



Integrated Report 2025

Corporate Philosophy

**Yurtec cooperates
with customers in creating value,
and contributing to society.**

Energy, environment and information that support our daily life and society.
This vast and diverse field is the stage for a general facility engineering company like Yurtec.
With state-of-art technologies and a humanitarian viewpoint,
Yurtec has consolidated performance through reliability.
Yurtec aims to foster an affluent and convenient life, a comfortable and
safe urban environment, and an advanced and diverse information society.
Our reliable technology and humanitarian way with people
will create a comfortable life and society in the future.

Corporate Statement

In pursuit of safety, quality and reliability.

Yurtec specializes in the construction of power transmission and distribution facilities.
We also construct and maintain electrical, air-conditioning and plumbing, and information and
telecommunications facilities installed in office buildings, factories, hospitals,
and other similar buildings. Our services also include civil engineering work.
Our mission is to create safe, secure, and comfortable social and business environments.
To pursue invariable value that is unwavering even in times of change;
this is the enduring conviction that we have developed to date.
We will continue to strive to ensure and improve safety, quality, and reliability
—things that are always valuable to us—in order to provide support
for the everyday lives of our customers and the community at large.

Safety

We give
utmost priority to safety
in our operations.

Quality

We constantly improve
the quality of
our construction work
(operations).

Reliability

We aim to become
a company that is
trusted and continuously
selected by society
and our customers.

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Editorial Policy

Our goal in publishing this integrated report is to provide insight into the Company by presenting key information, while keeping the editorial policy and editing points listed on the right in mind. We will bring together the elements of each page and the data that supports them to create a story for our integrated report.

1. Editorial Policy

- Ensure that our value creation system (the overall picture) is conveyed as a story
- Narrow down the report's selling points and clarify the points the Company wants to convey

2. Key Editing Points—The content to be covered in the report

- Ensure that company goals (economic value/social value) and the direction of change are specified
- Ensure that value drivers (financial/non-financial) are identified
- Ensure that a governance system (function) has been established to support long-term value creation

Important Note Regarding Future Outlooks

Results forecasts and other forward-looking statements presented in this report are based on information available to the Company at present and certain assumptions that the Company has deemed reasonable, and are not intended to be a promise by the Company that they will be realized. Actual business results, etc., are affected by various factors and may differ significantly.

Yurtec's History

In 80 years since the Company's founding, we have built our current business structure by expanding our business domains while working to meet the needs of the times. Keeping our corporate philosophy at the heart of our business activities, we will continue to strive for sustainable growth while responding to diversifying values and societal changes by unlocking the potential of our individual employees.

Oct. 1944



Established as Tohoku Electrical Construction Co., Ltd.

Dec. 1977



Listed on the second section of the Tokyo Stock Exchange

Sep. 1983

Assigned to the first section of the Tokyo Stock Exchange

Apr. 1991



Changed company name to Yurtec Corporation

Jun. 1992



Headquarters moved to Sendai Station East Exit (current location)

Sep. 1995



Made forays into Vietnam
Established Vietnam Office (currently called Ho Chi Minh Office)

Mar. 1997



Training Center (currently called Human Resource Development Center) moved from Sendai City to Tomiya City in Miyagi Prefecture

Mar. 2006



Acquired naming rights of Sendai Stadium and renamed it as "Yurtec Stadium Sendai"

Apr. 2015

Opened Safety Promotion Center

Mar. 2011



The Great East Japan Earthquake occurred
Task force established, with restoration efforts carried out across whole company

2024

80th anniversary



Jun. 2021



Made Sigma Engineering JSC in Vietnam a wholly-owned subsidiary company

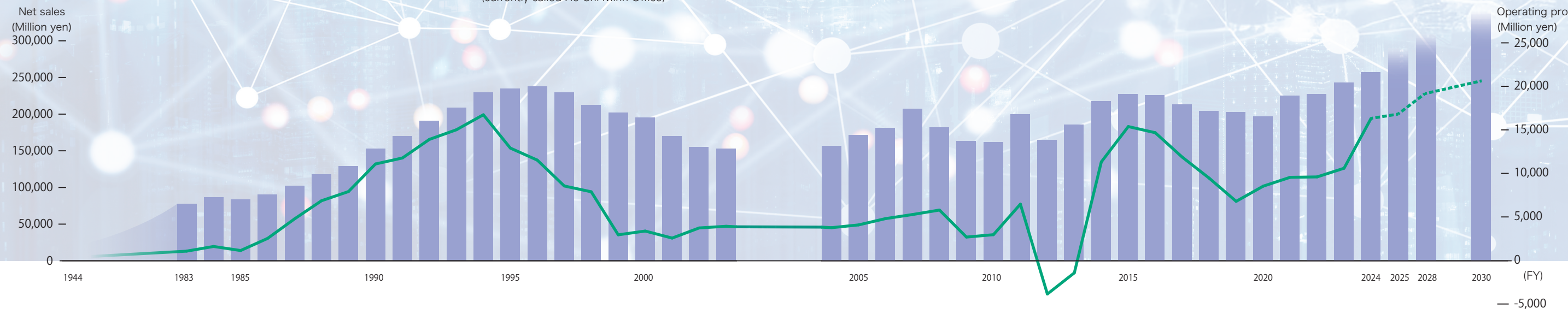
Apr. 2022

Listed on the Prime Market of the Tokyo Stock Exchange



Jul. 2023

Established Renewable Energy Headquarters



At a glance (As of March 31, 2025)



Our Businesses



Indoor wiring, air-conditioning and plumbing, information and telecommunications

We meet our customers' needs and provide comfortable environments through the new installation and expansion of electrical, air conditioning, water supply, and drainage facilities for various buildings, such as office buildings, factories, commercial facilities, and hospitals, along with the renovation of existing facilities. Furthermore, we support information and telecommunications infrastructure by installing optic fiber cabling and by setting up and maintaining mobile communication base stations and other facilities.

Power distribution, power transmission, power generation and substation, civil engineering and architecture

Our role is to support the social infrastructure of the Tohoku and Niigata areas, such as the electric power facilities, renewable energy-related facilities, and power receiving and transforming equipment in factories and other sites, from a construction standpoint. By doing so, we are contributing to the stable supply of electric power, responding quickly to facilitate the rapid recovery of facilities affected by natural disasters, which are growing in severity, while at the same time contributing to the development of local communities.





Renewable energy

Efforts toward carbon neutrality are beginning in earnest, and society's need for renewable energy, such as solar and wind power, is on the rise. We have over two decades of construction experience in this segment. With our advanced technical abilities, backed by our extensive experience and track record, we will contribute to creating a more sustainable future.

Overseas

We do business primarily in Vietnam, where we have a construction track record of roughly 30 years, and in neighboring countries such as Myanmar and Bangladesh. We recently made Sigma Engineering JSC, a major Vietnamese facility engineering company, into a subsidiary, and we are striving to further enhance our overseas business operations. We are also actively pursuing ODA projects in Africa and other regions.



Yurtec's Ideal Future

Changes in the external environment

The external environment surrounding our Group is constantly changing. We assess the impact of these changes on the construction industry and take on the challenges of sustainable growth and the achievement of our long-term targets and vision.

External environment	Impact on the construction industry
- Accelerating initiatives for achieving carbon neutrality by 2050 - Rising share of energy produced from renewable energy sources - Trends in ESG and SDGs management promotion in response to heightened interest in sustainability - Expansion of the national budget in Japan for overseas ODA projects - Aging of various forms of infrastructure - Intensification of disasters due to climate change - Nationwide construction and updating of wide-area interconnected grid - Introduction of Beyond 5G (so-called 6G) - Advancement of population decline and aging, concentration of population in the Kanto region - Promotion of diversity and inclusion (advancement of women, hiring and promotion of foreign nationals) - Digitalization and advancement of DX through introduction and use of AI, IoT, robots, big data, etc. - Possibility of long-term increases in wages and commodity prices	- Expansion of charging infrastructure, such as EV chargers and hydrogen stations for FCVs, increase in energy conservation-related construction, such as ZEBs - Increase in renewable energy-related construction - Expansion of overseas construction (ODA projects, renewable energy-related construction in Vietnam, increased investment by Japanese companies) - Increase in number of maintenance and renewal works to improve resilience of aging various infrastructure - Impact of intensification of natural disasters on electricity supply stability - Increase in main power grid construction - Increase in DX and mobile-related construction - Decline in construction capacity due to population decline - Tide of active leveraging of female and foreign national employees - Accelerated use of digital technologies (such as AI, IoT, and BIM), in construction sites - Soaring construction costs (labor costs and material costs)

Establishment of our 2030 Vision

We established “2030 Vision,” our long-term targets and vision, and announced it on March 27, 2024.

The world faces various issues, and the external environment surrounding our Group is constantly changing. We seek to adapt to these changes in our external environment, to help solve social issues, to contribute to the sustainable development of society, and to increase long-term corporate value. This vision sets forth “our ideal future” we wish to bring about by the early 2030s. We will work to “find more opportunities in existing businesses and expand growth areas,” to “pursue sustainability management,” and, “invest in human resources that will create future generations,” to “become a company with 300.0 billion yen in consolidated net sales” by the early 2030s.

Mission

Building the Future, Your technology



Basic Policy

- Find more opportunities in existing businesses and expand growth areas
- Pursue sustainability management
- Invest in human resources that will create future generations

Numerical Targets

Metrics	Early 2030s (consolidated)
Net sales	300.0 billion yen
Operating profit	20.0 billion yen*1
ROE	8.0%*2

*1 Bringing forward the target achievement period and setting the figure as a numerical target for FY2028

*2 Achieved in FY2024, aiming to maintain high standards going forward

The Six Capitals Supporting Yurtec

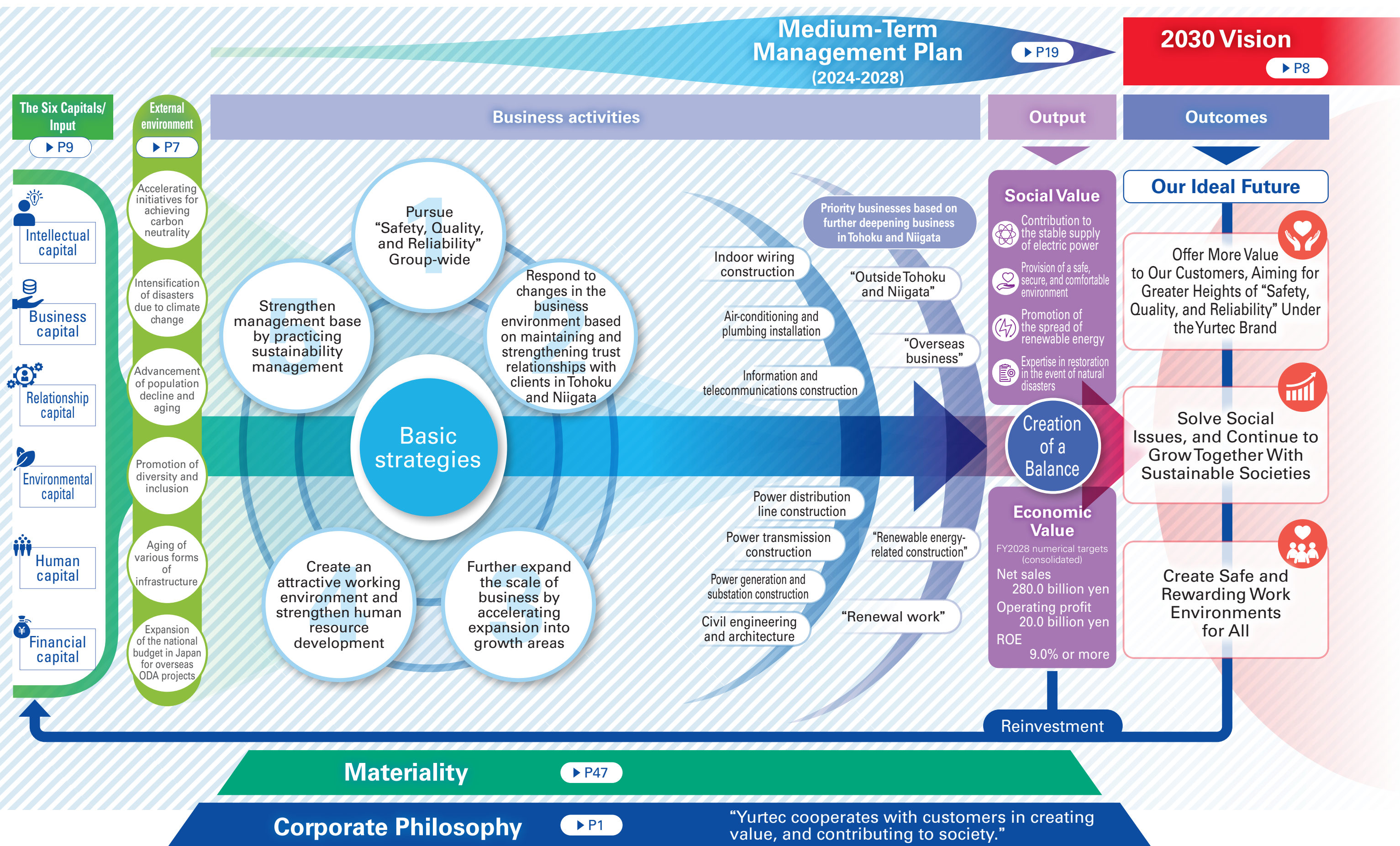
We conduct business as a general facility engineering company while playing a part in developing regional infrastructure, mainly in the Tohoku and Niigata areas. In this section we will outline the six capitals that support our business and our strengths in these areas.

Management capital and strengths

Management capital	
Intellectual capital Industrial property rights: 49 R&D expenses: 149 million yen	We strive to ensure and improve the Yurtec brand of “safety,” “quality,” and “reliability,” and boast an ample construction project track record and strong technical capabilities. We own 49 industrial property rights, and are working to develop technologies that ensure safety, improve quality, increase work efficiency, and reduce workloads. We will also utilize the infrastructure restoration expertise gained in our efforts following the Great East Japan Earthquake in the event of a natural disaster.
Business capital Number of business locations in Japan: 77 (as of March 31, 2025) Consolidated subsidiaries: 16 (incl. 2 overseas) No. 1 market share as a general facility engineering company in the Tohoku and Niigata areas	As a general facility engineering company under the Tohoku Electric Power Group umbrella, we have a strong business network centered on the Tohoku and Niigata areas. We are carrying out business activities at 77 locations in Japan, mainly in the Tohoku area, our home base, and Niigata, and 3 overseas countries. Overseas, we have approximately 30 years of experience in Vietnam. We will continue to earn the trust of our customers while pursuing “safety,” “quality,” and “reliability.”
Relationship capital Partner companies: Approx. 442 (2025年3月末現在) Client companies: Approx. 83,000	We are a member of the Tohoku Electric Power Group and carry out our operations in cooperation with approximately 442 partner companies. We have around 83,000 client companies. Our main clients include Tohoku Electric Power and Tohoku Electric Power Network, as well as general contractors, government agencies, and general corporations.
Environmental capital Medium- to long-term targets related to environmental management Striving to achieve carbon neutrality by FY2050 Endorsement ofTCFD Recommendations	The Tohoku area has been deemed a suitable site for offshore wind power, for which the Japanese government has set high introduction targets. As a local company, we also have a home-field advantage built up over the years. We will contribute to the realization of a low-carbon society through the construction of energy-saving, ZEB, and other facilities, and will actively work to cut our CO ₂ emissions in half by FY2030 compared to FY2013, and achieve carbon neutrality by FY2050.
Human capital Number of employees (consolidated): 5,841 (as of March 31, 2025) Number of employees with construction-related qualifications: 2,038 (No. 1 among general facility engineering companies in Tohoku area)	We believe that technical capabilities and human resources are the foundation that supports our high reliability. We are thus establishing a safety culture through the Safety Promotion Center and handing down technology through the Human Resource Development Center. In order to further expand our business, we aim to hire around 120 to 150 new employees every year through regular recruitment activities. Moreover, during the period of the new Medium-Term Management Plan, we aim to increase the number of employees by around 350, mainly technical personnel.
Financial capital Net assets: 147.7 billion yen (as of March 31, 2025) Consolidated net sales: 257.2 billion yen (FY2024) Growth investment: approx. 80 billion yen Shareholder return: approx. 40 billion yen	Under our stable financial base, we will make investments for future growth totaling 80.0 billion yen during the period encompassing the new Medium-Term Management Plan. During this same period, we will also look to improve shareholder returns, aiming for a total return ratio of 50% to 60%.

Strengths	
Creation of new technologies and products •A general facility engineering company that works in a wide variety of fields, including indoor wiring, air-conditioning and plumbing, and information and telecommunications construction (diverse business portfolio and corporate strength) •Constructive R&D system in four categories: Safety assurance, construction technologies, economic efficiency, and new markets	Expertise in infrastructure restoration in the event of natural disasters Made all-out efforts to restore electric power facilities as quickly as possible in the aftermath of the Great East Japan Earthquake and other natural disasters that disrupted Japan’s lifelines
Solid business foundation in Tohoku and Niigata Nationwide business network (77 business locations in Japan), comprehensive strength that enables us to offer one-stop construction solutions across a wide range of fields, relationships of trust with clients built over many years, win-win relationships with partner companies (about 422 companies) Overseas business base Strong presence in Vietnam with a track record spanning approximately 30 years, strong partnership with Sigma Engineering JSC (major facility construction company in Vietnam)	Reliable technology based on construction project track record Overwhelming track record of undertaking local projects as a company with roots in the Tohoku and Niigata regions and a framework that accumulates expertise and turns it into competitive strength (organizing and accumulating various information obtained through construction management undertaken thus far, then thoroughly examining this information leads to further improvement of technology proposal capabilities and utilization in new construction work) Mobility of construction workforce Provision of facility construction that meets the needs of our customers and the times via our network of 77 business locations in Japan and offices in three overseas countries
Stable business transactions with the Tohoku Electric Power Group Robust order pipeline and strong reliability within the industry for work ordered by Tohoku Electric Power and Tohoku Electric Power Network, such as for constructions on aging facilities and main power grids	Ability to execute work in unison with partner companies Expertise cultivated through electric power facility construction carried out together with our company and strong engineering network rooted in the local community
Over 20 years of experience in renewable energy-related construction Marketing prowess and construction expertise gained through collaboration between the Sales Headquarters and the Renewable Energy Headquarters	Technical capabilities that contribute to carbon neutrality Technology proposal capabilities to reduce CO ₂ , emissions, such as registering as a “ZEB Planner,” which provides business support for ZEB, such as consulting and design
Reliable technical base Technical personnel that work in a wide range of construction fields, such as indoor wiring, air-conditioning and plumbing, and information and telecommunications construction	Ample facilities and systems for developing human resource System that develops independent human resources capable of flexibly responding to the management environment and solving issues via regular training at the Human Resources Development Center
Stable financial base Sound financial position with an equity ratio of 63.2% Aggressive investments targeting improved profitability Investments totaling 80.0 billion yen in the form of “business investment,” “capital investment,” “human resource investment,” and “IT/DX investment” during the period of the Medium-Term Management Plan	Improving shareholder returns •Consolidated payout ratio (40% or more) •Acquiring of treasury shares to a value of around 10% to 20% of the profits realized during the period of the new Medium-Term Management Plan

Yurtec's Value Creation Model



Message from the President



Ikumi Kobayashi

Representative Director & President,
Chief Executive Officer

Yurtec

株式会社ユアテック

**Paving the way for the future together
with local communities.**

**Based on our technology and reliability,
we will strive to achieve sustainable growth
and value creation with a view
to the next 100 years and beyond.**

My thoughts and aspirations upon taking office as president

I am extremely honored to have been appointed president of Yurtec, inheriting the solid foundations of my predecessors. At the same time, I feel humbled by the heavy responsibility that comes with it. In order to protect the lives and livelihoods of our over 10,000 employees, including those of Group companies and partner companies, as well as local communities and the environment, I am committed to making safety our top priority, while also striving to achieve sustainable growth and enhance our corporate value.

I joined the Company in 1981 and was assigned to the Indoor Wiring Work Section at the Miyagi Office. I began my career with the construction of a new department store in Sendai City, and gained valuable experience working with specialized equipment through my involvement in various projects such as lighting installation work for the Onagawa Nuclear Power Station Unit 2 and work to upgrade the runway lights at Narita International Airport. I now have fond memories of working hard with my colleagues to ensure safety amid the tense atmosphere during the nighttime construction work at Narita International Airport.

After gaining on-site experience, I was transferred from the construction division to the administrative division at a relatively young age, following which I was involved in a wide range of work, mainly in the business & sales planning and corporate planning divisions. My transfer to the Corporate Planning Department was a major

turning point for me in particular. I remember the days when I had been exploring reform measures, due to the Sales Headquarters not performing well, by analyzing the business environment and the Company itself and holding repeated discussions with management. As a result of implementing structural reforms and organizational improvements, I was able to contribute to the improvement of the Company's performance. I feel that this experience served as the foundation for my management perspective.

The most shocking and unforgettable event in my career was the Great East Japan Earthquake. As the manager of the Sendai Central Sales Office at the time, I dispatched employees to the coastal business locations that had suffered the most damage from the tsunami, and I also scrambled to the recovery sites myself to conduct safety patrols and offer encouragement. Through this experience, I was able to really appreciate the wonderful sense of mission that Yurtec has in protecting social infrastructure, such as power supply facilities and customer facilities.

As part of the President role, I think it is important to make appropriate decisions based on both top-down and bottom-up perspectives. While maintaining a perspective unique to the President, I will also listen to the voices of on-site employees as I strive to achieve optimal company-wide management.

Message from the President

Direction and basic policy of the 2030 Vision announced last year

A year and a half has passed since we announced our 2030 Vision, which sets forth our long-term targets for the early 2030s, in March of last year, along with our Medium-Term Management Plan geared toward achieving these targets, to show our shareholders and other stakeholders the direction and path toward achieving sustainable growth and enhancing our corporate value over the medium to long term. In formulating our 2030 Vision, we identified and analyzed changes in the external environment and envisioned our ideal future. We then set out our Mission and Vision (our ideal future), as well as our basic policy and numerical targets for achieving them. Our Mission, “Building the Future, Your Technology,” embodies our desire to leverage the Yurtec Group’s technology to contribute to the sustainable development of society to build the future, and is also connected to the message at the end of the Yurtec commercial currently airing, “Tec to the Future: Supporting the future.”

Looking at the business environment surrounding Yurtec, in Tohoku and Niigata, where our Group is based, there are concerns over the declining population and the resulting contraction of economic activity. However, there are also many potential positives, such as expected demand for renewable energy-related construction centered on wind power generation, and renovation work connected to

the aging of buildings and facilities, as well as planned main power grid construction work as part of national policy. Furthermore, our overseas business is faring well, centered on Vietnam, which is experiencing remarkable economic growth. Orders are also strong outside Tohoku and Niigata, providing greater opportunities for growth than ever before. As such, going forward we expect our earnings to be driven by finding more opportunities in existing businesses, expansion of our business areas outside Tohoku and Niigata, and the active development of growth areas such as the overseas business, renewable energy-related construction, and renewal work. In addition, my greatest responsibility is to unite our network of domestic and overseas business locations and Group companies, as well as partner companies, to establish a system that firmly captures demand, and to link this to earnings growth. In April 2025, we established the Construction System Strengthening Committee, and started considering short-term and medium- to long-term measures based on clearly identified issues related to our construction capabilities. We will also continue to work on improving our operational efficiency through digital transformation (DX) promotion, aiming to balance the utilization of human capital with productivity improvement.

