokyo International Airport, a steel offshore airport, and is familiar with the Company's business with a high level of insight. At the same time, he also has a wealth of experience as a private company manager and has a wide network of contacts, and is expected to perform company analysis from a broad perspective. In addition, as chairperson of the Audit and Supervisory Committee and Nomination and Compensation Committee, he plays a leading role in improving the Company's governance. As such, he is qualified to serve as the Company's Outside Director who is an Audit and Supervisory Committee Member, who also is a supervisor of management. In addition, the Company has determined that independence with respect to the attributes, etc. of independent officers is ensured and he is unlikely to be subject to conflicts of interest with general shareholders, and has designated him as an independent officer.

Name	Membership of Audit and Supervisory Committee	Designation as Independent Officer	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Masato Higuchi	○	○	—	Mr. Higuchi has a wealth of experience mainly in responding to various social events and issues as Chief of Police of the Kumamoto Prefectural Police, the Fukuoka Prefectural Police, and the Osaka Prefectural Police, and giving direction and guidance for investigations and inspections into these events and issues as well as recurrence prevention measures as the head of governance. Even after retiring from the police, he has been consulted by companies and organizations as a lawyer on compliance matters and has been offering advice. Furthermore, based on his experience serving as Outside Director of other companies, he actively speaks up at Board of Directors meetings, etc. based on external perspectives and values, leading the way in improving the Company's governance and compliance awareness. As such, he is qualified to serve as the Company's Outside Director who is an Audit and Supervisory Committee Member, who also is a supervisor of management. In addition, the Company has determined that independence with respect to the attributes, etc. of independent officers is ensured and he is unlikely to be subject to conflicts of interest with general shareholders, and has designated him as an independent officer.
Junko Uemura	○	○	—	As a lawyer, Ms. Uemura is well-versed in overall corporate law and general meetings of shareholders, and she possesses a wealth of experience. She has experience in areas such as verification committees for local governments, and currently serves as an Outside Audit & Supervisory Board Member at a company listed on the Prime Market, therefore she possesses multifaceted insight based on her wide range of experience. In addition, through her experience in M&A due diligence and advisory work, as well as in business restructuring and as a trustee in bankruptcy, she has extensive knowledge of finance and accounting, which is important to the Company as it aims for sustainable growth and enhancement in corporate value. As such, she is qualified to serve as the Company's Outside Director who is an Audit and Supervisory Committee Member, who also is a supervisor of management. In addition, the Company has determined that independence with respect to the attributes, etc. of independent officers is ensured and he is unlikely to be subject to conflicts of interest with general shareholders, and has designated him as an independent officer.

[Audit and Supervisory Committee]

Composition of Audit and Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit and Supervisory Committee	3	0	0	3	Outside Director

Appointment of Directors and/or Employees to Support the Audit and Supervisory Committee	Appointed

Matters Concerning Independence of Said Directors and/or Employees from Executive Directors

The Audit Office has been established to assist and support the smooth execution of the duties of the Audit and Supervisory Committee and staff have been assigned to the Office. There are no Directors who are assigned to assist the duties of the Audit and Supervisory Committee.
The Audit Office staff do not receive directions and orders from Directors who are not Audit and Supervisory Committee Members with respect to the duties of the Audit and Supervisory Committee, but follow the directions and orders of the Audit and Supervisory Committee. The opinion of the Audit and Supervisory Committee is heard and respected concerning personnel transfers, performance evaluations, etc., thereby ensuring independence from the executive divisions and the effectiveness of the Audit and Supervisory Committee's instructions to the Audit Office staff.

Status of Coordination between Audit and Supervisory Committee, Accounting Auditor, and Internal Audit Division

The Audit and Supervisory Committee works closely with the Audit Office and the Accounting Auditor by regularly exchanging information and opinions, receiving reports on audit results, and being present at audits by the Accounting Auditor.

[Voluntary Establishment of Committee(s)]

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established

Status of Voluntarily Established Committee(s), Composition of the Committee, and Attributes of the Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Compensation Committee	3	1	0	2	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Compensation Committee	3	1	0	2	0	0	Outside Director

Supplementary Explanation

At the Board of Directors meeting held after the 18th Annual General Meeting of Shareholders on June 25, 2021, the Company established a Nomination and Compensation Committee as an advisory body under the Board of Directors for the purpose of reinforcing the independence, objectivity, and accountability of the Board of Directors' functions with respect to matters deemed necessary by the Board of Directors concerning the appointment and dismissal of Directors, the selection and dismissal of Representative Directors and Directors with titles, and matters deemed necessary by the Board of Directors concerning remuneration, etc. for Directors. Furthermore, at the Board of Directors meeting held after the 22nd Annual General Meeting of Shareholders on June 27, 2025, the number of members of the Committee was increased to three.