Key performance highlights, strategy progress, and key achievements for the previous fiscal year, the first year of the Medium-Term Management Plan

In the fiscal year ended March 31, 2025, the first year of the Medium-Term Management Plan, we achieved some of the numerical targets (for operating profit and ROE), marking a good start to the plan. Net sales remained solid, driven by progress with reinforcement and maintenance work on main power grids in line with the growing adoption of renewable energy, and planned renewal work for power transmission and distribution facilities to strengthen resilience, leading to a significant expansion in power distribution line construction and civil engineering work. In our overseas business, large-scale projects, such as for hotels and airports, are progressing steadily, particularly at Sigma Engineering JSC, our subsidiary in Vietnam. Meanwhile, although there were increases in labor costs, material costs, and

energy prices, we achieved a significant increase in profit on the back of improved construction profitability mainly owing to appropriate price pass-through and thorough cost management, in addition to a boost from increased net sales. ROE, which we place importance on, also improved significantly to 8.3% (from 5.4% in the previous fiscal year).

We revised the numerical targets of the Medium-Term Management Plan in light of the higher-than-expected results in the first year and favorable order environment. However, we made no changes to the plan’s future direction or strategies. We will continue to aim for sustainable growth by finding more opportunities in existing businesses and accelerating expansion into growth areas based on our business portfolio.

Strategic scenario for achieving the 2030 Vision



With the aim of further developing our businesses in Tohoku and Niigata, as I mentioned earlier, we plan to focus on four priority businesses: “Outside Tohoku and Niigata,” “Overseas business,” “Renewable energy-related construction,” and “Renewal work.” Next, I would like to explain our specific strategic scenario, showing where we will find growth opportunities and how we will capture them.

For outside Tohoku and Niigata, we will strive to capture robust construction demand, particularly in the Kanto region where large-scale redevelopment projects are underway, and to expand orders for growth areas, namely data centers and district heating and cooling facility construction. With regard to data centers in particular, we will work in tandem with Tohoku Electric Power’s moves to attract customers. When the construction area expands to Tohoku and Niigata in the future, we will leverage the construction capabilities we have built up to date to win orders. We are also considering expanding into neighboring sales areas such as Hokkaido, which has great potential for the adoption of renewable energy.

In the overseas business, operations will primarily be conducted by Sigma Engineering JSC, our subsidiary in Vietnam, to increase orders for indoor wiring, air-conditioning, and plumbing installation work of large hotels and building complex projects, as well as for renewable energy-related projects such as offshore wind power generation facilities. We will also work to expand orders for ODA projects in Southeast Asia, Africa, and other regions through maintenance work on power transmission and distribution facilities.

For renewable energy-related construction, the introduction of offshore wind power generation is being actively promoted in the Tohoku region, as it is a suitable location for offshore wind farms. Although some plans are currently suffering delays due to soaring material costs caused by yen weakness, construction plans for 5.9 to 9 million kW by 2040 are underway. As a local company with a network of approximately 440 Group and partner companies in addition to approximately 70 directly managed business locations, we are

determined to utilize our geographical advantage to fully capture demand by expanding and strengthening our construction systems. We will also move forward with our foray into storage battery installation work, which has a high affinity with renewable energy. Furthermore, Japan’s power grid reinforcement plan, geared toward achieving carbon neutrality by 2050, calls for investment of approximately six to seven trillion yen, of which roughly 650.0 billion yen will be invested in Tohoku and roughly 200.0 billion yen in Tohoku–Tokyo. Naturally, this represents an opportunity for us to continuously receive orders, and some specific projects are already underway.

Lastly, in renewal work, our strategy is to utilize our strengths to steadily secure orders. Specifically, we possess data on customers’ existing facilities and equipment that we have worked on, which enables us to make proposals when it is time to renew these facilities. In particular, demand for energy-saving and energy-generating equipment is increasing amid moves to realize a decarbonized society. To meet this demand, we will strengthen our proposals for equipment that reduce CO₂ emissions, such as for ZEBs. As renewal work is highly profitable, we have positioned it as a business that will provide the biggest contribution to future earnings growth.

With regard to our capital and financial policies aimed at executing these strategies and achieving our numerical targets, including ROE, we plan to allocate approximately 80.0 billion yen to growth investment and approximately 40.0 billion yen to shareholder returns over the plan’s five-year period through the effective use of cash. Growth investments roughly break down to 28.0 billion yen for business investment, 27.0 billion yen for capital investment (including environmental investment), 15.0 billion yen for human resource investment, and 10.0 billion yen for IT/DX investment. We thus will strategically invest funds in the enhancement of human capital and DX promotion. Regarding shareholder returns, we will continue the basic policy calling for a dividend payout ratio of 40% or more, and will also acquire treasury shares, aiming for a total return ratio of 50% to 60% during the period of the Medium-Term Management Plan.

As for our numerical targets, we will strive to achieve sales and profit growth, driven by our four priority businesses. We also aim to improve profit margins through measures such as increasing added value, thorough cost management, and improving operational efficiency, while also improving ROE by controlling capital through proactive shareholder returns. As we have been facing issues such as operational efficiency, due to our expansive operations, it is crucial for us to improve profitability. The benefits of each of these measures have recently started emerging in our earnings performance. We will continue to firmly establish this trend and aim for further improvement.

Executive Message

Message from the President

Issues in implementing strategies and achieving targets

Key to capturing growth opportunities and achieving sustainable growth is the development and strengthening of our construction systems. To achieve this, we must improve productivity by enhancing our human capital and promoting DX, which we recognize as our greatest challenge.

To enhance our human capital, we formulated the “Yurtec Human Resources Strategy” in October 2024. Based on four key measures of securing human resources, developing human resources, working environment, and engagement, this strategy aims to strengthen human resources by creating systems where diverse human resources can actively participate and by creating an environment where all employees can work with peace of mind. We have set an investment pool of approximately 15.0 billion yen for human resource investment over a five-year period, which we will use strategically to implement these key measures. In addition, as part of the organizational restructuring carried out in April 2025, we changed the name of the Human Resources Department (in Japanese only; the English name remains unchanged) and made the Human Resource Development Center a direct operational organization of the Human Resource Department. By doing so, we have put in place a system for steadily promoting the Yurtec Human Resources Strategy.

Of the four key measures, with regard to securing human resources, we have introduced new systems such as the “Scholarship Repayment Support System,” “Job Return Program,” and “Retirement Age Extension and New Re-employment System.” We plan to increase our workforce by about 350 people over the five years of our plan, which will lead to strengthening our recruitment competitiveness and promoting the active participation of senior employees. With regard to developing human resources that will support our growth, we have completed the Human Resource Development Center, a training facility that can accommodate 300 people and serves as a base for passing on skills. We have also opened a Safety Promotion Center within the Human Resource Development Center, thereby establishing a system for providing ongoing training to heighten employees’ sensitivity to

danger. Furthermore, in order to promote efficient and high-quality human resources development, we have introduced a learning management system (LMS), which serves as a platform for managing and operating our training programs. Through video content-based training and the tracking of individual learning progress, we are working to create an environment where employees can improve their skills autonomously.

Amid an ongoing decline in the working population, we have positioned the promotion of women’s active participation in the workplace and diversity as important strategies to secure talented personnel, revitalize the workplace, and reform work styles. As such, we are also working to create a comfortable workplace environment for diverse human resources. In promoting the active participation of women in particular, we are stepping up the recruitment of female engineers and actively promoting women to managerial positions. In addition to setting targets for each initiative, we are also enhancing our training programs to support career development and foster awareness.

On the other hand, regarding the other challenge, promoting DX, we are taking measures that focus on reducing site workloads and improving work efficiency, centered around three themes: (1) expanding use of tablets/smartphones, (2) utilizing the latest digital technology, and (3) creating a paperless office based on optimized business processes. We have set an investment pool of approximately 10.0 billion yen for IT/DX investment over a five-year period. We have already implemented a variety of initiatives, including the digitization of outsourcing contracts, the introduction of business chat tools to improve on-site communication, remote on-site support, and the introduction of a workflow system for internal decision-making procedures. Although increased workloads and labor shortages have made worksites feel even busier, these measures have gradually helped to improve operational efficiency and productivity. Going forward, we will consider and introduce IT tools that utilize the latest digital technologies, including generative AI, with an eye to increasing profit.

	FY2024 (Results)	FY2028 numerical targets (Initial)	FY2028 numerical targets (Revised)	Difference
Net sales	257.2 billion yen	270.0 billion yen	280.0 billion yen	+10.0 billion yen
Operating profit	16.1 billion yen	13.5 billion yen	20.0 billion yen	+6.5 billion yen
(Operating profit ratio)*	6.3 %	5.0 %	7.1 %	—
ROE	8.3 %	6.0 % or more	9.0 %	+3.0 percentage points

*Operating profit ratio is not included in our numerical targets.

Sustainability management approach and initiatives

To achieve sustainable growth, we must strive to enhance corporate value from a medium- to long-term perspective while addressing social issues. Based on this approach, we have identified seven materiality topics that should be addressed with priority with an eye to pursuing sustainability management. We have also included “strengthening management base by practicing sustainability management” as a basic strategy in our Medium-Term Management Plan. By realizing our 2030 Vision and resolving social issues, we aim to achieve sustainable social development and enhance our corporate value over the medium to long term as we work together with stakeholders for generations to come.

Specifically, in addition to initiatives for achieving carbon neutrality by converting business locations to ZEBs, converting company-owned vehicles to EVs, and providing environmentally friendly facilities through renewable energy-related construction, we are working on the construction of resilient social infrastructure by ensuring a stable supply of electricity and responding to natural disasters through our core business of facility construction. We believe that renewable

energy-related construction, in particular, will lead not only to the realization of a decarbonized society, but also to the expansion of our own business and improvement of profitability by accelerating development in growth areas. In the pursuit of sustainability management, the Sustainability Committee, of which I serve as chair, conducts wide-ranging deliberations on initiatives related to our materiality topics, and these are overseen by the Board of Directors.

I also believe that our governance, which supports sustainability management, is functioning adequately. In particular, as a member of the Tohoku Electric Power Group, there is a risk of conflicts of interest between Tohoku Electric Power and our minority shareholders. To dispel these concerns, we have worked to strengthen our governance, including by establishing the Advisory Committee on Transactions between Group Companies, which is composed of Independent External Directors. As of this fiscal year, Independent External Directors now make up the majority of the Board of Directors (six out of 11 members), of which three are women, further enhancing its independence and diversity.

A message to our stakeholders

Yurtec celebrated its 80th anniversary last year, although it goes without saying that this was just a milestone. We have taken a new step forward, with our eyes set on our 100th anniversary and beyond. Although the order environment is generally favorable, the future outlook still remains somewhat uncertain due to factors including price increases, labor shortages, and the risk of a decline in capital investment stemming from U.S. trade policy. While responding flexibly to changes in the environment, our entire Group is determined to pave the way to our future, to ensure that we can continue to be an essential presence to the local community.

We hope that you will look forward to seeing Yurtec’s growth moving forward, and kindly ask for your continued support in our endeavors.

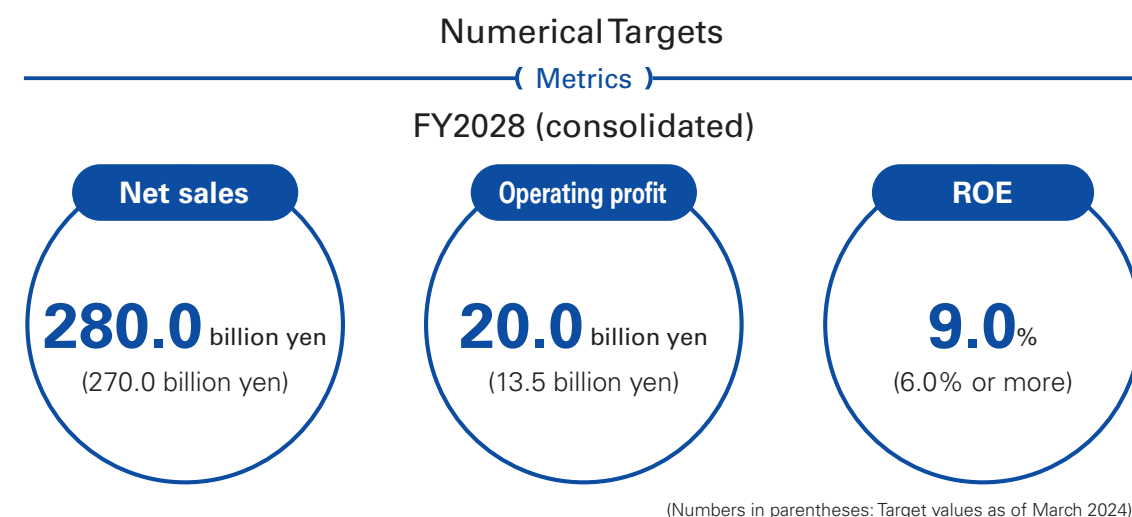


Progress of Medium-Term Management Plan

Revision to the numerical targets for the Medium-Term Management Plan (2024-2028)

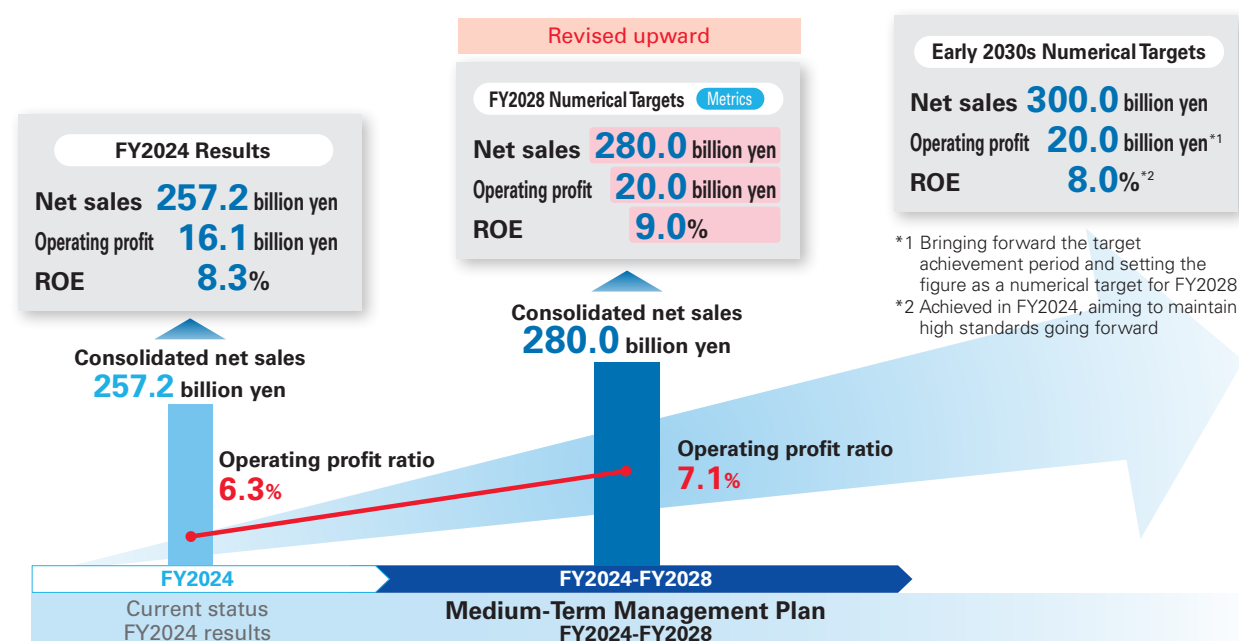
We revised the numerical targets to increase earnings further, due to their partial achievement (operating profit and ROE) in FY2024.

We will continue to implement each of the basic strategies and key measures we initially developed, and work together as one across the Group to implement these initiatives and achieve our numerical targets for FY2028 (consolidated net sales of 280.0 billion yen, operating profit of 20.0 billion yen, and ROE of 9.0%).



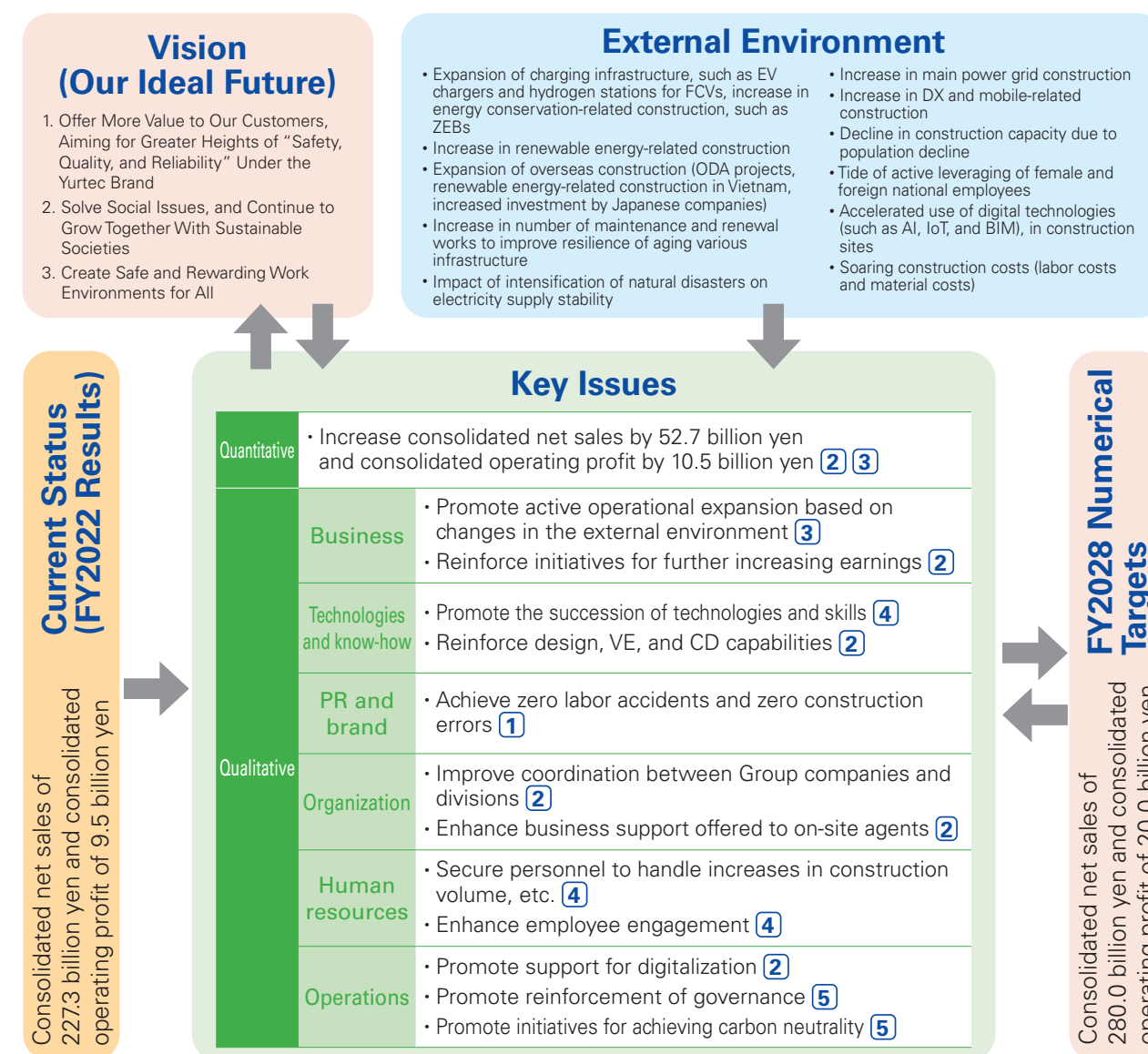
Visualization of the numerical targets for the Medium-Term Management Plan (2024-2028)

- We raised each of our numerical targets to increase earnings and capital efficiency
- The numerical targets for the 2030 Vision will be revised as necessary, based on the future developments in the business environment and at a timing considered suitable



Basic strategies

We backcast from changes in the external environment and from our vision to identify issues, both from quantitative and qualitative perspectives, and developed five basic strategies.



Five Basic Strategies ▶ See details on pages P21

- 1 Pursue "Safety, Quality, and Reliability" Group-wide
- 2 Respond to changes in the business environment based on maintaining and strengthening trust relationships with clients in Tohoku and Niigata
- 3 Further expand the scale of business by accelerating expansion into growth areas
- 4 Create an attractive working environment and strengthen human resource development
- 5 Strengthen management base by practicing sustainability management

Value Creation Story

Progress of Medium-Term Management Plan

Basic strategies and key measures

1 Pursue “Safety, Quality, and Reliability” Group-wide

- Further improve the safety culture of the Group as a whole, including partner companies, and eliminate fatal or serious injuries and serious accidents by enriching and enhancing site safety and construction management
- Eliminate construction errors by adhering to basic rules and thoroughly making confirmations before, during, and after each construction work
- Improve construction quality by introducing new technologies and refining quality management methods

2 Respond to changes in the business environment based on maintaining and strengthening trust relationships with clients in Tohoku and Niigata

- Demonstrate comprehensive capabilities by further strengthening cooperation between headquarters, divisions, and Group companies
- Expand orders for information and telecommunications construction in conjunction with indoor wiring/air-conditioning plumbing installation work
- Expand orders through further engagements in renewal sales and by broadening approach methods
- Expand orders through technical proposals for reducing CO₂ emissions, such as proposals for ZEBs and the use of renewable energy facilities
- Ensure receipt of orders for construction to address aging of facilities and steady promotion of main power grid maintenance work
- Reinforce one-stop service, including surveying, design, installation, and maintenance
- Strengthen sales targeting the general public and government offices and promote a thorough cost reduction
- Promote a cost reduction by expanding range of fields in which the Material Procurement Division is involved
- Improve operational efficiency and reduce costs through utilization of outsourcing, etc.
- Strive to establish an organization structure that is agile and adaptable to changes in the business environment
- Reinforce construction systems through collaborations with other companies
- Make sweeping revisions to operations, improve efficiency by accelerating DX initiatives and using new technologies, and increase productivity
- Improve Group-wide efficiency by leveraging more sophisticated information system environments

3 Further expand the scale of business by accelerating expansion into growth areas

- Expand orders and increase earnings by reinforcing area expansion in areas other than Tohoku and Niigata
- Expand orders and increase earnings by reinforcing renewable energy-related construction system
- Expand orders and increase earnings from overseas business, beginning with business in Vietnam, including ODA projects
- Expand orders in growth fields such as data centers (DCs) and district heating and cooling (DHC)
- Expand orders for mobile-related construction, such as Beyond 5G
- Acquire construction projects related to smart-society building projects in collaboration with Tohoku Electric Power
- Take on the challenges of new business fields with high potential for synergy with the construction industry, such as real estate or PFI businesses
- Venture into new construction fields where we can leverage our expertise suited to the times