[Matters Concerning Independent Officers]

Number of Independent Officers	4

Other Matters Concerning Independent Officers

The Company has designated all four Outside Directors who fulfill the qualifications of independent officers as independent officers.

[Incentives]

Implementation Status of Measures related to Incentives Granted to Directors	None

Supplementary Explanation for Applicable Items

The Group has not introduced a stock-based compensation plan concerning executive remuneration, and will consider a medium- to long-term performance-linked compensation plan in the future.

Persons Eligible for Stock Options	

Supplementary Explanation for Applicable Items

—

[Director Remuneration]

Status of Disclosure of Individual Directors' Remuneration	No Disclosure for any Directors

Supplementary Explanation for Applicable Items

The total amount (number of members) of remuneration, etc. for Directors for the fiscal year ended March 31, 2025 was ¥56 million (six Directors).
The above includes one Director who is not paid remuneration.
The total amount of remuneration, etc. received by Directors as officers from subsidiaries during the fiscal year ended March 31, 2025 was ¥158 million.
While the Company does not disclose individual executive remuneration, we will appropriately disclose it if there are officers whose total amount of consolidated remuneration, etc. is ¥100 million or more, in accordance with law.

Policy on Determining Remuneration Amounts and the Calculation Methods Thereof	Established

Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

The Company's policy for determining the amount of executive remuneration, etc. and the method of calculation thereof is determined taking into consideration comprehensively general examples of companies at the same level, the balance with the level of employees' salaries, the general state of management, and other factors.
In the future, the amount of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members) will be determined by the Board of Directors, based on reports from the Nomination and Compensation Committee, taking into consideration the Company's business performance, management details, economic conditions, etc. Remuneration, etc. for Directors who are Audit and Supervisory Committee Members will be determined by the Audit and Supervisory Committee within the scope of the total amount of remuneration resolved at the General Meeting of Shareholders.
At the 18th Annual General Meeting of Shareholders held on June 25, 2021, it was resolved that the upper limit of total annual remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be ¥120 million per year (however, this amount does not include the employee portion of salary for Directors who concurrently serve as employees. The Outside Director portion of the annual amount shall be ¥12 million. The number of Directors provided for in the Articles of Incorporation is no more than 10) and the upper limit of total annual remuneration for Directors who are Audit and Supervisory Committee Members shall be ¥48 million per year (the number of Directors who are Audit and Supervisory Committee Members provided for in the Articles of Incorporation is no more than four).
Remuneration, etc. received by the Company's officers in the current fiscal year consisted of fixed compensation only.

[Support System for Outside Directors]

In addition to reporting on the status of the Company's business execution and legally required matters, Directors and employees report matters that have a significant impact on the entire company, the status of implementation of internal audits, and serious violations of laws, regulations, or the Articles of Incorporation, to Outside Directors without delay. In order to make appropriate decisions, Outside Directors (excluding Directors who are Audit and Supervisory Committee Members) request additional information from the related departments and the General Affairs and Human Resources Department, which serves as the secretariat for the Board of Directors, as necessary, and the related departments provide information and materials based on the requests as appropriate. In order to conduct appropriate audits, Outside Directors who are Audit and Supervisory Committee Members request information and materials from the related departments as necessary, with the Audit Office taking the lead, and the related departments provide information and materials based on the requests as appropriate. In this manner, a system is in place to respond to requests from Outside Directors at all times.

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

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

Name	Job Title/ Position	Responsibilities	Terms and Conditions of Employment (Full/Part Time, With/Without Remuneration, etc.)	Date when Former Role as President, etc. Ended	Term
Shigetoshi Aota	Consultant	Provide support for the various operations of the Company and operating companies by responding to consultations from those involved in business execution of the Company and operating companies (including Directors and Operating Officers).	Full-time (with remuneration)	March 31, 2025	1 year

Number of Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) After Retiring as President and Representative Director, etc. Updated	1

Other Related Matters

—

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

The Board of Directors of the Company consists of seven Directors. In principle, the Board of Directors holds regular meetings once a month and extraordinary meetings as appropriate and as necessary. The Board of Directors, as the highest decision-making body within the Group, deliberates and decides on the most important matters related to the Group's management and supervises the execution of duties by Directors. Major operating subsidiaries have adopted an operating officer system and clarify authority and responsibilities and accelerate decision-making by separating management decision-making and business execution.
The Company formulates the Group-wide plans, based on which each operating subsidiary formulates individual plans, specific annual targets, action plans, and budgets, and implements monthly and quarterly performance management based on such plans.
The certified public accountants who performed the Company's accounting audit services and who work for Crowe Toyo & Co. are Messrs. Naoki Nakazato and Yuki Ishikawa. In addition, nine certified public accountants and five other persons assisted with the audit services.

3. Reasons for Adoption of Current Corporate Governance System

We have adopted the format of a Company with an Audit and Supervisory Committee from the perspective of further enriching our corporate governance system. We selected this format because assigning the voting rights of the Board of Directors to

Directors who are Audit and Supervisory Committee Members will further enhance the auditing and supervision functions of the Board of Directors, will accelerate decision-making, and will enrich discussions from a medium- and long-term perspective. In conjunction with this, we have established a Nomination and Compensation Committee and a Compliance and Risk Management Committee. Our goal in creating the voluntary Nomination and Compensation Committee, over half of whose members are Independent Outside Directors, is to reinforce the independence, objectivity, and accountability of the Board of Directors' functions with respect to the nomination and remuneration for Directors. Our goals in creating the Compliance and Risk Management Committee, which is composed of outside committee members such as a lawyer, is to build and tune our system for managing compliance and risks within the Group, to operate the system appropriately, and to fully establish the operation of the system within the Group. The Board of Directors makes decisions after receiving inquiries and advice from the respective committees, thereby engaging in business management with a high level of legal compliance and transparency. At the same time, we believe that the committees provide management monitoring functions that contribute significantly to the establishment of corporate governance.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Dispatch of Convocation Notices of General Meetings of Shareholders	The Company begins electronic provision of convocation notices of Annual General Meetings of Shareholders to shareholders at least 22 days prior to the date of the Annual General Meeting of Shareholders, and posts them on the Tokyo Stock Exchange website and the Company's website. In addition, printed sets of documents, including the Voting Rights Exercise Form, are dispatched at least 14 days prior to the date of the meeting (with a target of 21 days prior to the meeting).
Exercise of Voting Rights by Electronic Means	The Company adopted an electronic voting system from the 21st Annual General Meeting of Shareholders held in June 2024.
Participation in Electronic Voting Rights Exercise Platform and Other Initiatives to Improve the Voting Environment for Institutional Investors	The Company adopted an Electronic Voting Rights Exercise Platform from the 21st Annual General Meeting of Shareholders held in June 2024.
Provision of Summary of the Convocation Notices in English	The Company provides summary of the convocation notices of Annual General Meetings of Shareholders from the 20th Annual General Meeting of Shareholders held in June 2023.
Other	The results of exercising voting rights are posted on the Company's website as an extraordinary report.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Creation and Disclosure of Disclosure Policy	The policy is disclosed on the Company's website and in the Corporate Governance Report.	
Regular Investor Briefings held for Analysts and Institutional Investors	The Company holds financial results briefings for analysts and institutional investors.	Held
Online Disclosure of IR Information	Mainly a company profile and the Group structure, business policies and compliance (Charter of Corporate Behavior), notices of convocation, reports and interim reports, and financial information (earnings briefings and other disclosure materials, securities reports and semi-annual reports) are posted on the Company's website. In FY2022, the Company started posting materials and videos of financial results briefings on its website. We have also been working on the disclosure of non-financial information. In May 2023, we published our first Integrated Report 2023, and we published our more in-depth Integrated Report 2024 in September 2024. We are planning to publish Integrated Report 2025 in September 2025.	
Establishment of Department and/or Placement of a Manager in Charge of IR	Departments in charge of IR: Sustainable Management Promotion Office, General Affairs and Human Resources Department, and Planning and Management Department	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Group has established appropriate management and disclosure of corporate information and assets, appropriate accounting procedures, timely and appropriate disclosure of statutory information, prevention of insider trading, etc. in its Charter of Corporate Behavior, Code of Conduct, Whistleblowing Regulations, etc., and endeavors to ensure that these matters are well-known and thoroughly enforced. We are also working to communicate with not only shareholders but also society at large through reports and interim reports, press releases, etc. and striving to disclose information required by society concerning the Company's management situation and corporate activities in general in a timely, appropriate, and fair manner.
Implementation of Environmental Preservation Activities, CSR Activities, etc.	In order to fulfill its corporate social responsibility, the Group has established a Charter of Corporate Behavior, which represents values, ethics, and specific standards of conduct common to the Group. In terms of environmental preservation activities, we are aggressively developing our business based on the view that not only the new bridge business that contributes to the creation of social infrastructure but also the bridge maintenance and repair business itself that addresses aging infrastructure contribute to the realization of an environmentally conscious society. We are also working on a wide range of social contribution activities, such as organizing site tours and plant tours for local residents and students. Details of our CSR activities are also described in the CSR section of the Company's website and its operating subsidiaries' websites, as well as in reports, interim reports, etc. To reinforce the Group's implementation structure for various social issues and SDGs, a Sustainability Promotion Committee and seven sectional committees have been created under the Board of Directors to promote reinforcement activities. We provide details regarding their activities on our website and in Integrated Reports.
Formulation of Policies, etc. on Provision of Information to Stakeholders	In addition to appropriately disclosing information in accordance with laws and regulations, the Company is proactively working to provide information other than that required by laws and regulations. When disclosing information, the Company is striving to provide accurate, easy-to-understand, and specific descriptions that are extremely useful to users. The status of the Company's internal system for timely disclosure of corporate information and a schematic diagram of the timely disclosure system are described in "V. 2. Other Matters Concerning the Corporate Governance System" and in (Reference Materials).
Other	The Company is actively promoting the use of female employees by hiring female skilled workers and promoting female employees to managerial positions. At the same time, we provide an environment in which all employees can continue to play an active role according to their diverse lifestyles, such as balancing work and childcare.