4 Create an attractive working environment and strengthen human resource development

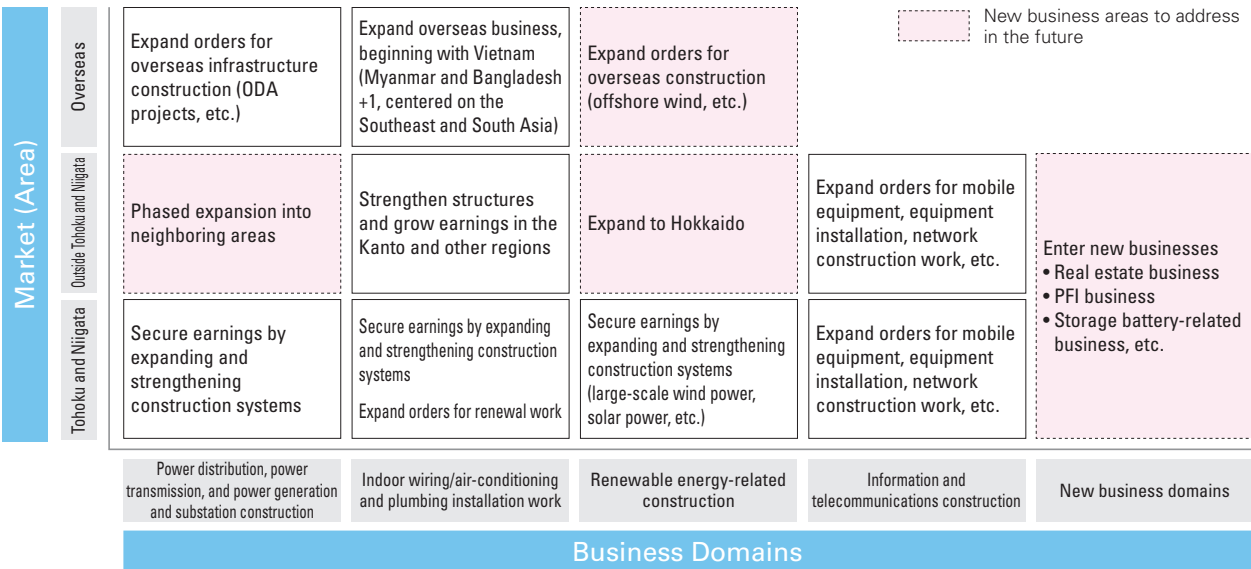
- Implement personnel system reforms to improve employee engagement
- Promote diverse working styles and create comfortable working environments
- Promote health management aimed at promoting physical and mental health and organizational revitalization
- Promote measures to secure human resources in anticipation of acceleration of expansion into growth areas
- Rapidly bring young employees up to speed, implement measures to improve the skills of employees of all ages, and promote the succession of knowledge, technologies, and skills by veteran employees
- Increase technical capabilities by supporting acquisition of certifications
- Provide support for securing human resources and strengthening construction systems at Group companies and partner companies

5 Strengthen management base by practicing sustainability management

- Promote carbon neutrality measures such as switching to ZEBs for business sites and using EVs as company cars
- Enhance crisis management and response capabilities for dealing with large-scale natural disasters, etc.
- Earn trust of stakeholders through timely and appropriate communications, etc.
- Strengthen corporate governance by implementing thorough risk management
- Thoroughly adhere to corporate ethics and legal compliance by fostering a free and open workplace culture

Business portfolio

In creating our business portfolio, based on the premise of finding more business opportunities in Tohoku and Niigata—our main areas of business since our foundation—we focus on four priority businesses, considering business scale and growth in major business areas: (1) Areas outside Tohoku and Niigata; (2) Overseas business; (3) Renewable energy-related construction; and (4) Renewal work



	Business Analysis Results		Overview
	FY2022 Results (Net Sales)	FY2028 Plan Growth Potential (Net Sales)	
Tohoku and Niigata	192.5 billion yen	2,161 billion yen	Strengthen our business foundation by increasing competitiveness in Tohoku and Niigata, areas where we have operated since our founding
(1) Outside Tohoku and Niigata	16.7 billion yen	288 billion yen	Expand businesses in areas other than Tohoku and Niigata, focusing on the Kanto region (a continuing area of focus)
(2) Overseas business	8.9 billion yen	293 billion yen	Expand business with a focus on Vietnam and increase orders for ODA and other projects through social infrastructure development projects
(3) Renewable energy-related construction	14.8 billion yen	112 billion yen	Although growth in offshore and onshore wind power generation projects is expected to take time partly due to delays in permits and approvals caused by rising costs and stricter regulations, we aim to expand business by leveraging our accumulated expertise and geographical advantages due to the ongoing high potential of the renewable energy-related construction business
(4) Renewal work	34.5 billion yen	428 billion yen	In addition to conventional renewal sales, we intend to expand orders by proposing energy conservation and ZEB projects to customers (based on ZEB expertise through installations in our own business sites)

*“Tohoku and Niigata” and “(1) Outside Tohoku and Niigata” overlap with “(3) Renewable energy-related construction” and “(4) Renewal work.”
“(2) Overseas business” includes Group companies.

Direction of future investments

We will strengthen our management base by allocating management resources to find more opportunities in existing businesses and accelerate expansion into growth areas, and invest in human capital value enhancement and DX promotion.

1 Find more opportunities in existing businesses	Expand orders by finding more renewal work Expand and strengthen the Group-wide construction system
2 Accelerate expansion into growth areas	Accelerate carbon neutral initiatives (ZEB conversion, storage battery-related business, etc.) Expand overseas business Strengthen structures outside of Tohoku and Niigata (Kanto region and others), and develop strategic areas looking to the future Consider and enter new business fields where we expect synergies with our core businesses (e.g., real estate and PFI businesses)
3 Strengthen management base	Invest in human resources to increase the value of human capital Promote DX and transform business operations through digital technologies



Financial Strategy and Human Resources Strategy

Yasuhiro Suzuki
Director & Senior Managing Executive Officer;
In charge of Compliance Promotion,
In charge of Risk Management, In charge of IR

Review of our past performance

Performance analysis through FY2024

In FY2024, the first year of our Medium-Term Management Plan (2024-2028), the operating profit ratio recovered to the 6% level for the first time since FY2016, thanks to factors such as appropriately passing cost increases onto construction prices, measures to improve productivity, and thorough cost management.

In addition, ROE, for which we set a target of 6% or more in the Medium-Term Management Plan, exceeded 8%, marking significant improvement from the 5% level recorded for the past few years.

Looking back at our performance prior to FY2024, we were impacted by the Great East Japan Earthquake and recorded net losses for two consecutive fiscal years starting in FY2011. However, as reconstruction demand increased, the operating profit ratio thereafter remained in

the range of 5% to 6%, and ROE reached approximately 14% in the highest year. Earnings subsequently remained at high levels until FY2016. Once reconstruction demand had run its course, construction demand subsided and ROE temporarily fell to the 3% level. However, in recent years, earnings has been picking back up due to a recovery in construction demand.

For full FY2025, we expect net sales and all profit items to reach record highs, supported by robust order situation and an abundance of on-hand construction projects.

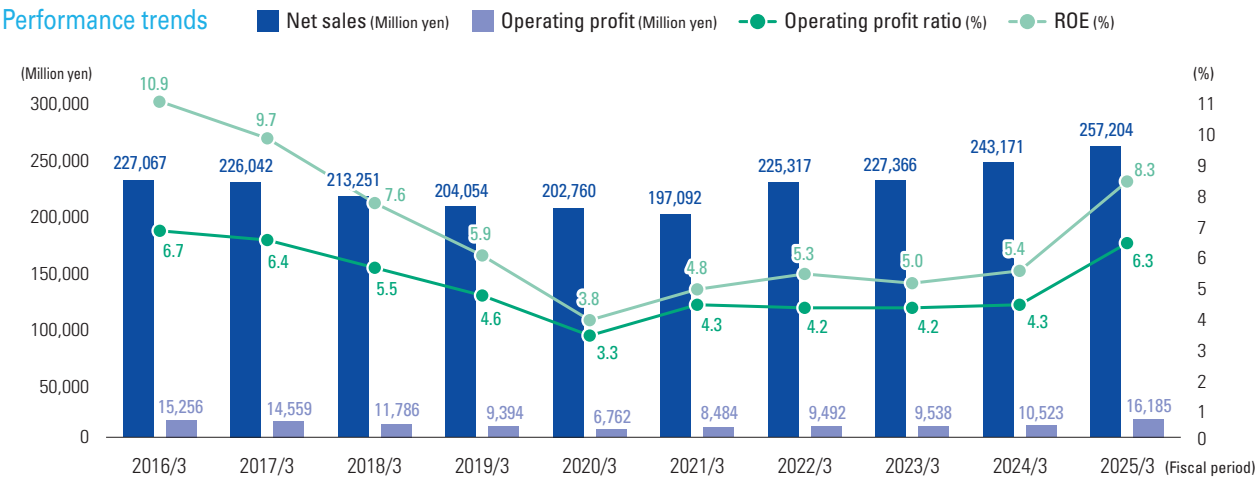
Under the five-year Medium-Term Management Plan that started in FY2024, we have newly added ROE as a numerical target and will further promote initiatives aimed at improving capital efficiency and profitability.

Factors behind the sluggish ROE performance

Although ROE has been recovering recently, the sluggish ROE performance is likely partly attributable not only to construction demand subsiding once reconstruction demand had run its course, but also to insufficient focus on capital efficiency and balance sheet optimization. At the time, there was a strong tendency to

place emphasis on stable dividends. As such, our efforts toward growth investments and financial strategy were limited.

In light of this, we have been implementing various measures since formulating the current Medium-Term Management Plan, and will continue to increase profitability, as well as



improve capital efficiency, by implementing performance-linked dividends and share buybacks, which we have already implemented.

Furthermore, we estimate our cost of capital to be approximately 5% based on CAPM. While our most recent ROE result is higher than this,

compared to other companies in the construction industry and our competitors, we believe there is still room for improvement. We will continue to resolve issues from both a business and financial perspective in order to improve our capital efficiency.

Financial policy in the Medium-Term Management Plan

Reasons for setting ROE as a numerical target and progress in the first year of the Medium-Term Management Plan

We set ROE as a numerical target in our Medium-Term Management Plan because we consider it to be an important indicator for clearly communicating to investors our commitment to enhancing our corporate value over the medium to long term, and implementing management that is conscious of cost of capital and return on capital.

In FY2024, the first year of the Medium-Term Management Plan, ROE came to 8.3%, marking a very good start, including in terms of earnings performance, and we achieved some of the targets set when formulating the Medium-Term Management Plan.

Financial policy in the Medium-Term Management Plan and capital allocation

On the financial front, we acquired approximately 4.5 billion yen in treasury shares, resulting in a dividend payout ratio of 40.0% and a total return ratio of approximately 77%.

Regarding growth investments, although we did not carry out M&A deals or any other large-scale investments, we are making steady progress toward achieving the revised numerical targets of the Medium-Term Management Plan.

While these investments will not produce results overnight, we will continue to make growth investments in a bid to enhance our corporate value over the medium to long term.

Under our financial policy, we plan to make growth investments totaling approximately 80.0 billion yen and strive for stable shareholder returns of approximately 40.0 billion yen with an eye to enhancing our corporate value over the medium to long term. Funding for these activities will primarily come from operating cash flow, but we will also make effective use of

financial leverage as necessary to make investments while also generating returns.

As for growth investments, we are considering expanding into neighboring areas and expanding our overseas business to tackle the declining population in Tohoku and Niigata, where our business is based. We also plan to invest in human resources to resolve the urgent issue of labor shortages, and will also make appropriate business investments, including M&As, aimed at expanding and strengthening our construction systems. Furthermore, in order to strengthen our corporate competitiveness, we will promote IT and DX, and through these growth investments, we will secure construction capabilities while increasing productivity and improving profitability. We are also making environmental investments, such as to update our offices to ZEB-specifications, with the aim of contributing to the creation of a sustainable society.

Our value creation

As a construction company, unlike manufacturing companies, we provide value to our customers through our employees that engage in construction work on-site. In other words, our human resources are the source of our value

creation. The construction industry is said to be suffering from a labor shortage. We will thus spare no effort to invest in human resources and improve our construction capabilities as we work to enhance our corporate value.

Cash inflow	Cash outflow
Financing Approx. 55.0 billion yen	Business investment Approx. 28.0 billion yen Capital investment Approx. 27.0 billion yen Human resources investment Approx. 15.0 billion yen IT/DX investment Approx. 10.0 billion yen Shareholder return Total of approx. 40.0 billion yen (30.0 billion yen)² Dividends¹ Approx. 27.0 billion yen (20.0 billion yen) Acquire treasury shares¹ Approx. 13.0 billion yen (10.0 billion yen)
Operating CF Approx. 65.0 billion yen	Find more opportunities in existing businesses Accelerate expansion into growth areas Offices and construction equipment Invest over 13.0 billion yen in environmental investments, including ZEB-specification offices and EV adoption Secure and develop human resources Improve the working environment and enhance engagement Promote IT/DX initiatives that contribute to strengthening corporate competitiveness Plan to continue the basic policy of a "dividend payout ratio of 40% or more" Implement stable dividends Plan to acquire treasury shares equivalent to approximately 10-20% of profits during the period of the Medium-Term Management Plan

*1 The amount stated is an estimate by the Company as of September 30, 2025 and may vary depending on future performance.
*2 The figures in parentheses in the above table represent the amounts announced in October 2024.

Value Creation Story

Financial Strategy

Path to further improving ROE and financial risks to be anticipated

Revision to the numerical targets for the Medium-Term Management Plan

We achieved some of our numerical targets (for operating profit and ROE) in the first year of our Medium-Term Management Plan. This is thanks to the order environment improving more than initially expected and the smooth progress of our initiatives geared toward improving profitability. Accordingly, we raised our FY2028 targets for net sales by 10.0 billion yen from the initial target to 280.0 billion yen, for operating profit by 6.5 billion yen from the initial target of

13.5 billion yen to 20.0 billion yen, and ROE from 6% or more to 9%.

We consider it important to continue improving profitability by securing construction capabilities, primarily through investment in human resources, controlling equity capital by enhancing shareholder returns, increasing ROE, and consistently generating earnings that exceed the cost of equity.

Path to enhancing corporate value

Due to the nature of the construction industry, equity tends to accumulate easily, and it is necessary to maintain a certain level of creditworthiness to be able to make bids for public works and other projects. However, the excessive accumulation of equity can lead to a decline in capital efficiency. In order to improve ROE, it is important not only to increase

profitability, but also to control the excess accumulation of equity while taking into account the impact on business and financial balance.

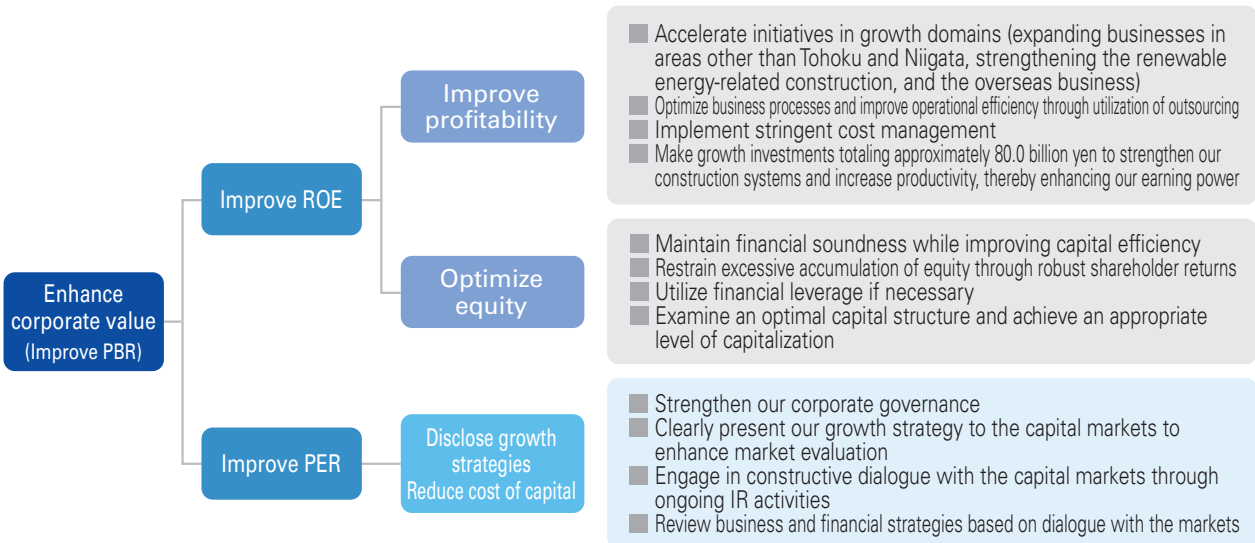
Going forward, we will continue our efforts to enhance information disclosure and IR activities to reduce the cost of equity. At the same time, we will work to improve PBR by increasing PER in tandem with ROE improvement.

Financial risks to be anticipated

The financial risks facing the Company include a sudden rise in material costs due to rapid inflation and other factors. Failure to reflect such cost increases into construction prices could have an impact on our business performance and financial position. We are working to mitigate this risk by reflecting cost increases in construction prices through discussions with

customers, expanding competitive ordering to reduce costs, and implementing centralized purchasing, among other measures.

We will continue to transparently disclose information to stakeholders regarding our risk management and responses as appropriate, and strive to reduce cost of capital.



Message from the Director overseeing finance

To increase our corporate value over the medium to long term, it is vital that we improve the profitability of our mainstay facility engineering business, as well as make financial investments and implement risk management. This is my third year as a Director, and I feel that it is mission to make every effort toward the sustainable development of the Company.

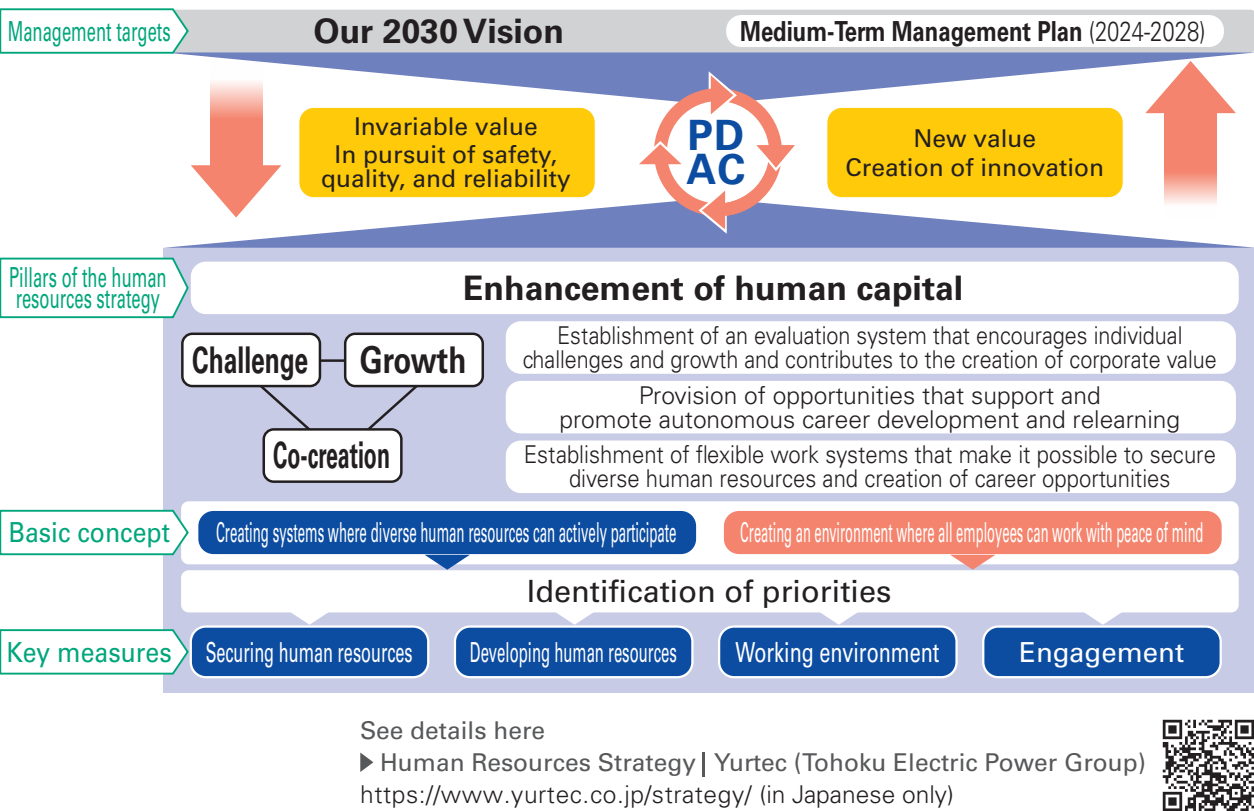
In addition to achieving the recently revised numerical targets of our Medium-Term Management Plan, I will do my utmost to ensure that Yurtec becomes a 100-year-old company and strive to enhance our corporate value.

Human Resources Strategy

Investing in human capital, the source of our value creation

The source of our value creation is our human resources, and in order to achieve the numerical targets for the Medium-Term Management Plan described above, we believe it is important to create a system that allows a diverse range of human resources to actively participate, and to create an environment where all employees can continue to actively take on challenges with

dreams and pride and work with peace of mind. Based on this stance, we formulated the "Yurtec Human Resources Strategy" in October 2024, and set four themes as our key measures: securing human resources, developing human resources, working environment, and engagement. We are considering and developing various measures for these themes.



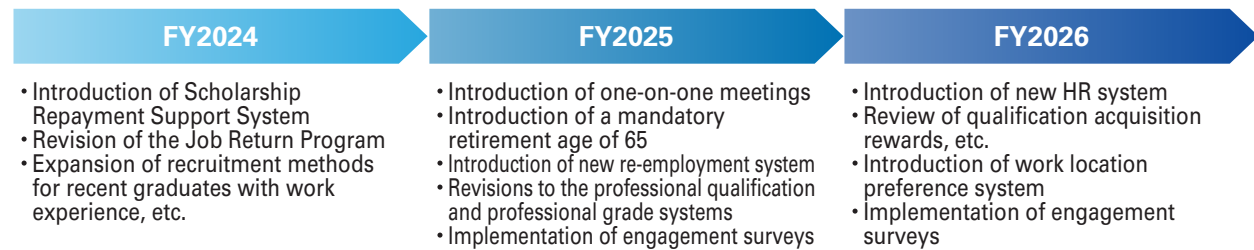
Key achievements and future plans

Our main achievements include the launch of the Scholarship Repayment Support System in FY2024, which aims to reduce the financial burden on young employees, and the introduction of the Young Employee Active Support Team in FY2025, which aims to support the growth of young employees in line with their abilities and goals through means such as one-on-one meetings.

In addition, by introducing a mandatory retirement age of 65 and a new re-employment

system, we have created an environment where veteran employees with abundant knowledge, skills, expertise, and motivation toward work can actively participate while finding satisfaction in their work.

Furthermore, in FY2026, we plan to introduce a new HR system that will reward hard work and ensure fair evaluations, as well as a work location preference system that will encourage proactive career development.



Special Feature: Business in Vietnam

Yurtec has been conducting business overseas, mainly in Vietnam, for about 30 years. In 2011, we established local subsidiary YURTEC VIETNAM CO., LTD., and in 2021, we turned Sigma Engineering JSC, a major Vietnamese facility engineering company, into a wholly owned subsidiary. As a result, we now have locations in Hanoi, Vietnam's capital, and Ho Chi Minh, its economic center, and conduct our business through a two-company structure: YURTEC VIETNAM, which handles construction and maintenance for Japanese companies, and Sigma Engineering, which handles building construction for local and foreign companies. In this special feature, we provide an overview of both companies, the experiences of key persons playing an active role in Vietnam, and our interview with Senior Managing Executive Officer Koji Miura, who oversees the overseas business, to take a closer look at the future of the Vietnam business envisioned by the Yurtec Group.



Yurtec's overseas business

Koji Miura Representative Director & Senior Managing Executive Officer, General Manager of Sales Headquarters

To date, we have positioned strengthening our overseas business as a key pillar of our management, with a particular focus on business development in Vietnam.

This journey began in 1972 with our first overseas construction project in Indonesia, followed by the opening of an office in Ho Chi Minh in 1995 triggered by plant electrical work for a Japanese company in Vietnam, and then the opening of an office in Hanoi in 1997. In 2011, we established local subsidiary YURTEC VIETNAM, and in 2021 we turned Sigma Engineering into a wholly-owned subsidiary. Through our accumulated experience in the region, we have developed the ability to respond flexibly to the diverse needs of our customers and have built a business foundation that is deeply rooted in the local community. Building on these long-term initiatives, we are currently aiming to make further progress by positioning our overseas business as a core growth area in our Medium-Term Management Plan.

In this plan, we set the target of expanding net sales for the overseas business to 29.3 billion yen by FY2028. We are making steady progress toward reaching this target, such as already achieving net sales of 20.0 billion yen in FY2024. These results are made possible by the strong synergies created by the collaboration between YURTEC VIETNAM and Sigma Engineering. Specifically, YURTEC VIETNAM mainly serves Japanese companies, while Sigma Engineering serves domestic and foreign companies. Doing so enables each company to utilize their particular strengths while clarifying the division of their respective roles. This division of labor allows us to make optimal proposals that meet customer needs, thereby greatly enhancing the competitiveness of the Group as a whole.

Furthermore, the expertise and knowledge we have accumulated through our operations in Vietnam is beginning to spread to our businesses in Japan. For example, in our training program for local Vietnamese engineers, we provide them with practical experience in construction techniques and quality management at work sites in Japan. This

program goes beyond simply transferring skills, aiming to develop human resources with a global mindset and help solve Japan's labor shortage problem in the future. Furthermore, by utilizing the Specified Skilled Worker System and establishing a framework for accepting personnel that have received education and training in Vietnam into Japan, we aim to realize a circular model that will lead to new employment opportunities for these workers after they return to their home country.

While we are forging ahead with these initiatives, we are continuing to take on new challenges to achieve further growth without being satisfied with the status quo. In Vietnam in particular, construction demand in areas such as building complexes, hotels, and residential buildings is growing year by year, boosted by the rise in national income. In order to accurately capture this demand, we plan to further expand the two locations we currently have and are working to strengthen our business foundation. With an eye to improving cost efficiency, we also plan to reduce the number of Japanese employees stationed in Vietnam to maximize the capabilities of local staff. As part of these efforts, we are enhancing our training programs for Vietnamese employees that are executive candidates, and are taking steps to create an environment where local employees can take the initiative and thrive.

We are also focusing on changing the mindset of our employees. For young employees in particular, we are actively promoting interpersonal exchanges with the aim of creating an environment that makes them want to work in Vietnam. Through these exchanges, employees gain a deep understanding of one another's cultures and characteristics, which not only helps to drive our business forward, but also serves as an important element in fostering diversity in our corporate culture.

Our overseas business, which began with our Vietnam operations, contributes to local communities while enhancing our corporate value, and is a major driving force behind the growth of each and every employee. By advancing these initiatives, we intend to achieve further growth in the global market.



About YURTEC VIETNAM

Fumio Otaguro Director General, YURTEC VIETNAM CO., LTD.

Since its establishment, YURTEC VIETNAM has built up a wealth of construction experience, leveraging its high technical capabilities and construction quality. As

a recent example, we were responsible for machinery and equipment installation work for TAISEI SQUARE HANOI, an office building in pursuit of Japanese quality excellence. In this project, we achieved construction and quality inspections that meet Japanese standards, and also implemented thorough follow-up checks after completion. Our response capabilities based on Japanese quality are one of our major strengths, and has earned us the deep trust of our customers. In recent years, we have also been actively involved in projects related to Japanese hotels, commercial facilities, and warehouses, and have expanded into new fields that go beyond our conventional businesses.

As a foundation that supports this business expansion, we have focused on securing and training local employees so that they inherit and further expand Yurtec's strengths of high quality and reliability. Specifically, we have established a training system for Vietnamese engineers and revised our personnel evaluation system to create an environment where local employees can work with peace of mind.

In terms of engineer training, five Yurtec employees from Japan were stationed in Vietnam for roughly two years to provide training to YURTEC VIETNAM's project managers. The aim of this training was to help local engineers grow into personnel capable of managing projects in accordance with Japanese standards

by teaching them about on-site management methods, cost management, safety training, and other topics specific to Japanese companies. At the same time, we also reviewed our personnel evaluation system and, with the cooperation of a human resources consulting firm, have established a new evaluation system to prevent young employees from quitting due to dissatisfaction with their treatment and salary. This initiative has been very successful in improving the motivation of local employees and preventing them leaving the company.

In addition, as a future initiative, we intend to strengthen our human resources development system further and promote on-site digital transformation (DX). Specifically, we plan to create a smarter operating system by automatically creating in-house training materials and improving operational efficiency. In terms of construction, we will also accelerate our entry into the data center (DC) field, where demand is growing, as in Japan. We have already obtained a DC design certification from the Uptime Institute, a U.S.-based DC certification body, and will use this certification to highlight our expertise in DC equipment and expand orders.

Over the medium to long term, we plan to strengthen our initiatives to increase sales per employee, improve productivity, and focus on training our Japanese staff. By doing so, we aim to play a social role in Vietnam as a company that supports the growth of the Vietnamese economy. YURTEC VIETNAM will continue to support the growth of each employee while contributing to local communities alongside the enhancement of corporate value, paving the way for a sustainable future.



About Sigma Engineering

Takabumi Yatsu Chairman of the Board of Directors, Sigma Engineering JSC

Sigma is a company that is working to expand orders by actively utilizing the growing Vietnamese market and taking on investment projects from overseas

companies. We mainly conduct operations in the building field, including residential buildings, building complexes, and hotels. In these fields, we have gained recognition for our technical capabilities and reliability, resulting in a steady stream of orders and a proven track record of construction work. In Vietnam, real estate prices have been rising alongside the increase in national income and infrastructure development, which is further stimulating the real estate

market. As a result, we are well-positioned to receive a large number of orders going forward.

One of the reasons Sigma is able to demonstrate its strengths in such a competitive environment is the ability to respond quickly and decisively. The company's response capabilities owe to the strong leadership of General Director Nguyen Quang Ngoc, the founder, and Deputy General Director Duong Son Tung, and the unity of all employees in their efforts to serve customers. We also have a clear and well-functioning governance system, with our thorough safety and quality management receiving high praise. Sigma has a specialized department dedicated to safety and quality, which ensures a high level of commitment tailored to the needs of our customers.

Value Creation Story

Special Feature: Business in Vietnam

One particularly noteworthy aspect of our unique corporate culture is that General Director Ngoc and Deputy General Director Tung tell employees, “You are our second family.” This message is very meaningful in Vietnam, which has a deeply rooted culture of valuing family. In addition to providing maximum support when employees are in trouble, Sigma also provides strict guidance and warnings, building a relationship of trust like that of a real family. This corporate culture, where warmth and strictness coexist, strengthens the bond between employees and further highlights the appeal of the company.

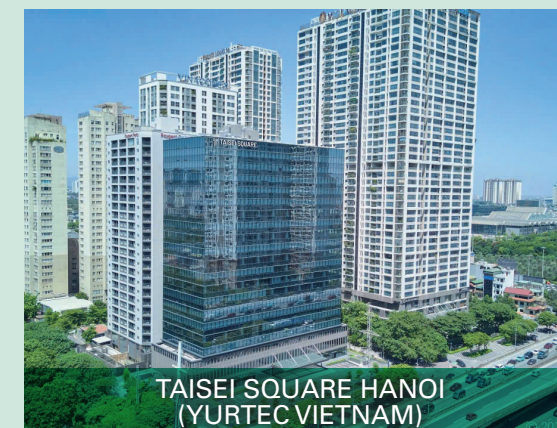
On the other hand, we are facing difficulties with securing human resources, just like in Japan. While Vietnam is a country with a young average age, young people are moving away from the construction industry, resulting in intensifying competition within the industry to secure engineers and construction workers. To address this, we plan to focus on PR activities

to convey the appeal of the construction industry to young people, and to take steps to secure talented personnel.

Sigma is also focusing on wind power plant construction work as an area with growth potential. We have been involved in wind power plant engineering, procurement, and construction (EPC) and balance of plant (BOP; construction work incidental to the wind turbines), and possess a wealth of experience. Going forward, we plan to continue actively engaging in this field as we work to make wind power plant projects our second pillar of revenue. This is a new growth strategy that involves the further diversification of our business portfolio to follow on from building projects.

Sigma will continue to leverage our swift response capabilities and quality management to meet customer expectations, while also striving to achieve further growth as a company that contributes to the development of the Vietnamese economy.

Construction projects



TAISEI SQUARE HANOI
(YURTEC VIETNAM)



Masteri West Heights Apartment Complex
(Sigma Engineering)

Focus 1

Voices of on-site employees



Seiya Haryu General Manager, YURTEC VIETNAM
(center of the photo)

I currently serve as the General Manager of the Installation Department at YURTEC VIETNAM. The Water Front City Project, completed in 2020 in Hai Phong City, north of Hanoi, was the first large-scale project for us at the Installation Department. This project involved the construction of a twin-tower complex, consisting of a hotel and a long-stay hotel, led by the Daiwa House Group. I served as project manager in charge of overseeing the Vietnamese staff working on site. At this site, I juggled various tasks, including negotiating with customers, checking drawings and estimates, and managing progress, as well as providing monthly training within the division. I had to oversee the entire project while also keeping an eye on the details of the site. This kept me very busy each day, but was also extremely rewarding.

When working in Vietnam, I feel that the local staff are relatively friendly and easy to work with. Since many of our employees are highly skilled, working with them is inspiring. Also, in Japan it is common for a project manager to only be in charge of construction. In Vietnam,

however, there are many projects where I can be involved from the machinery and equipment design stage onwards, and I think that being involved in the process of constructing a building from the ground up is one of the joys of working on overseas projects.

On the other hand, I also feel that there are challenges stemming from differences in culture and customs. For example, there are differences in the way we think about time and process management. In Japan, it is common to work backwards to create a detailed schedule, but in Vietnam, I feel that there is a strong tendency to place more emphasis on the short term. As such, I strive to provide detailed follow-up at the site and work in tandem with the workers to move the project forward.

I will continue to work on myself to maintain the high level of knowledge and skills required of a manager. To achieve company targets, I also intend to take steps to strengthen the organization as a whole while maintaining relationships of trust with customers. Furthermore, I plan to try and be more involved in national projects such as the extension of the Metro Ho Chi Minh Line that started operation last year, ODA projects which are currently seeing an increase in investments, and data centers. I believe that being involved in such large-scale projects will also help to boost the morale of all employees.

While our Installation Department is still in the development stages, we will continue to work together with local staff as we strive to reach even greater heights. I feel that it is my mission to utilize my experience in Vietnam and contribute as a member of YURTEC VIETNAM.

Focus 2

Voices of on-site employees



Ha Dung Manager, Sigma Engineering

I am currently the Renewable Energy Division Manager at Sigma. I have been involved as a designer and project manager in the EPC project for the Ben Tre V1.3 Offshore Wind Farm, which was Sigma's first offshore wind farm project, and was subsequently appointed as project manager for the BOP project for the Soc Trang 7 Offshore Wind Farm. These projects were significant challenges for me and for the company.

The construction of an offshore wind farm is significantly different from that of conventional properties such as hotels, as the work is heavily affected by natural conditions such as tides, waves, and wind. We made thorough preparations to address this, including hiring personnel with experience in offshore work and training them to acquire the necessary knowledge and skills over a period of about five months. Additionally, this project was characterized by a shorter construction period than other projects, so I called in craftsmen from all over Vietnam and organized an independent team equipped with various equipment, such as barges, tugboats, and cranes. We proceeded

with the project while strictly managing the progress schedule in accordance with each pier foundation.

At the construction site, I thoroughly emphasized safety as the top priority at morning assemblies with the workers, and continued to encourage them by saying, “If we put in our best effort, we’ll definitely be able to complete this project. Let’s all do our best.” Thanks to this, construction progressed smoothly and was successfully completed in 2021. This successful experience gave me a great sense of accomplishment.

Following the Ben Tre V1.3 Offshore Wind Farm, I also worked on the BOP project for the Soc Trang 7 Offshore Wind Farm. Looking back on these projects, they were very emotional and valuable experiences. Because they were large-scale projects, I worked with many people and always made the best use of my knowledge to tackle the construction. I believe that the experience gained through this project helped me grow significantly. At the same time, I feel that I have been able to contribute in some small way to the growth of Sigma, which made me very happy.

We will continue to focus on the renewable energy field and explore new business opportunities. We also plan to source even more projects and work towards environmental conservation to achieve our goal of sustainable development. Specifically, we will focus on green construction such as planting trees, and will continue our efforts to contribute to society and nature through renewable energy. I believe that walking this path is my own personal mission that is linked to the future of Sigma.

Value Creation Story

Business Strategy: Sales Headquarters



Sales Headquarters

Business & Sales Planning Department,
Sales Department, Solutions Sales Department,
Overseas Business Department

Koji Miura
Representative Director &
Senior Managing Executive Officer
General Manager of Sales Headquarters

Business activities

The Sales Headquarters is primarily engaged in sales activities aimed at securing orders for electrical, air conditioning, water supply and drainage, and information and telecommunications facilities for buildings, as well as renewable energy-related construction. It also engages in proposal-based sales activities in renewal work, such as for existing buildings (one-stop proposals covering surveys, diagnosis, and construction planning), and oversees overseas construction (mainly in Vietnam and Japan's Official Development Assistant (ODA) projects) We support the development of building facilities and equipment from the planning stage of each project to construction, always from the customer's point of view.

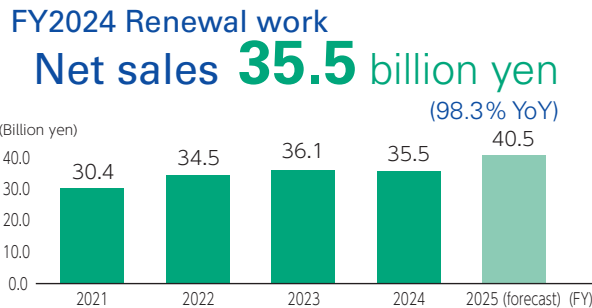
Growth opportunities and strengths

- Increase in special orders by focusing on building stronger customer relationships
- Proposal capabilities to meet diverse needs, including for ZEB and renewable energy
- Moves to attract large-scale data centers in eastern Japan

Risks and issues

- Curbed capital investments in manufacturing and other sectors due to the U.S. administration's tariff policy
- Ceiling on the volume of orders due to a shortage of personnel at our Group companies, partner companies, etc.
- Difficulties in hiring employees due to the declining population in Tohoku and Niigata

Trends in net sales



Review of FY2024

Due to the construction market remaining strong in FY2024, we continued to secure orders, primarily for the new construction of large commercial facilities and factories. Although orders received for the year were lower than the previous fiscal year due to the absence of year-earlier orders for multiple large factories and delays in order placements for some properties, performance was solid, with order levels remaining high. In light of this market environment, we shared property information between our head office and branch offices, developed sales strategies from a company-wide perspective, and worked to improve customer satisfaction and profitability by responding quickly and appropriately to design changes and additional

construction work through close information sharing with construction sites. In terms of renewal work, we utilized a system for centrally managing building equipment information based on previous construction work, and provided optimal and up-to-date information and renovation proposals to our customers. We thus worked to create a safe and secure equipment environment for buildings and secure orders. In the overseas business, efforts were made, primarily by Sigma Engineering JSC, our consolidated subsidiary, to increase orders for facility engineering work of large building complex and hotel projects. Furthermore, we engaged in the procurement and installation of solar power generation equipment as part of Japan's ODA projects in Sri Lanka.

Business environment and initiatives (focus initiatives)

The construction market is expected to remain robust going forward. In this environment, as a company that creates sustainable value, we are working to build relationships of trust and contribute to local communities by strengthening our collaboration with local governments and private companies, further deepening our ties with these communities, and proposing facilities and services that meet their needs. As part of these efforts, in the Sendai City Center Redevelopment Project being promoted by Sendai City, we will contribute to the revitalization of the local economy by proposing facilities that will improve urban functions and strengthen disaster response capabilities. In addition to these initiatives, we newly established the PFI Business Promotion Group within the Solutions Sales Department to strengthen our participation in the development and operation of public facilities through public-private partnerships and to build systems for full-scale engagement in PFI projects. Since we first need to accumulate specialized knowledge and practical experience, we will aim to participate as a special purpose company (SPC) in the future after accumulating practical experience. Through these measures, we will deepen our ties with local communities and play an important role in the development of next-generation infrastructure.



Construction of a solar power generation facility at Himeji Rika Corporation's Tamura Plant (Fukushima Prefecture)



Tien Bo Plaza (Hanoi City, Vietnam)

Future strategy

We view Tohoku Electric Power's initiative to attract data centers in a bid to contribute to the development of the region as a growth opportunity, and aim to further improve our profitability by linking our business development to this initiative. To this end, we will utilize our experience in constructing data centers in the Kanto region to create a system that provides a one-stop service for building data center facilities, and will strive to expand orders by promoting community-based support in Tohoku and Niigata. We will also focus on expanding our business in areas outside Tohoku and Niigata. Demand for construction is strong particularly in the Kanto region. Therefore, we will continue to strengthen our sales activities and structures targeting customers with strengths in growth markets such as large-scale redevelopment and logistics facilities in the region. We will also carry out initiatives in Hokkaido, such as engaging in design cooperation for new buildings. Furthermore, we have successfully completed construction of a large commercial facility in Nagano Prefecture. Going forward, we will continue to target the Toyama and Nagano areas as we strive to accelerate the expansion of our sales areas through construction collaborations with industry peers, thereby strengthening our business foundation and achieving sustainable growth. Next, with an eye to improving profitability, we will shift our sales from conventional businesses that generate one-off revenue to businesses that generate recurring revenue by addressing the

challenges faced by our customers. Specifically, we will make proposals that are important and provide value to our customers, such as energy efficiency, BCP measures, and ZEB support, and strengthen our solutions sales that go beyond the provision of equipment. This will enable us to secure high profit margin projects and build long-term relationships of trust, while also contributing to the resolution of social issues. Furthermore, from FY2026, amendments to the Act on Rationalizing Energy Use will make it mandatory for businesses to set targets for the installation of solar panels on the roofs of factories, stores, and other buildings. To capture this demand, we will strengthen our proposals for the installation of self-consumption solar power generation systems. Specifically, we will provide design support that takes into account technical conditions such as roof structure, earthquake resistance, and load capacity, as well as provide comprehensive consulting services that include proposals for utilizing subsidies and use as a BCP measure. By doing so, we will help customers reduce their electricity consumption and environmental impact at the same time, while also working to increase orders and improve profitability with an eye to achieving sustainable growth. Going forward, we will continue to conduct flexible and strategic sales activities that address social issues and market needs in order to achieve both regional development and the enhancement of corporate value.

Value Creation Story

Business Strategy: Engineering Headquarters



Engineering Headquarters

Electrical Installation Department, Air Conditioning and Plumbing Installation Department, Information & Communications Department

Hitoshi Nakanishi
Managing Executive Officer
General Manager of Engineering Headquarters

Business activities

The Engineering Headquarters handles everything from the design and cost estimation to construction, and maintenance of infrastructure facilities such as electrical equipment, air conditioning and plumbing, and information and telecommunications facilities. We contribute to the development of local communities by providing customers with reliable, high-quality equipment. In recent years, amid the increasing use of AI and the sophistication of business operations, we have also been focusing on the construction of data center facilities to meet diversifying needs, valuing relationships of trust with our customers, and continuously providing added value.

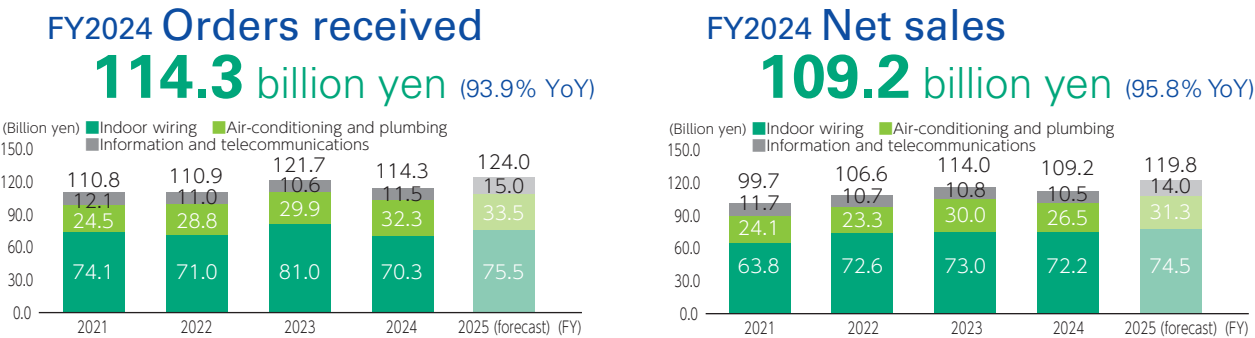
Growth opportunities and strengths

- An extensive network of offices, including in Tohoku, Niigata, and the Kanto region
- Respond with one-stop service for electrical, air-conditioning and plumbing installation, and information and telecommunications facility engineering
- Increasing demand for green transformation (GX) as part of efforts to achieve carbon neutrality by 2050
- Accumulated track record of data center construction in the Kanto region

Risks and issues

- Rethinking of training programs to develop the skills of young employees at an early stage
- Strong construction demand leading to an increase in construction volume, putting strain on our construction systems
- Price pass-through of persistently high material and labor costs

Trends in orders received and net sales



Review of FY2024

Net sales fell slightly year-on-year amid the completion of large factories and progress with the construction of commercial facilities in the previous fiscal year. However, on-hand construction projects at the end of FY2024 exceeded the previous fiscal year, allowing us to establish a solid foothold for business development in the next fiscal year onwards. The gross profit ratio also reached an all-time high, leading to an improvement in profitability. In terms of safety, we worked to raise safety awareness across all work sites through thorough risk assessments and discussions on safety during joint patrols with Group companies and partner companies. Furthermore, we deployed

IT-based management methods, such as introducing an electronic recording and reporting app and utilizing an e-book creation service, which improved operational efficiency at work sites and accelerated information sharing, thereby reducing workloads at work sites. On the other hand, delays in construction processes led to a decrease in completed construction sales, which became an issue. To address this situation, sales and construction divisions are working together to thoroughly check processes and share information, while also strengthening support for construction management to identify risks of delays early on, so as to improve the accuracy of construction management and reduce costs.

Business environment and initiatives (focus initiatives)

We continued to receive a steady stream of construction orders on the back of the solid business environment. However, as our construction capacity remains under constant pressure, we consider the further strengthening of our on-site and organizational capabilities an urgent issue. In light of this, we formulated a system to contribute to improving engagement on the front lines of our work sites, which began operation in April 2025. We also established the Construction System Strengthening Committee with the aim of identifying issues and considering countermeasures to strengthen our construction capabilities. The committee shares the current situation and issues across the Company, identifies issues from a short- and medium- to long-term perspective, and considers the direction of solutions. These initiatives are aimed at establishing a future-oriented construction system and improving our on-site capabilities. In addition, the Electrical Installation Department and the Air Conditioning and Plumbing Installation Department have introduced the Young Employee Active Support Team, which supports the growth of young employees through one-on-one meetings with the aim of strengthening training after on-the-job training at work sites. The Information & Communications Department is also working to strengthen the training of young employees based on its own unique training operations. By having each department implement measures tailored to the characteristics of their respective operations, we are working to strengthen our human capital through the development of personnel who will lead the future. We have positioned these initiatives as important measures that will strengthen our organizational capabilities with a view to the future and lead to the sustainable enhancement of our corporate value.