IV. Matters Concerning the Internal Control System

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

Basic Policy Concerning the Development of an Internal Control System

The Company shall work on the development of an internal control system by establishing the following basic policy, pursuant to a resolution of the Company's Board of Directors, concerning the development of an internal control system based on the Companies Act, that includes a legal compliance system and a risk management system at its core, and a system for storing and managing information, a system for ensuring the efficiency of the execution of duties, a system for ensuring the appropriateness of the operations of the Group, and a system for ensuring the effectiveness of audits by the Audit and Supervisory Committee. The Company's operating subsidiaries shall also work on the development of internal control systems, pursuant to a resolution of the Company's Board of Directors, in accordance with similar basic policies for the development of an internal control system. Through the development of such systems, the Group shall strive for sound corporate development by further strengthening our efforts to provide safe and superior products, construction, and services as a corporate group that is trusted by our clients and other stakeholders.
Furthermore, as a holding company, the Company monitors the status of our operating subsidiaries and manages the Group, and is also accountable for their performance.

1. System to ensure that the execution of duties of Directors and employees complies with laws and regulations and the Articles of Incorporation

(1) The Company has established a Charter of Corporate Behavior and a Code of Conduct as a Group, which set forth that the Directors and employees of the entire Group shall comply with laws, regulations, and the Articles of Incorporation and indicate standards for acting in accordance with social norms, and the Company will ensure that the Charter and Code are well-known and thoroughly enforced. We have also established Whistleblowing Regulations for the Company and each operating subsidiary, and have set up an internal and an external (lawyers) hotline for compliance reporting and consultations.
(2) The Company and each operating subsidiary shall appoint an officer in charge of compliance and risk management and shall have the officer manage and oversee the establishment and maintenance of compliance and risk management systems.
(3) The Company shall establish a Compliance and Risk Management Committee, to be chaired by the President and attended by Directors and lawyers, as an organization that laterally oversees the Group-wide compliance system and risk management, to deliberate important issues relating to compliance and risk management and to establish and maintain systems. The Compliance and Risk Management Committee shall regularly report on or submit matters it has deliberated and decided to the Board of Directors.
(4) The Company shall establish an Audit Office. The Audit Office shall, in close cooperation with the Audit and Supervisory Committee and the internal audit divisions at operating subsidiaries, conduct regular audits of the business execution and the status of compliance and risk management for the entire Group, and shall report the results to the Compliance and Risk Management Committee.
(5) The Company shall stipulate that it will have no relationships with anti-social forces or groups that threaten the order and safety of civil society in its Charter of Corporate Behavior and Code of Conduct, and shall work to prevent damage by striving to gather information by regularly exchanging information with external professional organizations and others. In the event that an incident occurs such as being subject to an unreasonable demand, the Company shall establish a system to respond in cooperation with external professional organizations and legal advisors.

2. System for retaining and managing information pertaining to the execution of duties by Directors
Directors shall properly store and manage the minutes of the Board of Directors' and other important meetings, request for decisions (ringi), and other records and documents pertaining to the execution of duties and decision-making, in accordance with the Document Management Regulations and other internal regulations.
Such information shall be available for inspection at any time upon request of the Audit and Supervisory Committee.

3. Regulations and other systems for managing the risk of loss

(1) The Compliance and Risk Management Committee shall deliberate and formulate basic policies, promotion systems, and other important matters concerning risk management for the entire Group, and strive to establish and maintain systems that can appropriately respond to potential risks in the Group's corporate activities.
(2) Each operating subsidiary shall establish and maintain regulations, guidelines, and response manuals regarding risks associated with the operations of each operating subsidiary, including quality controls, safety controls, compliance, and information security, and shall ensure such regulations, guidelines, and response manuals are well-known and thoroughly enforced.
(3) In the event of a disaster or other unforeseen circumstance, a task force shall be established under the direction of the President to prevent the spread of damage and ensure the continuation of business activities.
(4) The Company's Audit Office and the internal audit divisions of operating subsidiaries shall conduct regular audits of the status of risk management and report to the Compliance and Risk Management Committee.

4. System to ensure that the execution of the duties of Directors is performed efficiently

(1) In principle, the Company shall hold meetings of the Board of Directors regularly once a month, as well as on an ad-hoc as-needed basis, to make decisions on important matters involving the management of the Company and operating subsidiaries as set forth in the Board of Directors Rules, and to supervise the execution of duties by Directors.
(2) With respect to the execution of business based on decisions by the Board of Directors, the Regulations on Division and Authority of Duties shall clarify each Director's authority and responsibilities, and execution procedures for the efficient execution of duties.
(3) The Company shall formulate medium-term and annual plans for the entire Group, and based on such plans, each operating

subsidiary shall formulate individual medium-term and annual plans and specific annual targets, action plans, and budgets, and implement monthly and quarterly performance management based on such plans.

(4) Key operating subsidiaries shall delegate authority for business execution to Operating Officers based on the operating officer system, clarify respective authority for management and supervision, and business execution, and promote efficient and prompt decision-making and business execution.

(5) Each operating subsidiary shall hold meetings of the Board of Directors regularly once a month, as well as on an ad-hoc as-needed basis, to make decisions on important matters and to supervise the execution of business by Directors.

(6) Key operating subsidiaries shall engage in deliberations at the Management Committee, which is composed of Directors and Operating Officers, to assist the President and Representative Director to make decisions on the Company's business execution, and shall set up a meeting body to engage in deliberations as necessary.

5. System to ensure appropriate operations at the Group

(1) As a holding company, the Company's Directors, through the Board of Directors, shall make decisions on important matters for the entire Group, and manage operations and supervise the execution of business by operating subsidiaries.

(2) A Board of Directors, corporate auditors, and an accounting auditor shall be established at major operating subsidiaries to ensure appropriate reciprocal monitoring of business decisions and business execution.

(3) The Company shall formulate and review the Group's shared management philosophy, Charter of Corporate Behavior, Code of Conduct, and Legal Compliance Manual, and ensure they are well-known and thoroughly enforced by all Group members.

(4) The Company shall establish rules for approving and reporting by operating subsidiaries to the Company in accordance with the Affiliated Company Management Regulations, etc., and shall establish and maintain the operation management and management guidance systems for each operating subsidiary based on such rules.

(5) The Audit Office and the internal audit divisions at each operating subsidiary shall regularly audit operating subsidiaries to promote appropriate business activities.

(6) Each operating subsidiary shall autonomously establish and maintain internal control systems, based on their size, nature, organizational design, and other corporate characteristics, while cooperating and sharing information with the Company.

(7) Each operating subsidiary, as a Group company of the Company, shall comply with laws, regulations, and their Articles of Incorporation, and conduct corporate management that maintains their corporate independence and uniqueness while respecting the Company's management policies and the management system of the corporate group.