YUMEGAOKA SORATOS (Kanagawa Prefecture)



Aomori City Gymnasium (Aomori Prefecture)

Future strategy

We do not treat our three departments—the Electrical Installation, Air Conditioning and Plumbing Installation, and Information & Communications Departments—as individual technical areas, but as a comprehensive facilities engineering system, through which we promote a strategy of contributing to the advancement of social infrastructure and the revitalization of local economies.

In particular, we will leverage the track record and know-how we have cultivated in data center construction in the Kanto region to meet growing demand for data centers in Tohoku and Niigata, aiming to both improve profitability and contribute to local communities. Data center construction involves complex projects that require a stable power supply, highly efficient air conditioning and cooling equipment, and a reliable information and communications infrastructure. By collaborating across our three departments, we are able to provide consistent, high-quality services from design to construction and maintenance. By adapting the technology and knowledge we have accumulated through our construction experience in the Kanto region to the geographical and climatic characteristics of Tohoku and Niigata, we believe that we can provide support for the construction of data centers that are rooted in the local community.

Furthermore, the comprehensive capabilities achieved through this cross-departmental

collaboration can be applied not only to data centers, but also to fields such as ZEB and smart buildings. As these fields require the comprehensive design of electrical equipment, air conditioning and plumbing, and information and communications, we believe that our construction systems will provide us with a major competitive advantage. Furthermore, by utilizing digital technologies such as BIM and IoT to strengthen data sharing and front-loading at each phase of design, construction, and operation, we will aim to improve construction quality and operational efficiency.

At the same time, we recognize that maintaining and improving construction capabilities is the most important task for our Engineering Headquarters, and that addressing the worsening labor shortage is also an urgent issue. We will create an environment where diverse human resources can thrive and improve employee engagement by enhancing our skills training programs, supporting qualification acquisition, and hiring and promoting female and foreign national engineers. Additionally, to strengthen our construction systems, we will expand on our skills transfer efforts, human resource development, and collaboration with partner companies, as well as utilize DX to improve construction quality and efficiency as part of moves to promote the creation of systems that support the development of sustainable regional infrastructure.

Value Creation Story

Business Strategy: Electric Power Infrastructure Headquarters



Electric Power Infrastructure Headquarters

Power Sector Governance Department, Distribution Engineering Department, Power Transmission Department, Power Generation and Substation Department, Civil Engineering Department

Kazuo Takasugi
Senior Managing Executive Officer
General Manager of Electric Power Infrastructure Headquarters

Business activities

The Electric Power Infrastructure Headquarters' role is to support the social infrastructure in Tohoku and Niigata, such as the electric power facilities, renewable energy-related facilities, and power receiving and transforming equipment in factories and other sites, from the construction side. By doing so, we are contributing to the stable supply of electric power, responding quickly to facilitate rapid recovery in the event of natural disasters, which are growing in severity, while at the same time contributing to the development of local communities.

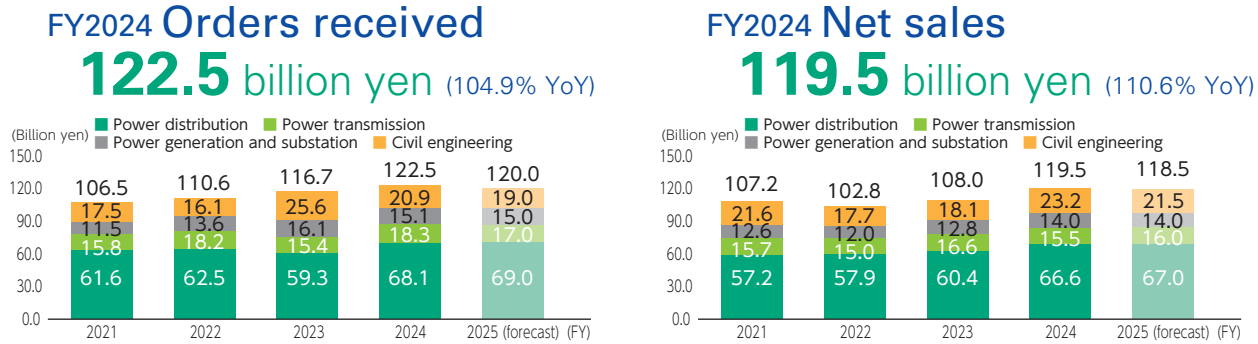
In addition, we have been securing orders and executing work including renewal work of aging of facilities that contribute to resilience, as well as main power grid construction and renewable energy-related construction with a view toward achieving carbon neutrality in 2050, by utilizing the technical capabilities and experience we have accumulated over the years, as well as our construction capabilities, including those of Group companies and partner companies.

- #### Growth opportunities and strengths

 - Construction capability and adaptability gained from experience in recovery and reconstruction work following large-scale natural disasters, such as the Great East Japan Earthquake
 - Broad business foundation and organizational strength in the Tohoku and Niigata areas to adapt to medium- to long-term plans for renewal work of aging facilities
 - Technical capabilities and proposal capabilities developed through a construction track record applied in main power grid construction and renewable energy-related construction
 - Technical development capabilities for special equipment vehicles and tools, etc., that contribute to improved work safety and productivity
- #### Risks and issues

 - Decline in the working population due to the declining birthrate, aging population, and outflow of population to the Tokyo metropolitan area
 - Deterioration of work environment due to climate change (extreme heat and intensification of natural disasters)

Trends in orders received and net sales



Review of FY2024

In FY2024, both orders received and net sales exceeded those of the previous fiscal year. This was due to factors including the steady progress of renewal work for aging facilities and main power grid construction, as well as the early establishment of construction systems, which allowed progress to be made on large-scale wind power projects and other construction work.

Looking back at each division, the Power Distribution Division steadily secured orders for renewal work for aging facilities and made systematic progress in construction by improving the efficiency of utility pole replacement work. We also responded appropriately to the restoration of power facilities following the heavy rain along the Sea of Japan coast in July last year and the forest fire that broke out in Ofunato City in February this year.

In the Power Transmission Division, we received multiple orders for large-scale main power grid construction, and as transmission line work has also begun in earnest, centering on construction for 500 kV steel towers, we worked hard to establish a construction system with meticulous schedule adjustments.

In the Power Generation and Substation Division, we steadily received orders for renewal work for aging facilities at power plants and substations, as well as numerous orders for renewal work of power receiving and transforming equipment at facilities such as plants.

In the Civil Engineering Division, underground pipeline work and repair work for power plants and substation buildings was solid, and we also made headway with work for a utility pole removal project in Nihonmatsu City, Fukushima Prefecture, for which we received a comprehensive contract in partnership with Tohoku Electric Power Network.

Business environment and initiatives (focus initiatives)

Against the backdrop of a need for strengthening resilience due to aging electric power facilities, Tohoku Electric Power Network is expected to advance renewal work for aging facilities under the revenue cap system over the medium to long term.

In addition, in order to expand the introduction of renewable energy with a view to carbon neutrality and creating an environment for cross-regional power trading, main power grid construction is in full swing, including the construction for two-route conversion for the 500 kV Tohoku-Tokyo interconnection power transmission line on the Pacific side, the construction of a new 500 kV transmission and substation facility on the Sea of Japan side, and reinforcement construction on interconnection facilities between Hokkaido and Honshu.

Furthermore, as damage to electric power facilities due to increasingly severe natural disasters such as torrential rains and wind storms is occurring sporadically, we believe it is necessary to respond more accurately than ever to social expectations for early power recovery at times of disasters.

In addition, the coastal areas of Tohoku and Niigata have been identified as suitable sites for renewable energy such as offshore wind, and with active requests for route surveys and design work for interconnection lines, related construction is expected to increase more and more.

In light of this business environment, we will contribute to the stable power supply and the development of local societies by accurately responding to each construction project.



Construction of the new Miyagi Marumori switching station (Miyagi Prefecture)



Improving utility pole replacement efficiency (Utility pole base location reconstruction vehicle) (Miyagi Prefecture)

Construction of new steel towers for the Dewa Main Line (Akita Prefecture)

Future strategy

As our future strategy, we will work to receive orders to secure a best mix of general and public sector projects, including renewable energy-related construction, based on electric power facility works.

When receiving orders for each construction project, we will conduct fair and credible price negotiations with customers based on relationships of trust, and earnestly work to realize cost pass-throughs throughout the whole supply chain, including partner companies and other business partners. In terms of construction, on the premise of ensuring safety and quality, we aim to increase earnings through the securing of construction capabilities, improvement of the work environment, and enhancement of productivity.

With regard to orders for electric power facility construction, we expect orders for renewal work for aging facilities and main power grid-related construction to remain strong due to the progress of the revenue cap system and efforts to achieve carbon neutrality, so we will actively engage in design cooperation, technical support, and construction method proposals to ensure successful order acquisition.

In terms of orders for renewable energy-related construction, although there are signs of construction plans being postponed due to yen depreciation, rising prices, and stricter development regulations, as there are many large-scale wind power generation projects planned in the Tohoku area, which is the foundation of our business, we aim to increase orders such as by

cooperating with the Sales Headquarters and the Renewable Energy Headquarters to make technical proposals that take into account safety and efficiency during construction, as well as the durability and cost of the equipment.

It is essential to ensure construction capabilities by maintaining and improving technical capabilities and the number of personnel, including those of Group companies and partner companies, in order to ensure the planned and smooth progress of construction projects. As such, in April we established a Construction System Strengthening Committee to identify issues that need to be discussed across the Company, such as our direct management system and the establishment of an integrated system shared with partner companies, and are currently considering measures to strengthen these systems to resolve such issues.

Going forward, we will strengthen hiring efforts such as by creating PR videos aimed at raising awareness of the industry, as well as enhance each technical training and education. Also, in an aim to create a workplace that young employees, who will be the future leaders, find attractive and comfortable, we will work on securing appropriate project timelines and improving the working environment while enhancing productivity through the use of new technologies such as the utility pole base location reconstruction vehicle, drones, as well as DX, and focus on ensuring construction capabilities.

Value Creation Story

Business Strategy: Renewable Energy Headquarters



Renewable Energy Headquarters Renewable Energy Department

Hideaki Yoshizaki
Managing Executive Officer
General Manager of Renewable Energy Headquarters

Business activities

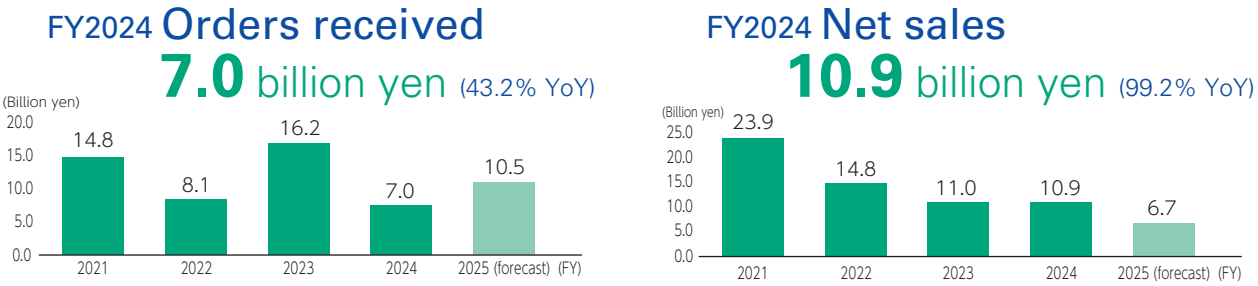
The purpose of the Renewable Energy Headquarters is to handle renewable energy generation facility construction (hereinafter “renewable energy-related construction”), which requires technical capabilities in a wide variety of work types, including indoor electrical equipment, power transmission and distribution lines, substation equipment, civil engineering, and information and communications.

In the early stages of renewable energy-related construction, the Renewable Energy Department is responsible for the basic design, and the subsequent detailed design is carried out with the assistance of the Engineering Headquarters and Electric Power Infrastructure Headquarters. While subsequent construction work is left to these two headquarters, the entire Company works together, with the Renewable Energy Department also dispatching engineers.

We are working to develop human resources and strengthen our construction systems to enable the Renewable Energy Department to take the lead in construction work going forward.

- Growth opportunities and strengths**
- Possession of high technical capabilities ranging from design to construction, and maintenance of various types of work
 - Construction of many large-scale wind power generation facilities is planned in the Tohoku and Niigata areas
 - Able to utilize the home-field advantage as a local company
- Risks and issues**
- Many renewable energy-related construction projects take approximately 10 years from the start of planning to the start of operations, making it difficult to respond to risks such as price adjustments during that time
 - As the time needed for design and obtaining permits and approvals varies from project to project, our design and construction systems must be able to flexibly adapt to different circumstances

Trends in orders received and net sales



Review of FY2024

In FY2024, rising equipment, material, and labor costs, as well as prolonged negotiations for obtaining permits and approvals, led to many postponements and revisions of renewable energy-related construction projects, forcing us to restructure our design and construction systems.

As a result, orders received totaled 7,016 million yen (down 9,442 million yen or 43.2% year-on-year), a significant decrease from the previous fiscal year. However, as the plans themselves have not been canceled, and we are still in discussions with the relevant government agencies to obtain permits and approvals, we will continue our efforts to receive construction orders.

Net sales were largely the same as in the previous fiscal year at 10,997 million yen (down 93 million yen or 0.8% year-on-year) due to the large amount of construction work carried over from the previous fiscal year.

In addition to financial aspects, through the installation of underground power transmission lines covering several tens of kilometers of roads carried out in FY2024, we were able to gain a lot of knowledge, such as know-how related to on-site management to operate around 20 work teams at the same time, and how to tackle additional modification work by strengthening the construction systems that integrate not only work sites, but also our branch offices and head office, and how best to hold discussions with our clients.

Business environment and initiatives (focus initiatives)

Following the recent shift in U.S. policy away from renewable energy and toward a focus on fossil fuels, it is becoming increasingly difficult to predict the future prospects for renewable energy businesses worldwide. Meanwhile, as Japan’s domestic initiatives toward carbon neutrality remain unchanged, we expect these efforts to continue moving forward. Against this backdrop, it would seem that solar panels are mainly being installed on vacant land within premises or on rooftops. As for offshore wind power generation, a consortium including Mitsubishi Corporation has announced its withdrawal from three offshore wind projects for which it had won a bid, citing rising costs and other factors. This has raised concerns about the continuity of such businesses in general, including in other sea areas. However, as the government has positioned offshore wind power generation as a main pillar of renewable energy, it has stated its plans to review systems to ensure business viability and then promptly recommence bidding. Therefore, even if the start of construction ends up being later than initially expected, we believe that it will begin eventually, so we are currently preparing our internal systems to proceed with the subsequent construction work. As the construction of existing onshore wind farms has started with installation in ideal locations, we expect to see larger-scale wind farms being built in more mountainous areas going forward. As such, in new projects, the distance between the wind turbines and the point of connection with the power transmission and distribution company is getting longer, by tens of kilometers. It is thus likely that the planning, design, and negotiations for permits and approvals leading up to the start of construction will take longer than before.

Furthermore, grid-scale batteries are now being installed to stabilize power transmission and distribution systems and to balance supply and demand.

Business operators are taking a variety of approaches to installation, from selecting a corner of land at an existing renewable energy power plant to securing new commercial land for installation.



Construction of Mutsu-Ogawara Wind Farm (Aomori Prefecture)>



Miyagi Kawasaki Solar Power Plant (Miyagi Prefecture)

Future strategy

As solar power generation often involves power generation equipment attached to buildings, we plan to incorporate this into our sales activities for building electrical work.

As for wind power generation, private power transmission lines are often laid underground under public roads and over long distances, so planning and design require detailed consultations with the relevant government agencies and careful consideration of local communities. We will engage in sales activities that leverage our strengths as a local company. Similarly, in construction, we are capable of independently carrying out a wide range of work, including indoor electrical equipment, power transmission and distribution lines, substation equipment, civil engineering, and information and communications. This enables us to respond quickly to any unexpected issues that may arise after operations begin. We will utilize these strengths in our sales activities.

We will also hedge against risks such as price adjustments by clearly communicating how we will handle these issues with our clients from an early stage.

Furthermore, we recognize that a challenge when it comes to actual construction is securing and strengthening construction capabilities commensurate with large-scale projects, even if the

start of construction needs to be flexible due to delays in the design process and obtaining permits and approvals. For this reason, we hold regular internal meetings to share information and ensure close cooperation between relevant departments in preparation for the start of construction. We also consult with manufacturers and suppliers intended to be subcontracted, as needed, to ensure proper constructions system are in place.

Moreover, we will contribute to the sustainable operation of power generation facilities by not only conducting regular inspections of those already in operation, but also by leveraging our strengths as a local company to handle initial responses in the event of accidents or disasters. We will also take measures aimed at receiving orders for replacements in the future.

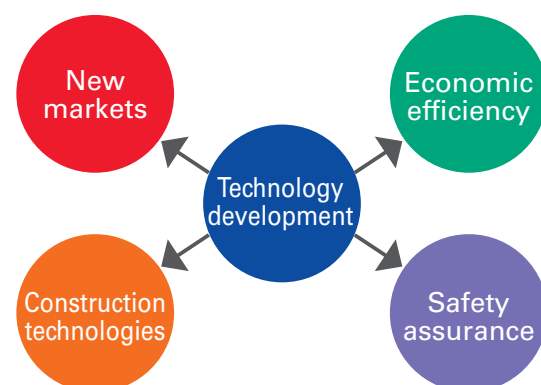
Developing our human resources under the Renewable Energy Headquarters to achieve these measures is also an important strategy. As this business requires knowledge and experience across various types of work, we will endeavor to strengthen our organization by striving to secure work-ready talent through internal personnel exchanges and experienced personnel hiring, as well as by hiring a set number of new graduates to train as specialized engineers in this field.

Value Creation Story

Technology Development Initiatives

Basic concepts on technology development

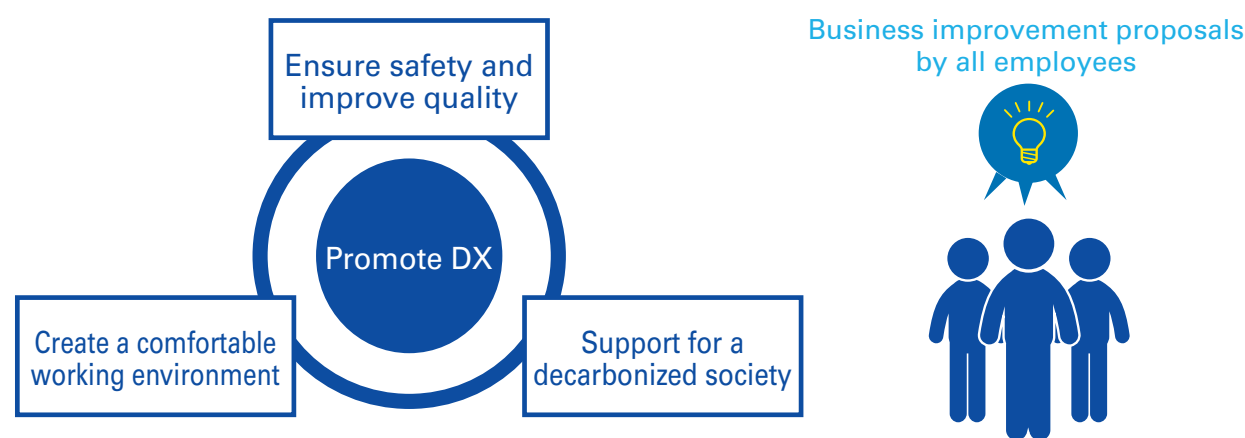
As a pioneer in technology, Yurtec considers technology development to be its core business. This business drives the construction of more sophisticated and quality facilities and the development of systems, and allows our corporate activities to advance to the next stage. We strive to take on challenges with a great deal of forethought and creativity, to develop new technologies using new concepts in a flexible manner, and to build new markets and enhance economic efficiency, while improving our construction technologies and assuring safety in response to the demands from our clients and society.



Basic policies in the Medium-Term Management Plan

The environment surrounding the Company continues to change, with trends such as corporate initiatives for decarbonization becoming incentives when bidding on public construction projects and a growing interest in sustainability. In order to respond to these changes in the business environment and refine the Yurtec brand, we will develop technologies

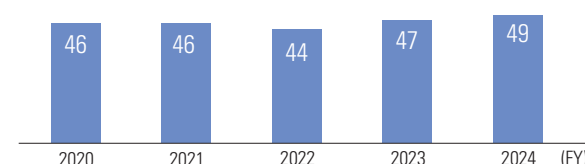
based on the three perspectives of ensuring safety and improving quality, creating comfortable working environments, and providing support for a decarbonized society. We will also actively develop technologies utilizing business improvement proposals from all employees.



Initiatives for industrial property rights

We are promoting the acquisition of rights through industrial property rights to protect and utilize the results of technological development (patents, utility models, designs and trademarks). As of March 31, 2024, the Company holds 47 industrial property rights (33 patents, 4 utility models, 8 designs, and 2 trademarks).

Number of industrial property rights held by the Company



Specific technological development initiatives

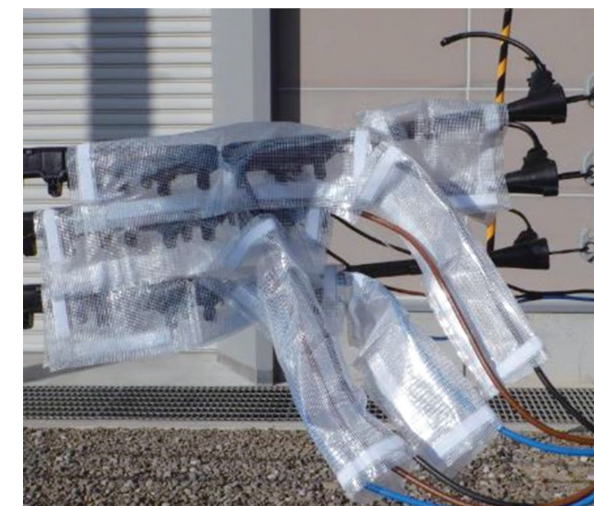
We are working on the development, study, and research of technologies related to tools and construction methods that ensure safety by physically preventing labor accidents, while also improving work efficiency and reducing workloads. This section introduces the Company's specific technological development results.

Protective gear for low-voltage live-wire work

Development of low-voltage insulation sheets for the prevention of shock, electrical shorts, and ground faults

When performing work on (or near) low-voltage live wires with AC voltages of 300 V or below, protective gear is essential to prevent shocks, electrical shorts, and ground faults. The low-voltage insulation sheet developed is made of clear material and adopts the shape that can be installed on different conditions of utility pole wire arrangements. This improves equipment status visibility when performing work and improves work efficiency due to its easy installation. Furthermore, this product is more durable than past products and is suitable for repeated use, contributing to both safety and work efficiency at work sites.

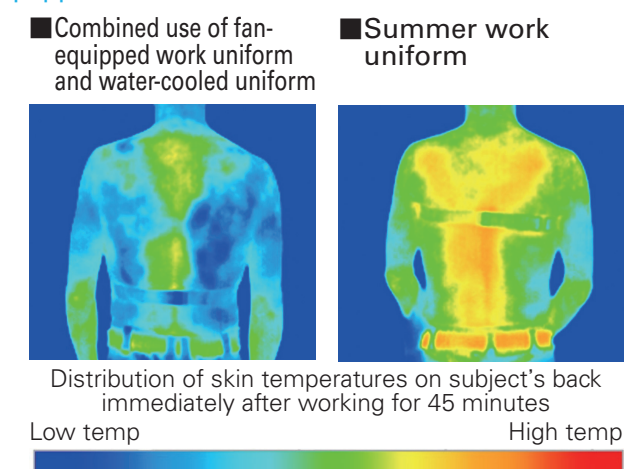
In November 2024, this product received the 69th Shibusawa Award (2024) from the Japan Electric Association.



Study and research on heat stroke countermeasures

Evaluation of the efficiency of combined use of fan-equipped work uniforms and water-cooled uniforms

Due to the recent climate change, summer heat has been becoming more severe, increasing physical burden. The revised Ordinance on Industrial Safety and Health enacted in June 2025 requires companies to implement heatstroke countermeasures. The Company had already been working to prevent severe heatstroke, even before these measures were made mandatory, employing measures such as the use of fan-equipped work uniforms. We are now focusing on further measures such as combining the use of fan-equipped work uniforms and water-cooled uniforms. With academic guidance from a local university, we evaluated its effectiveness. Based on the results, we are proceeding considerations on the application of this method in our work sites.



Technology development report session

Every year, technology development report session is held in order to share the results of our technology development within the Company. In FY2024, the session was held using a hybrid approach in which employees attended both on-site and online. There were 10 reports on ensuring safety, improving quality, and creating comfortable working environments. Furthermore, to improve our development strengths, we invited university academic personnel and created opportunities for employees to gain specialized knowledge from outside the Company.



Value Creation Story

Contribution to Local Communities

Special Feature

Roundtable Discussion with Mr. Ginji, Tohoku Rakuten Golden Eagles Ambassador

Rooted in local communities, protecting livelihoods and contributing to growth



Yoko Noro
General Manager
Business Audit
Department

Mr. Ginji
Ambassador
Tohoku Rakuten
Golden Eagles

Yasuhiro Suzuki
Director & Senior Managing
Executive Officer; In charge of
Compliance Promotion,
In charge of Risk Management,
In charge of IR

Activities to protect the security and future of Tohoku and Niigata

Suzuki: As a member of the Tohoku Electric Power Group, Yurtec supports regional infrastructure in the six Tohoku prefectures and Niigata Prefecture, where our offices are located. We specialize in the construction of power transmission and distribution facilities and are also engaged in electrical, air-conditioning and plumbing work, and information and telecommunications construction for office buildings, factories, hospitals, and other similar buildings. Our services also include civil engineering work. We strive to create safe, secure, and comfortable infrastructure and social environments. Also, when a large-scale earthquake such as the Great East Japan Earthquake occurs, or when a disaster such as heavy rain or snow damage occurs, one of our roles is to restore electricity as quickly as possible so that people can return to their daily lives.

As the construction industry cannot exist without engineers, amid the declining population in Tohoku, it is also our mission to protect the jobs of those who were born and raised in Tohoku and live in the local area.

Noro: Through our electrical maintenance and inspection work, we strive every day to protect the ordinary life where flipping a switch turns on

the lights, and to contribute to the happiness of the people of Tohoku and Niigata.

Ginji: I'm from Fudai Village on the coast of Iwate Prefecture, and joined the Tohoku Rakuten Golden Eagles professional baseball team (hereinafter "Rakuten Eagles") in 2006. The Great East Japan Earthquake occurred in 2011, my sixth year with the team, and two years later in 2013, the Rakuten Eagles won our first league title and then became the top team in Japan.

When the earthquake struck, I heard that Yurtec was the first to move to restore electricity, and I remember being amazed at your quick response. With the recent increase in large-scale natural disasters, Yurtec is more essential than ever to the Tohoku region and Niigata Prefecture.

Suzuki: From the stands, I watched the final game of the Japan Series, where the Rakuten Eagles won their first championship. I'd never been so moved. I still clearly remember how we all burst into tears while singing Masahiro Tanaka's walk-up song when then-manager Hoshino announced that he would be substituted on.

Was the earthquake a major turning point for you, being from Tohoku?

Ginji: It was definitely a turning point.

A few years after joining the team, I had become acutely aware of the high level of the professional leagues and was feeling depressed. I was just starting to think that maybe I should

just go back to my hometown and do something else, when the earthquake struck. As someone from Tohoku, I felt a stronger desire to bring hopes and dreams to the disaster-stricken areas and help the Rakuten Eagles win the championship. So, after the earthquake, I started working my heart out again from scratch.

As a result, I was able to contribute to my team's Japan Series championship as a regular player in 2013. The following year I was also in the running for top hitter.

I retired from professional baseball in 2023, and currently serve as an ambassador for the Rakuten Eagles, traveling around the six Tohoku prefectures to spread the appeal of our team and baseball.

There are many very good amateur baseball players in Tohoku, so I hope they will join the Rakuten Eagles, win the championship, and liven up Tohoku.

What kind of community contribution activities does Yurtec carry out?

Suzuki: In 2024, as part of commemorative events to mark the 80th anniversary of our founding, we carried out the "Zero Marine Waste Activity" with our Group companies, picking up trash in 65 locations not only in the ocean but also in rivers and on land. Tohoku and Niigata are regions very rich in nature. We will continue these activities going forward as a way to protect the rich nature and maintain an environment where people can live comfortably.

We also carry out efforts to revitalize local communities and preserve their culture by participating in traditional festivals around the region, such as the Nebuta Festival in Aomori, Sansa Odori Festival in Iwate, and Hanagasa Festival in Yamagata.

Although our business itself is directly linked to protecting the lives of local communities, as a company rooted in the local community, we will remain closely attuned to people's lives and actively carry out activities that are conscious of revitalizing these communities.



Ginji: Since retiring from professional baseball, I have had the opportunity to participate in festivals all over the Tohoku region. I always find the excitement and passion at these events invigorating. I would like everyone to come and see a Tohoku festival at least once in their lives.

Noro: I believe that leaving a beautiful Earth for the children of the future is also a major mission for companies.

When at the home stadium of the Rakuten Eagles, you get the impression that they are making an effort to be environmentally friendly, such as separating trash. Are you aware of such initiatives?

Ginji: Many fans come to the stadium and enjoy eating and drinking, which inevitably produces a lot of garbage. Under such circumstances, Rakuten Mobile Park Miyagi is conscious of recycling resources, so actively collects and separates waste with the cooperation of spectators. Also, since 2022, the team has sourced 100% of the electricity used in its business activities from renewable energy. Recently, as part of its recycling activities, it has also begun selling original merchandise made from recycled resources.

Noro: This sounds like a wonderful initiative aimed at realizing a sustainable society. In recent years, Yurtec has also been focusing on construction work related to renewable energy. We thus aim to continue working to provide electricity in a more environmentally friendly and stable manner.

Earlier, we talked about the children of the future. When my child was receiving treatment at Miyagi Children's Hospital, I saw a Rakuten Eagles player visiting the hospital. Your team also puts effort into activities that give dreams to children.

Ginji: Since my time as a player, I have visited Miyagi Children's Hospital and a Ronald McDonald House, where parents of hospitalized children can stay, every year with the hope of making them feel even just a little bit better. It makes me happy to see the smiles on the faces of children and their families, so it's an activity I'd like to continue.

By inviting youth baseball teams and welfare organizations to official games, we are also working to give people hopes and dreams through watching baseball.

Promoting sports as a company rooted in the local community

Suzuki: Yurtec is a sponsor of local sports teams, including the Rakuten Eagles. We also contribute to the promotion of sports in various ways, such as providing a practice venue for the

Contribution to Local Communities

Special Feature: Roundtable Discussion with Mr. Ginji, Tohoku Rakuten Golden Eagles Ambassador



local volleyball team, Ligare Sendai. In the past, baseball and soccer stadiums were places for people to play, but they have since evolved into places where spectators can stay for long periods of time and enjoy themselves even when no games are scheduled.

The Rakuten Eagles often provide us with a lot of useful management advice. It is unusual for a professional baseball team to achieve a profit in its first year. The team developed a ballpark concept that had not been seen before, and also came up with an innovative strategy to attract spectators. This attracted many women and children, which I believe became a driving force behind the popularity of the Pacific League.

Ginji: Rakuten Mobile Park Miyagi has areas where children can play, including a Ferris wheel and merry-go-round. The goal is to make the stadium a place where people can casually drop in and feel excited about things other than baseball, so that more children will come to the stadium and see the players play, and be inspired to try baseball, or to want to go to the stadium for dinner after work.

Noro: The inclusion of female fans is wonderful, and I also remember there being many female staff members. As Yurtec is also seeing an increase in the number of female engineers, we are working to create a comfortable work environment for women. When I spoke to one of our female engineers, she told me, "I feel a sense of accomplishment when I see the buildings I've been involved in."

What are some points that the Rakuten Eagles are conscious of when it comes to creating a comfortable workplace for women?

Ginji: The team has put systems in place that allow employees to work in a way that suits their individual circumstances, such as remote work and flextime.

I heard that our company is focusing on expanding its shortened working hour system for employees raising children in particular. This system can be used until the child graduates from elementary school.

Suzuki: Your input is very helpful. Many people see the construction industry as a male-dominated workplace, when in actuality, the number of female engineers is currently on the rise, and facilities and environments are being developed at construction sites that make it easier for women to work. As I myself am in charge of human resources and related areas, I am working to create more comfortable workplaces for female employees by expanding our work location preference system and childcare leave system.

Noro: To revitalize local communities, it is extremely important to create comfortable workplace environments for everyone, protect their jobs, and allow both men and women to perform to the best of their abilities. Tohoku and Niigata are home to a number of professional sports teams, along with stadiums and facilities where fans can enjoy the games to the fullest. I feel that the people who work there are also at the heart of invigorating the region.

In addition to being a team sponsor, we also hold the naming rights to Yurtec Stadium Sendai (Yursta), the home stadium of J.League team VEGALTA SENDAI, and are working to foster ties with the local community.

Ginji: Yursta is what comes to mind when I think of Yurtec. Personally, this stadium holds a special memory for me, as I played in a soccer charity match to support the recovery efforts following the Great East Japan Earthquake and scored a goal there.

As someone from Tohoku, I hope that sports become more popular in the region.

Suzuki: Sports teams in Tohoku and Niigata, including the Rakuten Eagles, are engaged in a variety of activities to contribute to local communities. We believe that contributing to local communities through our business will help to develop and revitalize these communities and their economies, which in turn will lead to growth in the economic and social value of our Company. We believe that it is our mission as a



company rooted in the local community to create this virtuous cycle.

Noro: The population decline, declining birthrate, and aging population are said to be progressing faster in Tohoku and Niigata than in other regions. I believe that not only the national and local governments, but also companies like us can share the appeal of Tohoku and Niigata, which should lead to more companies moving to the region and young people settling down here.

Although our businesses are different, I think we share many things in common with the Rakuten Eagles in that we both aim to give children dreams and develop and revitalize local communities.



Ginji: We are putting a lot of effort into promoting the appeal of Tohoku. The Rakuten Eagles are a team supported by the people of Tohoku, so the drive to liven up the region through baseball is always there. Even during my time as a professional baseball player, I was amazed by the warmth of our fans, the rich nature of Tohoku, and the delicious food. Now that I'm in the position of ambassador, I want to share the charms of Tohoku to a wider audience.

I believe that our activities to teach children the joy of baseball will also help develop talented people who will play an active role in Tohoku in the future.

➤ Toward the future development of Tohoku and Niigata

Ginji: I want to bring smiles to people's faces through baseball, and of course I want my team to win the championship and to share this joy with everyone. To do so, I plan to continue sharing the good points about Tohoku to people outside the region, and support the growth of children through baseball classes and other activities.

Noro: I've heard that many people who were born and raised in Tohoku and Niigata go on to university in the Tokyo metropolitan area and then get a job without returning to their hometown. I hope that people will return to Tohoku and Niigata, an area full of warm-hearted people, rich in nature, and a great place to live. I also want to make Yurtec a place where such people can come and work.

Suzuki: As a company with roots in Tohoku and Niigata, Yurtec launched a new human resources strategy in 2024 to encourage more people to settle in the local area. We are accelerating our investment in human resources that will create future generations, enhancing our human capital, and striving to create a working environment where employees can work toward achieving their hopes and dreams. We have a top-class working environment and HR system in place in Tohoku and Niigata, so we would like as many people as possible to join us.

Since working for a company based in Tohoku and Niigata and enjoying life there will help revitalize the region, and will ultimately lead to the enhancement of the Company's corporate value, we aim to work together with the local people to revitalize their communities. I will continue to support the Rakuten Eagles in the hope that they can win the championship and bring excitement to Tohoku and Niigata.

GINJI

PROFILE

From Fudai Village, Iwate Prefecture. Joined the Tohoku Rakuten Golden Eagles professional baseball team in 2006. After establishing himself as a regular in 2012, he contributed to the team's first league title and its first Japan Series championship in 2013. Retired from professional baseball in 2023, and from 2024 started serving as an ambassador for the Tohoku Rakuten Golden Eagles, promoting baseball and teaching children the importance of having dreams through social contribution and other activities, and supporting restoration efforts in the Tohoku region.



Sustainability Initiatives

Sustainability Policy and Promotion System

Policy and Approach

Guided by our corporate philosophy “Yurtec cooperates with customers in creating value, and contributing to society,” the Company has continued to support the everyday lives of our customers and the community at large as a general facility engineering company, striving to ensure and improve the invariable value of safety, quality, and reliability in pursuit of sustainable growth together with local communities.

We believe that our Group will increasingly be expected to create value that exceeds stakeholders’ expectations by listening to their opinions through the networks with customers and local communities that we have built over the years.

The Group positions the promotion of sustainability as a key management priority issue. Under the Yurtec Group Sustainability Policy, we strive to address issues faced by local communities and society through our business activities, and work together with stakeholders across future generations to achieve sustainable social development and enhance corporate value over the medium- to long-term.

Yurtec Group Sustainability Policy

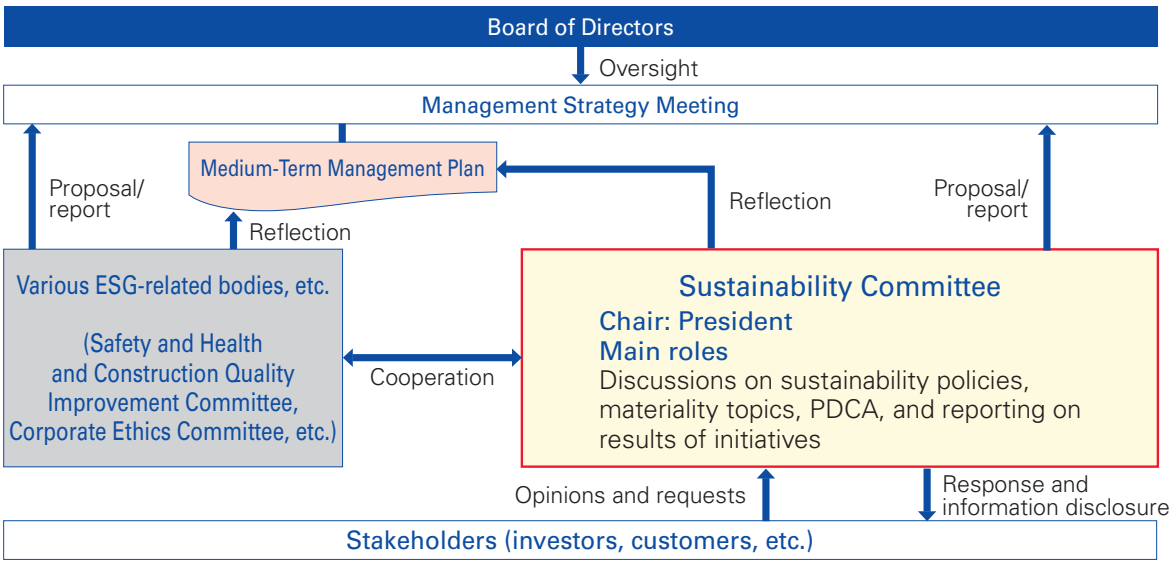
The Yurtec Group will solve issues faced by local communities and society through technology, in pursuit of safety, quality, and reliability, to contribute to sustainable social development, and improve the Group’s corporate value over the medium- to long-term.

Sustainability promotion system

The Company positions sustainability promotion as a key management issue that should be addressed with priority. The Sustainability Committee, which is chaired by the President and Chief Executive Officer, takes into account societal trends and the perspectives of stakeholders as it comprehensively reviews the sustainability issues the Company should prioritize and reflects the future direction in our Medium-Term Management Plan.

The roles of the Sustainability Committee include deliberating sustainability policies, materiality topics, and PDCA, and reporting on the results of initiatives. The contents of its deliberations and reports are reported to the Board of Directors, which thereby supervises its activities.

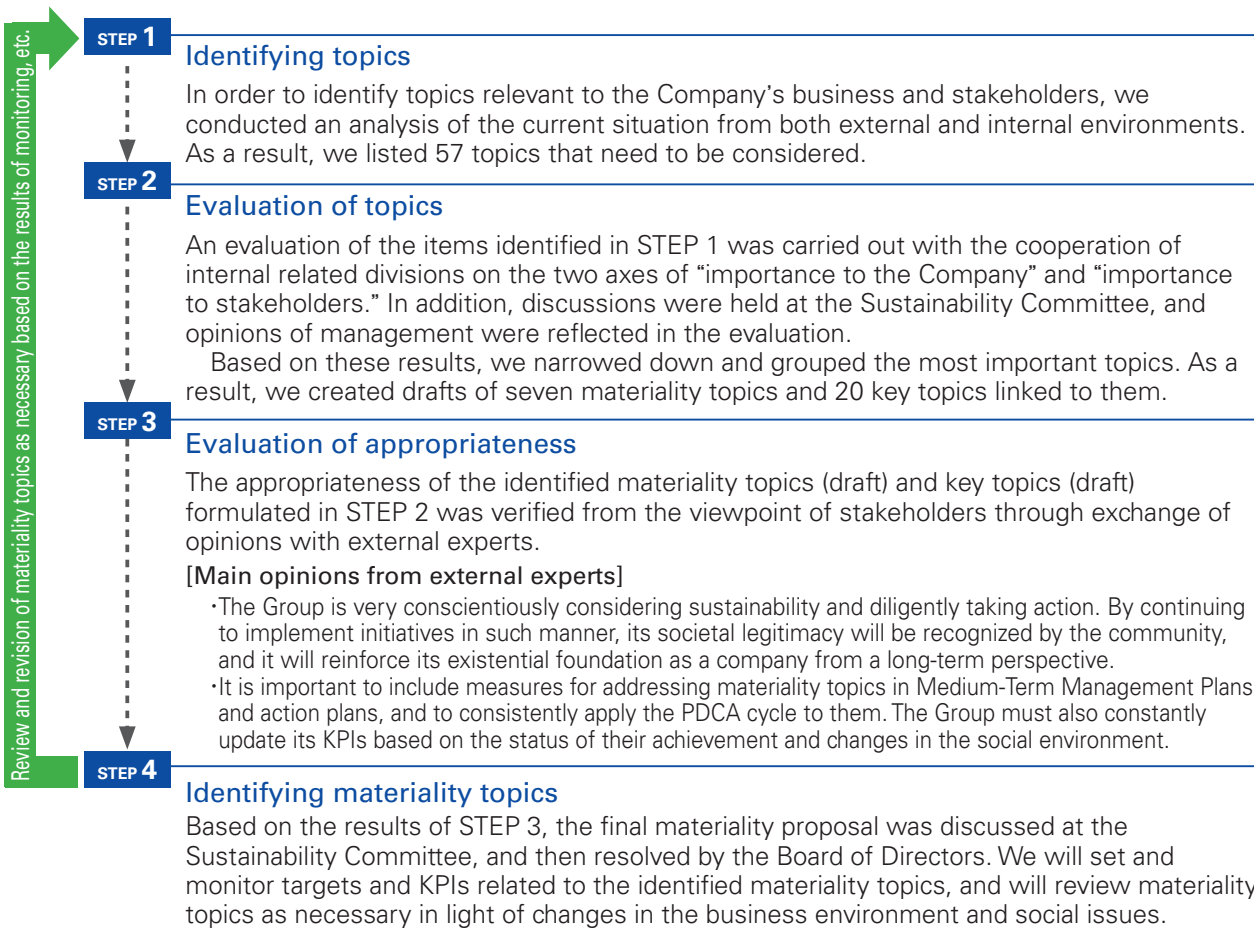
Diagram of sustainability promotion system



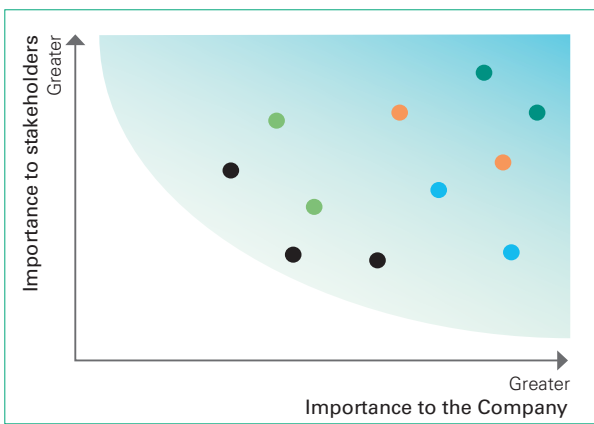
Process for identifying materiality topics

An important part of promoting sustainability is clearly identifying specific topics that should be addressed with priority (materiality topics). Based on this concept, we used the following process to identify seven materiality topics that should be addressed while taking into account deliberations by the Sustainability Committee and advice from external experts.

Going forward, we will monitor our targets and KPIs related to these identified materiality topics through the Sustainability Committee and the Board of Directors, and we will promote initiatives aimed at realizing our “2030 Vision.”