6. Matters concerning Directors and employees assisting the duties of the Audit and Supervisory Committee

(1) In addition to assigning staff to assist the duties of the Audit and Supervisory Committee, related divisions, centered on the Audit Office, shall support the duties of the Audit and Supervisory Committee.

(2) The opinion of the Audit and Supervisory Committee regarding the appointment, dismissal, transfer, and performance evaluation of employees who assist the duties of the Audit and Supervisory Committee, shall be heard and respected. Furthermore, employees who receive orders from the Audit and Supervisory Committee necessary to perform audits shall not accept instructions or orders from anyone other than the Audit and Supervisory Committee with respect to such orders.

7. System for reporting to the Audit and Supervisory Committee

(1) The Company's Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees, as well as Directors and employees of each operating subsidiary, shall report on the state of the business execution of each company upon request by the Company's Audit and Supervisory Committee. In addition to legally required matters, matters that have a significant impact on the entire company, the status of implementation of internal audits, and serious violations of laws, regulations, or the Articles of Incorporation shall also be reported without delay.

(2) The Company shall establish and maintain an appropriate reporting system to the Audit and Supervisory Committee with regard to matters that have a significant impact on the entire Company and serious violations of laws, regulations, and the Articles of Incorporation through the operation of a whistleblowing system.

(3) The Company shall stipulate that a person who makes such a report shall not be treated disadvantageously on the grounds of having made such report in its Whistleblowing Regulations, and shall ensure that such regulations are well-known and thoroughly enforced.

8. Matters concerning policies pertaining to the treatment of expenses or liabilities incurred with respect to the execution of duties of Audit and Supervisory Committee Members (limited to duties related to those of the Audit and Supervisory Committee)

   The Company shall respond promptly when any of the Audit and Supervisory Board Members request expenses in connection with the execution of their duties (limited to duties related to those of the Audit and Supervisory Committee).

9. Other systems to ensure that audits by the Audit and Supervisory Committee are conducted effectively

(1) Audit and Supervisory Committee Members' right of access to important corporate information, including attendance at meetings of the Board of Directors and other important meetings, shall be guaranteed.

(2) The Audit and Supervisory Committee shall regularly exchange information and opinions with the President of the Company and the presidents of each operating subsidiary.

(3) The Audit and Supervisory Committee shall maintain close cooperation with the Audit Office and shall request investigations by the Audit Office as necessary.

(4) The Audit and Supervisory Committee shall hold regular meetings with the Accounting Auditor to exchange opinions and information, and shall request reports from the Accounting Auditor as necessary.

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

・ Basic Approach to the Elimination of Anti-social Forces
The Group Charter of Corporate Behavior and Code of Conduct clearly stipulate that the Company shall not have any relations with anti-social forces, and the Company ensures that all employees are fully aware of such stipulations.
・ Status of Development for the Elimination of Anti-social Forces
The General Affairs and Human Resources Department is in charge of eliminating relations with anti-social forces and strives to gather information and help prevent damage by regularly attending meetings to exchange information with external professional organizations and other organizations.
In preparation for when an incident occurs, such as being subject to an unreasonable demand, the Company has established a system to respond in cooperation with external professional organizations and legal advisors.

V. Other

1. Adoption of Takeover Response Policies

Adoption of Takeover Response Policies	Not Adopted

Supplementary Explanation for Applicable Items

Since there are various types of anti-takeover measures, the Company believes it is necessary to carefully investigate their suitability and effectiveness and will diligently consider their appropriateness. However, we believe that decisions on such matter should ultimately be left to the judgment of our shareholders.

2. Other Matters Concerning the Corporate Governance System

Internal System for Timely Disclosure of Corporate Information

We have adopted a basic policy of timely and appropriate disclosure of corporate information to investors. This disclosure is performed through the following internal system.

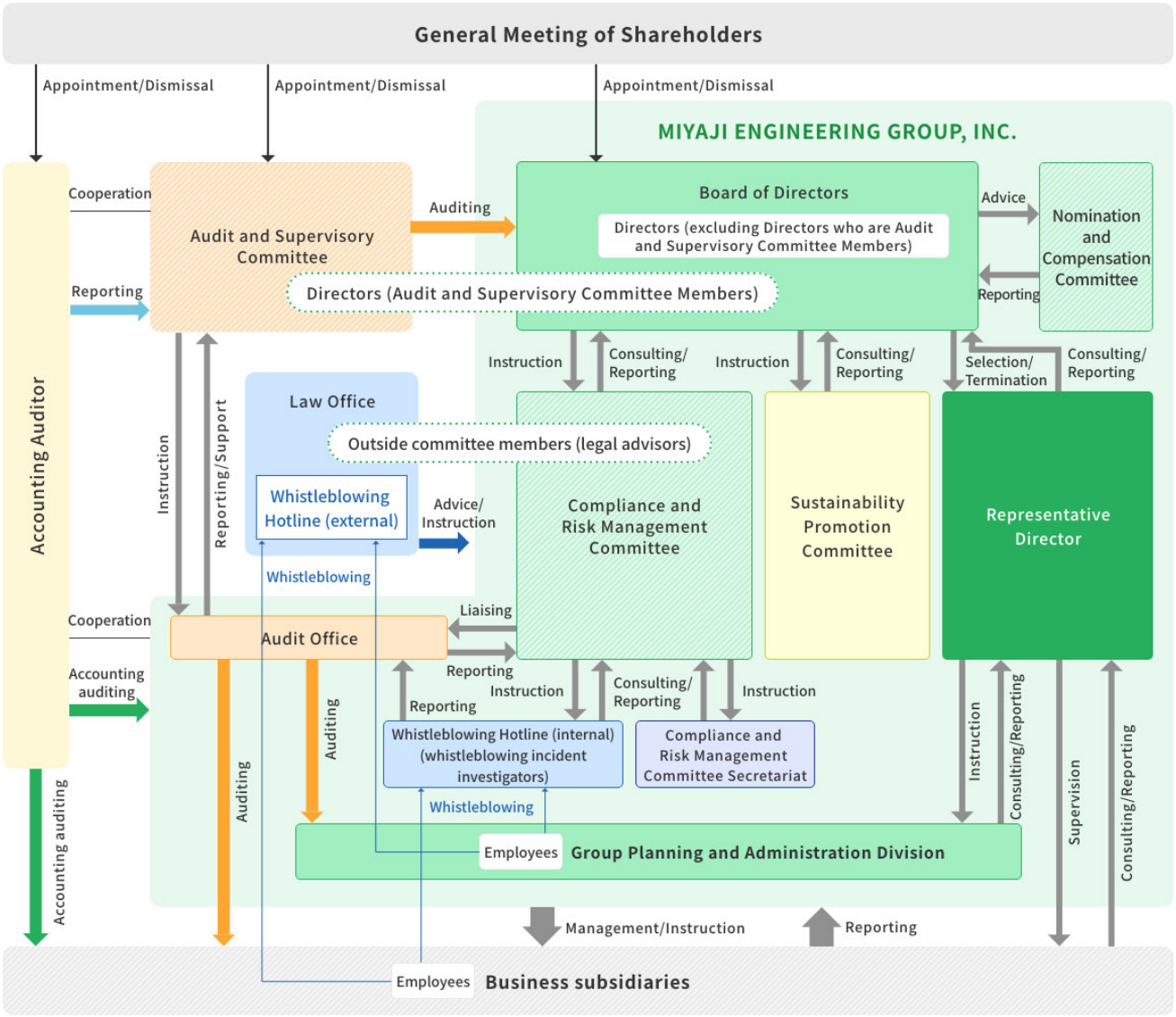
1. Information Regarding Decisions Made
Information regarding matters decided in regular Board of Directors meetings, extraordinary Board of Directors meetings held when necessary, and other important meetings is disclosed in a timely manner in accordance with the Tokyo Stock Exchange, Inc's Timely Disclosure Rules and other laws and regulations.
2. Information Regarding Events
Information regarding events is reported by the responsible department to the Board of Directors, etc. With regard to this information, the Sustainable Management Promotion Office, the General Affairs and Human Resources Department, and the Planning and Management Department, led by the person responsible for dealing with information, deliberate regarding the need for timely disclosure, while seeking the advice and instruction from an accounting auditor, legal advisers, and other experts as needed.
Information regarding events within the scope of timely disclosure standards is, as a general rule, disclosed in a timely manner, without delay, after being decided on by the Board of Directors.
3. Information Regarding the Settlement of Accounts
Information regarding financial settlements is disclosed in a timely manner after receiving advice and instruction and being audited by the accounting auditor as needed, and being decided on by the Board of Directors.
4. Information Regarding Operating Subsidiaries
The Company supervises and manages our Group as its holding company.
Decisions made by operating subsidiaries in important meetings such as Board of Directors meetings and events arising due to outside circumstances are reported by the information management division to the Sustainable Management Promotion Office, the General Affairs and Human Resources Department, or the Planning and Management Department. In accordance with internal regulations, decisions are made by the Company's Board of Directors, etc., or reported.
With regard to information regarding operating subsidiaries reported by operating subsidiaries, the Sustainable Management Promotion Office, the General Affairs and Human Resources Department, and the Planning and Management Department, led by the person responsible for dealing with information, deliberate regarding the need for timely disclosure, while seeking the advice and instruction from the accounting auditor, legal advisers, and other experts as needed.
Information regarding operating subsidiaries within the scope of timely disclosure standards is, as a general rule, disclosed in a timely manner, without delay, after being decided on by the Board of Directors.
5. Other Important Information
With regard to other important information, the Sustainable Management Promotion Office, the General Affairs and Human Resources Department, and the Planning and Management Department, led by the person responsible for dealing with information, deliberate regarding the need for timely disclosure, while seeking the advice and instruction from the accounting auditor, legal advisers, and other experts as needed.