Conceptual image of evaluation and grouping using two axes



Materiality topics identification and related SDGs

Category	Materiality topics	Related SDGs
E	The Challenge of Becoming Carbon Neutral	13
	Environmental Conservation	13, 14, 15
S	Building Resilient Communities and Social Infrastructure	11, 13, 17
	Contributing to Overseas Infrastructure	9, 11, 13, 17
	Pursuing Employee Engagement by Creating More Lively Workplaces	5, 8, 10, 23
	Respecting Human Rights	8, 10, 16, 23
G	Sound and Transparent Corporate Management	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23

Sustainability Initiatives

Materiality topics

Materiality topics and targets/KPIs

Materiality topics		Key topics		Targets		Metrics		Target year	Numerical targets	FY2024 results	 Related SDGs
E Environment	The Challenge of Becoming Carbon Neutral		Achieve carbon neutrality		CO ₂ emissions from businesses	FY2050	0 t-CO ₂	9,809 t-CO ₂	  		
		 Curbing emissions of greenhouse gases from businesses	Reduce by 50% in comparison to FY2013 CO ₂ emissions (14,809 t-CO ₂)	FY2030		Reduce 7,405 t-CO ₂	Reduced 5,000 t-CO ₂ (Reduced by 34%)				
			Promote systematic conversion of company-owned vehicles to EVs	Number of EVs provided as company-owned vehicles	FY2029	60	10*				
		 Increasing number of energy-saving proposals to customers and amount of renewable energy-related construction	Promote ZEB consulting proposals	Number of ZEB proposals	Every year	—	7				
			Increase sales from solar power, wind power, and other related construction	Net sales	FY2028	11.2 billion yen	10.9 billion yen				
	Environmental Conservation	 Forming a recycling-oriented society	Promote recycling of all types of industrial waste	Recycling rate	Every year	95% or more	90.2%	    			
 Conserving biodiversity		Avoid/minimize negative impact of business activities on biodiversity	—	Every year	—	Implemented the “Zero Marine Waste” activity to protect the rich nature in our business areas					
S Social	Building Resilient Communities and Social Infrastructure	 Contributing to the creation of resilient, sustainable cities	Continuously carry out infrastructure-related construction projects	Net sales from infrastructure-related construction projects	Every year	—	119.5 billion yen	    			
		 Responding to large-scale disasters	Conduct emergency disaster response drills for large-scale disasters	Number of Company-wide drills conducted	Every year	Once per year or more	Once per year				
	Contributing to Overseas Infrastructure	 Developing social infrastructure, primarily in the countries in which we do business	Expand business with a focus on Vietnam and increase orders for ODA projects through social infrastructure development projects	Net sales	FY2028	29.3 billion yen	18.1 billion yen	   			
	Pursuing Employee Engagement by Creating More Lively Workplaces	 Promoting diversity, equity, and inclusion	Systematically hire female engineers	Number of people hired (from FY2024)	FY2028	40 or more	13		    		
			Actively promote female employees to management and line management positions	Number of employees promoted (from FY2024)	FY2028	30 or more female managers, including 10 or more female line managers	23 female managers, including 4 female line managers				
			Improve childcare leave usage rates of male employees (paternal leave and leave taken for childcare purposes)	Childcare leave usage rates of male employees	FY2025	90% or more	100%				
		 Improving comfort of working environments, job satisfaction, and productivity	Promote usage of annual paid leave and planned special leave (average days of leave taken per person)	Number of days of annual paid leave taken per person	FY2030	18 days or more	15.9 days				
			Steadily implement DX initiatives that contribute to improved operational efficiency	DX initiative implementation rate	FY2025	100%	80%				
		 Nurturing human resources and passing on technology	Develop human resources as laid out in human resources development plans and pass on skills and technology	Amount spent on training per person	Every year	—	186,000 yen				
			Secure personnel with qualifications by promoting and providing support for the acquisition of qualifications required for construction management	Total number of personnel who acquired qualifications	Every year	—	2,038				
		 Promoting health management	Prevent lifestyle-related diseases among employees by carrying out health management on an organizational basis	Obesity rate	FY2026	32.0% or less	37.0%				
				Smoking rate	FY2026	25.0% or less	34.5%				
	Respecting Human Rights	 Ensuring work safety	Zero accidents resulting in fatalities or serious injuries, including in Group companies or partner companies	Number of accidents resulting in fatalities or serious injuries	Every year	Zero	Zero	    			
		 Preventing discrimination and harassment	Provide periodic training regarding human rights, including discrimination and harassment	Number of human rights training sessions, including training on discrimination and harassment	Every year	—	13 times				
		 Respecting human rights of various stakeholders									
G Governance	Sound and Transparent Corporate Management	 Strengthening sound management base	Achieve numerical consolidated financial targets (net sales, operating profit, ROE)	Consolidated net sales	FY2028	280.0 billion yen	257.2 billion yen	  			
				Consolidated operating profit	FY2028	20.0 billion yen	16.1 billion yen				
				ROE (consolidated)	FY2028	9.0% or more	8.3%				
			Improve the effectiveness of the Board of Directors	—	Every year	—	Conducted a questionnaire and reported the results to the Board of Directors				
		 Pursuing greater construction quality	Zero serious construction errors with impact on society	Number of serious construction errors	Every year	Zero	Zero				
		 Thoroughly adhering to corporate ethics and legal compliance	Zero serious compliance violations with impact on corporate management	Number of serious compliance violations	Every year	Zero	Zero				
			Adhere to fair and proper transactions with partner companies and suppliers	—	Every year	—	Responded appropriately in accordance with the Declaration of Partnership Building and other related initiatives				
		 Carrying out risk identification, management, and response	Appropriately manage and respond to risks	Number of risks analyzed and reported	Every year	Three times per year	Twice per year				
		 Ensuring information security	Zero serious information security accidents with an impact on business operations	Number of serious information security accidents	Every year	Zero	Zero				
		 Enriching bidirectional communications with stakeholders	Expand communication with local communities through social contribution activities	Number of social contribution activities	Every year	—	203				
			Enrich dialogue with shareholders and institutional investors, etc.	Number of dialogues	Every year	—	68				

*Number of new units deployed in FY2024

Sustainability Initiatives

Environmental Efforts

Environmental Policy

As a general facility engineering company, the Company operates and manages business spanning from research, planning, design, construction, to maintenance services in the fields of electric power distribution facilities, electrical, air conditioning, water supply and drainage, information and telecommunication facilities, and civil engineering.

We are also actively engaged in the research and development of efficient use of natural energy that is in harmony with the global environment, and the reuse of waste through the establishment of a recycling business company.

We will conduct our business activities with due consideration of reducing our environmental impact based on our Basic Environmental Policy of “We will actively promote environmental management activities and implement continuous improvement in consideration of the impact on the environment, while complying with environmental regulations and agreements for the future of people and the planet.”

Yurtec’s Action Guidelines

1. We promote the application of the environment management system in an effort to continuously enhance environment management activities, prevent environmental contamination, and work toward environmental conservation.
2. We strictly observe environmental laws, ordinances, regulations, agreements, etc.
3. We promote the reduction of environmental burdens by recognizing the impact on the environment, which is brought about by business activities and affairs relating to design, construction work and work management, and implementing a variety of activities relating to the prevention of environmental pollution, reduction of waste, recycling, resources, and energy-saving.
4. To alleviate the impact on the environment, we designate environmental goals and objectives, and revise and improve them from time to time.
5. As a member of the community, we attempt to cooperate and live together with local residents, and preserve the environment.
6. We ensure that the entire personnel of our head office and branch offices as well as our suppliers are aware of our environmental policies, strive to reinforce their awareness for environmental issues, and disclose such policies to the public.
7. We deploy various efforts to reduce environmental burdens, and implement environmental management activities on a company-wide basis.

International Standard ISO Certification

The Company operates and manages business based on our Corporate Philosophy of “We cooperate with customers in creating value, and contributing to society.”

We consider initiatives for environmental issues as one of our key management issues for fulfilling corporate social responsibility, and we are engaging in activities utilizing a variety of environmentally friendly technologies for the future of humanity and the planet.

Out of this commitment to the environment, we have obtained the international standard certification ISO 14001 Environment Management System, and are resolved to further improve and enhance our environmental initiatives.

ISO 14001 Certification

Certification date: December 20, 2001

Certification body: Management System Assessment Center (MSA)

Certified systems: Headquarters operations related to the design and construction of electrical, air conditioning, water supply and drainage, power distribution, power transmission, power generation and substation, civil structures, buildings, information and telecommunication facilities

Related organizations included in the scope of certification: all departments within Headquarters

Participation in Environment-Related Initiatives and External Evaluation

Task Force on Climate-related Financial Disclosures (TCFD)

TCFD is a task force established by FSB in December 2015. TCFD encourages companies to disclose climate-related financial information and has published their final report (TCFD recommendations) in 2017 that provides a framework for information disclosure.

We have expressed our endorsement for the TCFD recommendations in 2022. Related information: page 51-54



Plastics Smart

Plastics Smart is a campaign aimed at resolving the issue of marine plastics that is implemented by the Ministry of the Environment.

We have been participating in the campaign since February 2024.



Responses to CDP Climate Change Questionnaires

Established in 2000, CDP is an international environmental NGO that encourages companies to disclose environment-related information and evaluates and ranks them based on their questionnaire responses.

We have been responding to their questionnaires since FY2023.

[FY2024 Evaluation Result: “Climate Change” B, “Water Security” B]



Participation in Zero Marine Litter Week

Since FY2024, we have been participating in Zero Marine Litter Week, an initiative jointly organized by the Ministry of the Environment and The Nippon Foundation to reduce marine litter.

(Please refer below for the results of our activities in FY2025.)



“Yurtec Group ‘Zero Marine Waste’ Activity” (Company-wide Simultaneous Cleanup Activity)

To protect the rich nature in our business areas, including Tohoku and Niigata, the Yurtec Group has been implementing “Zero Marine Waste” activities (company-wide simultaneous cleanup activity) since FY2024.

Approximately 1,500 employees from the Company and Group companies participated in this cleanup activity mainly along rivers and beaches near each office. We are committed to contributing to the realization of a society where nature and humans coexist in harmony.



Joint event held by the Head Office, Miyagi Office and Group companies



President Kobayashi participating in the cleanup activity

Sustainability Initiatives

Disclosure Based onTCFD Recommendations

Disclosure based onTCFD recommendations

Task Force on Climate-related Financial Disclosures

Positioning climate change response as a key management issue, the Company endorses the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and advances its initiatives and disclosures in line with the TCFD framework.



Governance

The Company positions sustainability promotion as a key management issue that should be addressed with priority, and under the Sustainability Committee which is chaired by the President and Chief Executive Officer, the General Affairs Department and related departments (Corporate Planning Department, Solutions Sales Department, Renewable Energy Department, etc.) take the lead to conduct cross-organizational discussions aimed at information disclosure in accordance with TCFD recommendations.

Analysis and discussions with each related department are conducted regularly (at least once a year), discussing various environmental issues including responses to climate change, and these issues are brought to the Management Strategy Meeting.

In addition, climate-related agenda items at the Management Strategy Meeting are reported to the Board of Directors.

Strategy

The Company refers to impact scenarios for the energy situation and social aspects under multiple temperature bands of 1.5°C to 4°C researched and published by public institutions. It has selected “1.5°C, 2°C scenarios” (a worldview where more stringent measures are taken than at present) and the “4°C scenario” (a worldview where no more significant measures for global warming are taken than at present) to identify climate-related risks and opportunities. With regard to the identification of risks and opportunities, the General Affairs Department and related departments led the analysis and discussions on how climate-related issues and social responses to these issues could potentially impact the Company’s business and the entire supply chain, under the oversight of the Board of Directors.

Risks

The scenario analysis identified that risks such as the introduction of policy measures to advance climate change mitigation, including the implementation of a carbon tax and the enhancement of energy-saving policies, as well as extreme weather events and the rise in average temperatures, could affect the Company’s performance, and the potential financial impacts were assessed.

No.	Types of risks as defined by TCFD		Overview of risks assumed by the Company	Impact on the Company ^{*1}				Measures to reduce risks
				1.5°C, 2°C scenario		4°C scenario		
				2030	2050	2030	2050	
R1	Transition (policies and regulations)	Progression of GHG emissions pricing (introduction of carbon tax)	A carbon tax will be imposed on CO ₂ emissions during production for construction materials purchased by the Company for its business, resulting in increased prices for construction materials and higher procurement costs.	High ^{*2}	High ^{*2}	Low ^{*2}	Low ^{*2}	• Reduction of procurement costs by adopting construction materials with reduced CO ₂ emissions during manufacturing (low-carbon materials)
R2	Transition (policies and regulations)	Progression of GHG emissions pricing (introduction of carbon tax)	A carbon tax will be imposed on CO ₂ emissions from energy use in all business activities, which would increase business costs.	Medium ^{*3}	Medium ^{*3}	Low ^{*3}	Low ^{*3}	• Introduction of energy-saving vehicles and the development of construction methods that contribute to saving energy • Promotion of decarbonization through collaboration with subcontractors and manufacturers (decarbonization of construction machinery, etc.)
R3	Transition (policies and regulations)	Strengthening of energy-saving policies	Energy-saving measures within the business (such as saving electricity) would be called for, leading to the need for facility renovations to introduce energy-saving measures (introduction and renovation of low-energy-consumption equipment) and thus increasing capital investment costs.	Low ^{*4}	Low ^{*4}	Low ^{*9}	Low ^{*9}	• Installation of energy-saving air conditioning equipment • Installation of renewable energy equipment such as solar power generation systems in offices where installation is possible
R4	Physical (acute)	An increase in the severity and frequency of extreme weather events such as cyclones and floods	If the frequency of large typhoons and heavy rains increases, damage from flooding and destruction of office buildings may be incurred, which could lead to costs to restore facilities.	Low ^{*5}	Low ^{*5}	Low ^{*5}	Low ^{*5}	• Consideration of business continuity plans such as relocating bases to avoid flood damage, renovating buildings to prevent destruction, securing evacuation areas for vehicles, and layout changes such as placing offices on the second floor
R5	Physical (acute/ chronic)	An increase in the severity and frequency of extreme weather events such as cyclones and floods Extreme fluctuations in weather patterns	If the frequency of flooding and snow disasters increases in specific regions where customers are located, customers may relocate their plants and offices from disaster risk areas to avoid natural disasters, which can lead to decreased customers and a loss of sales.	Low ^{*9}	Low ^{*9}	Medium ^{*6}	Medium ^{*6}	• Proposing facilities that would be unaffected by natural disasters (installation of power receiving and transforming equipment at high locations, snow melting equipment, etc.) to prevent customer relocation
R6	Physical (chronic)	Rise in average temperatures	An increase in temperatures during the summer can lead higher electricity costs from use of air conditioning equipment.	Low ^{*7}	Low ^{*7}	Low ^{*7}	Low ^{*7}	• Phased implementation of air conditioning capacity enhancement through planned capital investment
R7	Physical (chronic)	Rise in average temperatures	An increase in temperatures during the summer can increase heat stress, leading to decreased labor productivity and construction delays, which may require an increase in the number of workers, leading to increased business costs such as labor costs.	Low ^{*9}	Low ^{*9}	Low ^{*8}	Low ^{*8}	• Improvement of working environment to combat heat (expanding the introduction of fan-equipped work uniforms, etc.)

^{*1} Impact (cost): low (less than 100 million yen); medium (100 million yen to 1.0 billion yen); high (over 1.0 billion yen)
^{*2} Calculated on the assumption that a future carbon price (see “World Energy Outlook 2024,” published by IEA) for FY2024 Scope 3 Category 1 emissions will be levied on suppliers, and that the full cost will be borne by the Company
^{*3} Calculated by multiplying Scope 1 and 2 emissions in FY2024 by the future carbon price (see “World Energy Outlook 2024,” published by IEA)
^{*4} Calculated by multiplying the Company’s average investment in air conditioning equipment by the assumed rate of increase in air conditioning-related investment required for ZEB compliance (see “ZEB Checkpoints,” published by the Ministry of Education, Culture, Sports, Science and Technology)
^{*5} Calculated by multiplying the amount of damage incurred during past disasters by the estimated rate of increase in flood frequency (see “Proposal for Flood Control Planning in Light of Climate Change,” published by the Ministry of Land, Infrastructure, Transport and Tourism), to determine the increase in facility repair and recovery costs
^{*6} Calculated under certain assumptions, based on a scenario in which customers located in areas with high disaster risk gradually relocate outside the Company’s business areas, to estimate future sales losses
^{*7} Calculated by multiplying the electricity purchase cost for air-conditioning in FY2024 by the assumed rate of increase in electricity consumption due to rising temperatures
^{*8} Calculated by applying current and projected outdoor work hour loss rates to labor costs for employees expected to work outdoors, to estimate the increase in labor costs associated with future declines in labor productivity
^{*9} Classified by combining the estimated financial impact with qualitative evaluation

Sustainability Initiatives

Disclosure Based onTCFD Recommendations

Opportunities

As a result of the scenario analysis, we identified that the opportunities such as providing products that meet the low-carbon needs of society and customers, and offering services aimed at adapting to climate change, could have an impact on the Company's performance, and the potential financial impacts were assessed.

No.	Types of opportunities as defined by TCFD		Overview of opportunities assumed by the Company	Impact on the Company ^{*1}				Measures for capturing opportunities
				1.5°C, 2°C scenario		4°C scenario		
				2030	2050	2030	2050	
01	Products and services	Adaptation to the climate and response to risks through insurance	An increase in annual average temperatures will lead to increased needs for updating and enhancing capacity of air conditioning equipment, which could lead to an increase in sales along with the increase in order opportunities.	Low ^{*8}	Low ^{*8}	Medium ^{*2}	High ^{*2}	• Identification of needs for updating air conditioning equipment in line with an increase in the temperature and actively proposing equipment updates
02	Products and services	Development and expansion of low-carbon goods and services	Sales will increase in line with growing demand for renewable energy-related construction work toward a decarbonized society. • Growing demand for renewable energy-related construction (wind power generation equipment, self-consumption type generation equipment, biomass power generation facilities) • Expansion of storage battery installation accompanying the installation of photovoltaic power generation equipment (storage of generated power)	Medium ^{*3}	Low ^{*3}	Low ^{*8}	Low ^{*8}	• Establishment of construction systems and promotion of technology development for design and construction aimed at the advancement of renewable energy-related business
03	Products and services	Development and expansion of low-carbon goods and services	Opportunities to propose environmentally friendly facilities (ZEB, etc.) aimed at reducing CO ₂ emissions will increase, which could lead to an increase in sales along with the increase in order opportunities.	Low ^{*4}	Low ^{*4}	Low ^{*8}	Low ^{*8}	• Strengthen proposal capabilities aimed at realizing the business feasibility and comfort of ZEB conversion
04	Products and services	Development and expansion of low-carbon goods and services	With the increase of electric vehicles, the expansion of related facilities (such as charging stations) could lead to an increase in order opportunities, thereby increasing sales.	Low ^{*5}	Low ^{*5}	Low ^{*8}	Low ^{*8}	• Identifying needs through information collection from customers (both new and existing)
05	Products and services	Adaptation to the climate and response to risks through insurance	Due to the increased occurrence of weather disasters (typhoons, snow damage, flooding damage, etc.), demand for facility enhancement with a view toward BCP measures will increase, which will lead to increased sales.	Low ^{*8}	Low ^{*8}	Low ^{*6}	Medium ^{*8}	• Promotion of technology development related to BCP, disaster prevention, and disaster mitigation • Making proposals related to BCP, disaster prevention, and power supply quality measures, as well as technology development for such measures
06	Products and services	Adaptation to the climate and response to risks through insurance	Due to the increased occurrence of weather disasters (typhoons, snow damage, flooding damage, etc.), construction related to the relocation of customer plants and offices to avoid natural disasters, as well as construction for resilience measures, will lead to increased sales.	Low ^{*8}	Low ^{*8}	Low ^{*7}	Low ^{*7}	• Establishment of an early acquisition system for information on relocation and resilience measures through information collection from business partners (owners, general contractors, design offices, and other related supporters)

*1 Impact (net sales): low (less than 2.0 billion yen); medium (2.0 billion yen to 20.0 billion yen); high (over 20.0 billion yen)
*2 Calculated by multiplying net sales of air conditioning-related installation work by the growth rate of the commercial air conditioning equipment market
*3 Calculated using the rate of increase in renewable energy generation (see "World Energy Outlook 2024," published by IEA), based on the Medium-Term Management Plan value for net sales of renewable energy-related construction
*4 Calculated by multiplying the most recent net sales of ZEB-related construction by the rate of increase in ZEB adoption for new buildings (see the materials of Study Group on Energy-Saving Measures for Houses and Buildings toward a Decarbonized Society, published by Ministry of Land, Infrastructure, Transport and Tourism)
*5 Calculated by multiplying net sales of EV-charging-facility-related construction in FY2024 by the rate of increase in the number of EV charging stations (see Efforts to Promote the Development of Charging Infrastructure, published on the Ministry of Economy, Trade and Industry website, etc.)
*6 Calculated under certain assumptions, based on a scenario in which customers located in areas with high disaster risk gradually begin business continuity plan (BCP) countermeasure construction, to estimate future net sales
*7 Calculated under certain assumptions, based on a scenario in which customers located in areas with high disaster risk gradually relocate within the Company's business areas, to estimate future net sales
*8 Classified by combining the estimated financial impact with qualitative evaluation

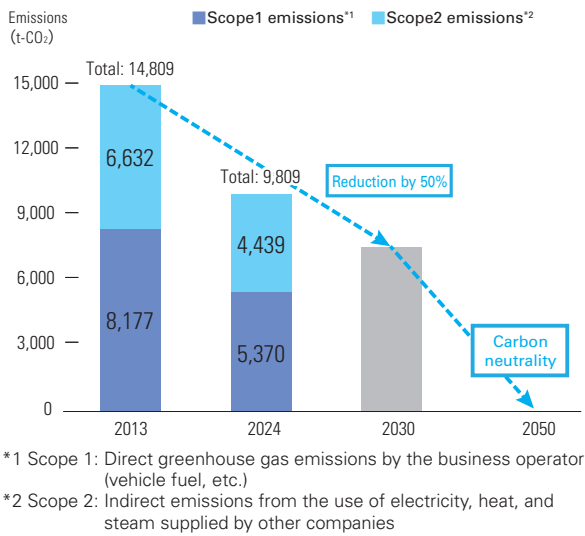
Risk Control

With regard to climate change-related risks, the General Affairs Department and related departments are leading cross-organizational discussions, identifying and evaluating risks, and analyzing and discussing the appropriateness of response measures to minimize impacts in the event that risks materialize. The details of such risks are submitted to the Sustainability Committee and reported to the Board of Directors, while they are identified, evaluated, and managed in the same way as other business risks.

Metrics and Targets

While emission of greenhouse gases (CO₂) could become a significant risk factor for the Company's finance due to the impact of carbon pricing, it could also lead to business opportunities if we could provide products that are accepted in a decarbonized society. Therefore, the Company has set the reduction of CO₂ emissions as one of our materiality topics and manages the progress of related initiatives.

CO₂ emission reduction target of the Company



- FY2030 targets
Aim to reduce CO₂ emissions by **50%** compared to FY2013
- FY2050 targets
Aim to achieve **carbon neutrality**

- 【Issues to be considered towards achieving targets】
- Energy-saving through ZEB conversion at the time of reconstruction of offices owned by the Company and facility updates
 - EV conversion of vehicles owned by the Company during updates, etc. (excluding special vehicles that cannot be electrified)



The Tohoku Electric Power Group will take on the challenge of achieving carbon neutrality by 2050, on the premise of securing S*3E*.
We will accelerate CO₂ emission reduction efforts for the Tohoku Electric Power Group and contribute to the decarbonization of local communities, by reducing customer CO₂ emissions in the Tohoku and Niigata regions through the realization of a smart society.

*S*3E: Simultaneous achievement of environmental sustainability, economy, and stable supply on the premise of safety

Sustainability Initiatives

Based on our philosophy of respecting human life by protecting the lives of our colleagues, we recognize that safety and health are the foundation of corporate activities, and strive to ensure safety and maintain and enhance health, with the aim to further improve our safety culture and promote health management through the united efforts of the Yurtec Group.

By prioritizing safety above all else and creating an environment where our colleagues can work comfortably with peace of mind, we will secure and enhance human resources and aim for further development as a company.

Specifically, to ensure our colleagues can work safely, we are promoting initiatives to ensure safety in our corporate activities, based on specific measures considered and formulated by each construction department that contribute to safety.

/// Safety and Health Targets for FY2025

(Safety) Zero fatal accidents, zero serious accidents ^{(*)1}, zero major accidents
A 30% reduction in work related traffic accidents compared to the previous fiscal year

(Health) Obesity rate (*2) 32% or less (at the time of checkup in April 2026)
Smoking rate of no more than 25% (at the time of checkup in April 2026)

*1 Extremely severe impact on life (excerpted from the Ministry of Health, Labour and Welfare website), conditions such as a comatose state or similar symptoms where the patient has lost their consciousness, with no prospect of recovery (as determined by a doctor)

*2 Percentage of people with a BMI of 25 or higher.

Priority Implementation Items

(Safety)

1. Support, guidance, and development of site managers by higher organizations, supervisors, etc.
2. Fostering communication among construction workers
3. Elimination of risks through compliance with laws, regulations and basic rules, and hazard prediction
4. Promotion of traffic safety awareness and efforts to prevent accidents
5. Support and guidance for the independent safety management activities of Group companies and partner companies

(Health)

1. Promotion of lifestyle-related disease prevention
2. Raising awareness of self-directed health management
3. Implementing measures to prevent mental health issues
4. Improving the workplace environment to maintain and promote employee health
5. Support for the health management activities of Group companies and partner companies

Safety Promotion Activities

We have established a “Safety Promotion Center” on the premises of our Human Resource Development Center in Tomiya City, Miyagi Prefecture, to provide practical (hands-on) training based on the concept of “see, touch, feel.” This training uses equipment that simulates the dangers and fears faced at work sites.