Other important information within the scope of timely disclosure standards is, as a general rule, disclosed in a timely manner, without delay, after being decided on by the Board of Directors.

Disclosure Policy

The Company complies with the Financial Instruments and Exchange Act and other related laws and regulations regarding the handling of IR information at the Company, and has established the following basic policy on the disclosure of IR information (hereinafter referred to as the "Disclosure Policy") and works to ensure that disclosure is handled appropriately.

1. Basic Policy on Information Disclosure
   The Company discloses information appropriately in accordance with the Financial Instruments and Exchange Act and other relevant laws and regulations, as well as the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. (hereinafter referred to as the "TSE"). In addition, the Company strives to proactively disclose information that is deemed important or beneficial to shareholders and investors, even if it does not fall under related laws, regulations, or the Securities Listing Regulations.
2. Method of Information Disclosure
   Information that falls under the TSE's Securities Listing Regulations shall be disclosed by registering the information in the Timely Disclosure Network (TDnet) provided by the TSE in accordance with such regulations. After registering information in the TDnet, the same information shall promptly be disclosed on this website.
3. Quiet Periods
   From the perspective of preventing leaks of financial information and ensuring fairness, the Company has designated the period from the day immediately following the settlement date until the date on which financial results are announced as a quiet period, during which, in principle, the Company refrains from answering questions regarding business results and earnings forecasts.
   However, in the event that a significant change from a previous forecast is expected during the quiet period, information will be disclosed as appropriate in accordance with the TSE's Securities Listing Regulations.
4. Handling of Forward-Looking Statements
   Forward-looking statements such as earnings forecasts and plans disclosed by the Company that are not historical facts are targets and forecasts prepared based on information available at the time the materials were prepared and certain assumptions that are judged to be reasonable, and do not constitute commitments or guarantees. Therefore, actual results may differ from our future forecasts due to various factors.


General Meeting of Shareholders
Appointment/Dismissal
Appointment/Dismissal
Appointment/Dismissal
MIYAJI ENGINEERING GROUP, INC.
Accounting Auditor
Cooperation
Reporting
Audit and Supervisory Committee
Auditing
Board of Directors
Directors (excluding Directors who are Audit and Supervisory Committee Members)
Directors (Audit and Supervisory Committee Members)
Advice
Reporting
Nomination and Compensation Committee
Instruction
Consulting/ Reporting
Instruction
Consulting/ Reporting
Selection/ Termination
Consulting/ Reporting
Law Office
Outside committee members (legal advisors)
Whistleblowing Hotline (external)
Advice/ Instruction
Compliance and Risk Management Committee
Sustainability Promotion Committee
Representative Director
Instruction
Reporting/Support
Whistleblowing
Cooperation
Liaising
Audit Office
Reporting
Instruction
Consulting/ Reporting
Instruction
Accounting auditing
Reporting
Auditing
Auditing
Whistleblowing Hotline (internal) (whistleblowing incident investigators)
Compliance and Risk Management Committee Secretariat
Instruction
Consulting/Reporting
Supervision
Consulting/Reporting
Whistleblowing
Employees
Group Planning and Administration Division
Accounting auditing
Management/Instruction
Reporting
Employees
Business subsidiaries

END