▶ Safety Promotion Center
<https://www.yurtec.co.jp/comp/anzen.html>
 (in Japanese only)



Safety Education Using VR Equipment to Simulate Hazards

Using VR equipment to simulate hazards, we conduct education to enhance sensitivity to danger by experiencing dangerous operations and traffic accidents that cannot be experienced in real life, from the perspective of those involved, such as disasters including falling from scaffolding, electric shocks, heavy machinery disasters caused by vehicle construction machinery, and at-fault traffic accidents while driving. By using VR equipment to simulate hazards, it is possible to experience case studies of disasters and accidents at various construction sites faithfully reproduced in the VR space through virtual reality.



Safety education using VR equipment that simulate hazard experience

Initiatives to Improve On-site Capabilities (Five On-site Capabilities)

We recognize once again that safety must take precedence over everything else, and are working daily on our tasks towards the eradication of major accidents by ensuring that each employee practices the five on-site capabilities.

Five on-site capabilities	Overview
1. Observe the site well	Carefully observe the site conditions to fully understand where the hazardous areas are, such as openings or no-entry zones during crane operations.
2. Follow the basic rules	Strictly follow the basic rules that have been established for work sites.
3. Follow the work procedures	Adhere to prescribed work procedures without any omissions.
4. Learning from past disasters	Many accidents are recurring disasters, and by learning from the lessons of the past and implementing countermeasures, disasters can be significantly reduced.
5. Cultivate a sensitivity to perceive danger as danger	Young and inexperienced people do not possess this sensitivity. It is important to call out dangers to colleagues to prompt awareness at the sight of danger and cultivate this sensitivity.

Health and Productivity Management Initiatives

The Company has established a health and productivity management promotion system with the President and Chief Executive Officer serving as Chief Health and Productivity Management Officer, the officer in charge of the Human Resources Department serving as Health Promotion Manager, and the Human Resources Department acting as the secretariat. Numerical targets for health and productivity management, consideration and implementation of initiatives, and major materiality issues and KPIs are also deliberated at management meetings.

In addition, the Company promotes the maintenance and enhancement of employees' health in collaboration with the health insurance association and labor union.

《Recognized as a 2025 Health & Productivity Management Outstanding Organization (Large Enterprise Category)》
As a result of these initiatives, the Company has been recognized for the third consecutive fiscal year since FY2022, under the Certified Health & Productivity Management Outstanding Organizations Recognition Program of the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi, as a 2025 Health & Productivity Management Outstanding Organization (Large Enterprise Category) as of March 11, 2025.



▶ Health and Productivity Management Initiatives
<https://www.yurtec.co.jp/sustainability/health.html>
 (in Japanese only)



《A total non-smoking policy across all premises》

To prevent diseases and second-hand smoke exposure among employees, the Company has implemented a total non-smoking policy across all business premises since October 1, 2024.



Sustainability Initiatives

Securing and Developing Human Resources

Initiatives to Enhance Employee Engagement —Aiming to Realize Job Satisfaction and a Comfortable Work Environment

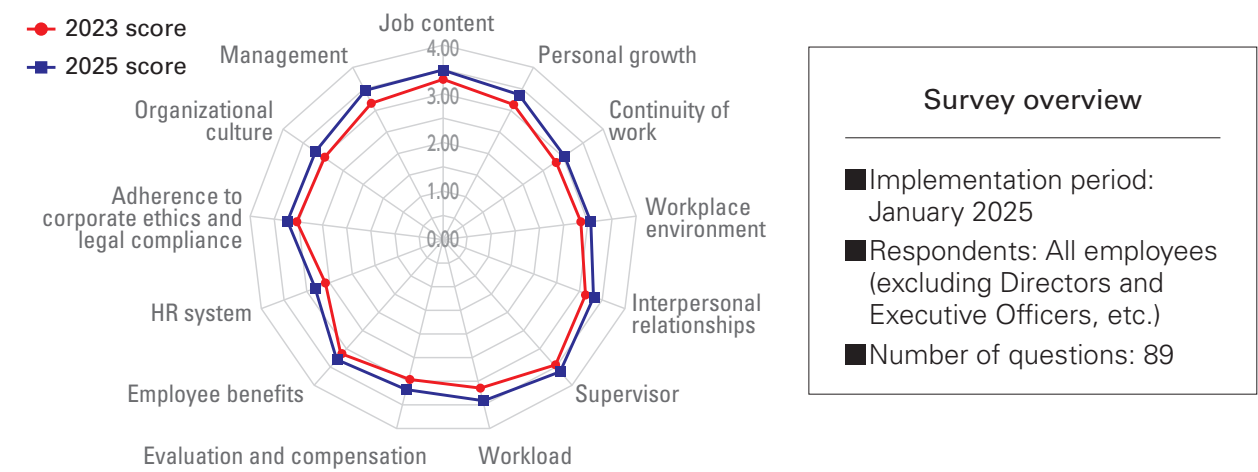
To realize a workplace where every employee feels fulfilled and can work with peace of mind, we regularly conduct internal engagement surveys.

Through continuous monitoring and improvement, we will continue to promote the creation of a workplace that reflects employees' feedback and strive to strengthen the foundation for sustainable growth.

Results of the Engagement Survey Conducted in January 2025 (Compared with March 2023)

Thanks in part to the effectiveness of various measures implemented based on the results of the previous survey, scores improved across all categories.

Comparison of company-wide scores by question category (compared to the previous survey)



Secure and Cultivate Talent to Support Growth

While securing human resources that support medium- to long-term growth, we will refine the Yurtec brand of “Safety, Quality and Reliability” further through the succession of technology to the next generation.

Planned number of increase in sales and technical personnel Planning an increase of approximately 350 people in five years

Sales and technical personnel	Focused businesses and growth markets
Indoor wiring An increase of 92 people	• Combination orders of indoor wiring/air-conditioning and plumbing installation
Air-conditioning and plumbing An increase of 67 people	• Overseas construction
Sales An increase of 19 people	• Renewal work
Information and telecommunications An increase of 34 people	• Mobile-related construction such as Beyond 5G
Power distribution An increase of 34 people	• Construction to address aging of facilities
Power transmission An increase of 36 people	• Renewable energy-related construction
Power generation and substation An increase of 25 people	• Main power grid construction
Civil engineering An increase of 22 people	• Renewable energy-related construction
Renewable energy An increase of 22 people	



The Human Resource Development Center is a facility designed to develop human resources capable of adapting to advanced and specialized technology and to develop their abilities. We provide basic education to develop the necessary skills by job level, and specialized education aimed at strengthening construction capabilities and the succession of technology. It includes the main building, which serves as training and accommodation facilities (with lodging capacity of 300), along with a practical training building including power transmission line, power distribution line, indoor electrical equipment and substations, the Safety Promotion Center, a gymnasium, and a sports ground.

Initiatives to Promote the Active Participation of Women

Policy on promoting the active participation of women

We aim to create opportunities for diverse human resources to demonstrate their individuality and abilities, and create a work environment which achieves work-life balance to provide a comfortable workplace for all.

Yurtec Action Plan

■ Plan period April 1, 2024 to March 31, 2029 (5 years)

Target and details of initiatives

Target	Details of initiatives
1 Hire at least 40 female engineers during the plan period (Scope: (1) Regular hires: Employed from FY2025 to FY2029 (2) Experienced hires: Employed from FY2024 to FY2028)	• We will make an active promotion for the hiring of female engineers by introducing their experiences and model cases of career development • We will provide opportunities for information exchange among female engineers and further enhance the environment for career development and employment
2 We will increase the number of female managers (special managers in the Company) to at least 30, with at least 10 serving as line managers (section chief or higher, including General Managers, office managers, and group leaders)	• We will provide training opportunities female managers and future leader candidates to develop a mindset and awareness to enable female managers to demonstrate their leadership • We will implement job rotations focused on the early career development of young female employees, appropriately evaluate highly capable female employees, and actively promote them to managerial and leadership positions
3 We will raise childcare leave usage rates of male employees (including paternal leave at birth) to at least 50% * within the plan period	• Through the activities of the Work-life Balance Promotion Committee, we will aim to achieve diverse work styles and leave styles, and encourage the use of various childcare systems regardless of gender

* Not including leave for childcare purposes

Information Disclosure on the Active Participation of Women (as of April 1, 2025)

(1) Percentage of female workers among all workers (unit: persons)

Category	Male (A)	Female (B)	Total (C = A + B)	Percentage of women (B/C)
Employees and permanent staff	3,414	306	3,720	8.2%
Re-employed staff	226	19	245	7.8%
Temporary staff	253	103	356	28.9%
Dispatched worker	156	228	384	59.4%
All workers	4,049	656	4,705	13.9%

(2) Childcare leave usage rates of male employees (including paternal leave at birth) (FY2024) 46.0%

(3) Difference in average years of continuous employment between men and women (unit: years)

Category	Male (A)	Female (B)	Difference (A-B)
Workers with no fixed term contract of employment	18.8	16.4	2.4

(4) Gender wage gap (ratio of women's wages to men's wages)

Category	Gender wage gap
All workers	68.1%
Employees, permanent staff, re-employed staff	77.2%
Temporary staff	81.9%

The gender wage gap is due to the higher male ratio in higher-paying positions and roles, although there is no difference in wages between the same positions and roles.

Toward Further Advancement of Women

We host “Female Engineer Meetings” where female engineers can share information and exchange opinions about their experiences and challenges in on-site situations, along with training for female leader candidates.



Female Engineer Meetings

Sustainability Initiatives

Respecting Human Rights

To further promote initiatives to respect for human rights within the Group, in July 2025, we established the Yurtec Group Human Rights Policy.

This policy was approved by the Sustainability Committee and reported to the Board of Directors.

Yurtec Group Human Rights Policy

The Yurtec Group seeks to address local and social issues through its business activities; contribute to sustainable development of society; and enhance the Group's long-term corporate value in accordance with the Yurtec brand values of Safety, Quality, and Reliability and the Yurtec Group Sustainability Policy.

We believe achieving these goals requires safeguarding the dignity and respecting the rights of all stakeholders involved in our business activities.

Based on this fundamental outlook, we have formulated this policy in line with the UN Guiding Principles on Business and Human Rights to clarify the Yurtec Group's approach to respect for human rights.

The Yurtec Group shall fulfill its responsibility to respect the human rights of all stakeholders in all business activities in accordance with this policy.

1 Respect for International Human Rights Norms and Compliance with Laws and Regulations

The Yurtec Group supports and respects international human rights norms, such as the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights, and shall strive to put them in practice.

Additionally, the Yurtec Group shall comply with laws and regulations in all countries and regions in which it operates. In cases of conflict between internationally recognized human rights norms and local laws or regulations, the Group shall seek ways to respect the internationally recognized human rights norms to the fullest extent possible.

2 Scope

This policy shall apply to all executives and employees of the Yurtec Group, regardless of employment status, including full-time employees, contract employees, and temporary staff.

Additionally, we expect our business partners, including suppliers, to understand and support this policy and shall continuously encourage them to respect human rights.

3 Yurtec Group's Responsibility for Respecting Human Rights

The Yurtec Group recognizes that its business activities may directly or indirectly impact the human rights of stakeholders.

The Yurtec Group shall fulfill its responsibility to respect human rights by ensuring that stakeholders' human rights are not violated in the course of its business activities, to begin with, by ensuring occupational safety and health, appropriately managing working hours, prohibiting all forms of discrimination and harassment, guaranteeing freedom of association and collective bargaining rights, prohibiting forced labor and child labor, ensuring minimum wages, ensuring customer and community safety, and respecting privacy, and if the Group's business activities are found to have directly caused or contributed to negative impacts on human rights, by taking appropriate corrective action.

Additionally, if business partners, including suppliers, are involved in causing negative impacts on human rights, the Group shall strive to encourage them to take appropriate action to respect human rights and prevent violations, thereby avoiding even indirect involvement in any human rights violations.

4 Human Rights Due Diligence

The Yurtec Group shall establish and continuously implement a human rights due diligence framework to fulfill its responsibility to respect human rights.

Human rights due diligence refers to a continuous process of identifying, preventing or mitigating, and correcting through appropriate means negative human rights impacts arising in business activities and supply chains, and externally disclosing information on the progress and results of the process.

5 Correction and Remedies

If Yurtec Group business activities are found to have caused or contributed to negative human rights impacts, the Group shall strive to correct and remedy the impacts through appropriate means.

6 Education and Training

The Yurtec Group shall provide the necessary education and training to ensure that all executives and employees fully understand this policy.

7 Information Disclosure

The Yurtec Group shall regularly disclose information on the progress of human rights initiatives based on this policy.

8 Dialog and Consultation with Stakeholders

The Yurtec Group shall continuously engage in dialog and consultation with stakeholders and external experts regarding the initiatives based on this policy.

9 Review of the Human Rights Policy

The Yurtec Group understands that specific issues to be addressed may change due to societal changes or business trends, and shall review this policy as necessary through dialog and consultation with stakeholders and external experts.

10 Promotion Framework

To fulfill its responsibility to respect human rights, the Yurtec Group shall establish a Sustainability Committee within Yurtec, chaired by the President, to deliberate on the direction and implementation of measures based on this policy. Group companies shall also work in conjunction with Yurtec.

Established July 1, 2025

Yurtec Corporation Representative Director & President, Chief Executive Officer **Ikumi Kobayashi**

Grievance Mechanism

The Group has established consultation hotlines both internally and externally to appropriately address issues related to violations of laws and regulations, including those involving human rights, and matters of corporate ethics. The hotlines are available not only to all officers and employees of the Group (regardless of employment type, including permanent, contract, and temporary staff) but also to retirees and business partners that have dealings with the Group.

We ensure the confidentiality of whistleblower information and report details, and provide full protection to prevent any disadvantage to the whistleblower. Furthermore, when the Group's business activities are found to have caused or contributed to negative human rights impacts, the Group strives to correct and remedy the impacts through appropriate means.

Raising Awareness of Respect for Human Rights

In conjunction with the establishment of the Yurtec Group Human Rights Policy, we conduct e-learning programs on respect for human rights for officers and employees of the Group.

Training materials are created in Japanese, English, and Vietnamese so that they can also be used at overseas offices and Group companies, etc.



E-Learning videos
(created in Japanese, English, and Vietnamese)

Sustainability Initiatives

Yurtec's Environmentally-Friendly Facilities

Results of Initiatives for ZEB Promotion

We will fulfil customer needs while contributing to the realization of a low-carbon society that is friendly to people and the planet.

Construction examples Installation of multiple highly energy-saving systems (new construction)

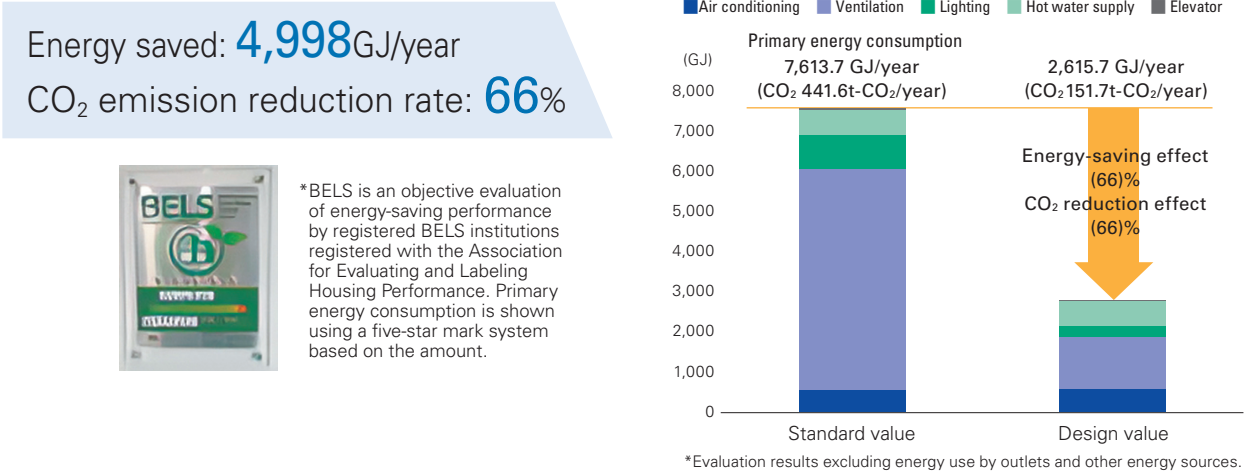
Akita Prefecture Civilian Association Central Kitchen (Akita Prefecture)

Kitchen equipped with a ceiling ventilation system (top of the photo)

High-efficiency heat pump external air conditioner

Due to the effects from introduction of ZEB Ready*

*As a building with advanced construction looking towards ZEB, it is equipped with high-insulated building envelope and high-efficiency energy-saving equipment



Results of ZEB Introduction at Ofunato Sales Office

We have considered the introduction of ZEB to our Ofunato Sales Office, and **acquired the ZEB Ready status by achieving a 51% reduction in the design primary energy consumption value** excluding renewable energy compared to the standard primary energy consumption value. Currently, the Yamagata Office and Miyako Sales Office are undergoing reconstruction work in preparation for the introduction of ZEB.

Appearance of Ofunato Sales Office

Multi-air conditioner for buildings with high-performance cold climate specifications

High-efficiency high-ceiling LED fixtures

Ofunato Sales Office BELS evaluation report

Category	Standard value (GJ)	Design value (GJ)
Air conditioning	~1,000	~1,000
Ventilation	~1,000	~1,000
Lighting	~1,000	~500
Hot water supply	~500	~500
Total	1,033	498

Primary energy consumption (GJ)

Standard value: 1,033 GJ/year (CO₂ 50.0t-CO₂/year)

Design value: 498 GJ/year (CO₂ 24.1t-CO₂/year)

Energy-saving effect (51%)

CO₂ reduction rate (51%)

*Evaluation results excluding energy use by outlets and other energy sources.

Initiatives to Promote DX

Improving Operational Efficiency by Promoting DX

The Company has established a DX Promotion Committee chaired by the President and Chief Executive Officer and a specialized organization related to IT strategy. Through these efforts, we are developing DX initiatives, aiming to strengthen competitiveness by promoting operational efficiency and revenue growth through the use of digital technology.

Our Digital Transformation	
Specific measures	A. Expand use of tablets/smartphones
	1. Expand tablet/smartphone app compatibility and usage with internal systems
	2. Review security restrictions to improve convenience
	B. Utilize the latest digital technology
	3. Utilize data, including AI
	4. Streamline on-site operations by utilizing the latest digital technology
	C. Paperless office based on optimized business processes
	5. Digitize on-site documents
	6. Digitize accounting-related operations
	7. Digitize documents stored upon the completion of construction
Common to A-C	
8. Simplify decision-making and reporting	
9. Digitize contract-related administration	
10. Raise employee awareness	

Progress on Initiatives

To streamline and reduce the workload of on-site operations, we are developing various measures around three key themes and have introduced the following tools as part of these efforts. We will continue to actively promote DX.

1. Expand use of tablets/smartphones

Introduction of chat tools for on-site operations

Communication with external members via chat

Effect

Reducing the time required to issue instructions on-site and ensuring the timely and reliable communication of work details have greatly improved operational efficiency.

2. Utilize the latest digital technology

Digitization of on-site forms

Effect

Reducing time spent on paper documents, facilitating smooth information sharing within on-site, and improving record accuracy have enhanced operational efficiency.

3. Paperless office based on optimized business processes

Digitalization of subcontracting contracts

Effect

The time required to exchange contracts and invoices has been shortened, achieving cost reductions in printing, stamp duties, and postage. The entire contract management process has been streamlined.

Sustainability Initiatives

Contribution to Society

We aspire to be a company that supports a comfortable livelihood for the people in our business regions, and is trusted as a close partner. As one of the means to put this philosophy into practice, we participate in regional activities in various locations.

We conduct initiatives that contribute to solving regional issues and truly benefit the region and contribute to the sustainable development of the community, while each employee builds a relationship of trust with the region through constant communication and coordination.

Cleanup Activities

We have been engaged in cleanup activities around our business locations to help beautify the local environment.

Furthermore, since last year, the Company and Group companies have jointly conducted company-wide cleanup activities as the “Yurtec Group ‘Zero Marine Waste’ Activity,” contributing to the realization of a society where nature and humans coexist in harmony.



Group photo of “Zero Marine Waste” activity (jointly held by the Head Office, Miyagi Office, and Group companies)



Cleanup activity

Community Coordination Activities

In order to create opportunities to deepen interactions with local residents, we have established a Local Festival holiday unique to the Company.

By utilizing Local Festival holidays, we are contributing to further revitalization as a member of the community through participation in regional events held in the locations of each of our offices, including the Aomori Nebuta Festival.



Aomori Nebuta Festival



Donto Matsuri, Hadaka Mairi in Sendai

Learning and Employment Support Activities

We utilize our technical expertise to provide high school students preparing to participate in the Electrical Equipment category of the Fukushima Prefecture Monozukuri Contest with practical skills workshops, and offer lectures to students on networking skills developed through on-site and sales experience, thereby providing opportunities to understand the appeal of manufacturing and acquire knowledge about electricity.



Practical skills workshop for high school students



Lecture for university students

Contribution to Local Communities

Since 2016, in collaboration with Miyagi Prefecture, we have been providing the grounds within the Human Resource Development Center premises as a temporary landing and takeoff site for doctor helicopters, playing a role in local medical care.

In addition, every year we donate public street lights and crime prevention lights in various places, contributing to the crime prevention and safe community building in the region.



Provision of a temporary landing and takeoff site for doctor helicopters



Letters of appreciation for the donation of public street lights

Project for Supporting the Local Professional Sports Team

We obtained the naming rights for an exclusive football stadium owned by Sendai City in 2006, which is familiarly known as Yurtec Stadium Sendai (Yursta).

By supporting the local professional sports team, we are contributing to the development of the region and backing the people who love sports.



Acquisition of naming rights



Sponsorship for local professional sports

Message from the Representative Director & Chairman of the Board

Leveraging our strengths of our close ties with local communities, our advanced technical capabilities, and our ability to take on new challenges, we strive to contribute to the development of a sustainable society.



Toshinori Abe

Representative Director &
Chairman of the Board

Looking back on an epoch-making year

This past year has been an epoch-making year for the Company. The major developments are outlined below. All of these matters were brought before the Board of Directors, where active, high-quality discussions were held, mainly led by External Directors.

- ✓ Our 2030 Vision and Medium-Term Management Plan (2024-2028), formulated in March last year, got off to a smooth start thanks to the favorable order environment. For FY2024, net sales, operating profit, and ordinary profit all reached record highs for the first time since we started disclosing our quarterly financial results in FY2004.
- ✓ As a member of the Tohoku Electric Power Group, we set materiality topics (sustainability priorities) in September last year, based on the Tohoku Electric Power Group Sustainability Policy. These materiality topics are to be prioritized in order to contribute to the medium- to long-term improvement of corporate value and the sustainable development of society as a whole.

- ✓ In conjunction with the 80th anniversary of our founding in October last year, we formulated and announced a new "Yurtec Human Resources Strategy." As our employees are the human resources that serve as the source of our value creation, we will accelerate our plan to "invest in human resources that will create future generations" by linking our management and human resources strategies to enhance our human capital.
- ✓ In October last year, we announced our "Action to Implement Management That Is Conscious of Cost of Capital and Stock Price," which outlines our main policies as follows: (1) profitability improvement, (2) appropriate allocation of management resources, and (3) further enrichment of IR/SR activities. In order to improve profitability, we will aim for further growth and strengthening of management foundation through growth investments totaling 80.0 billion yen in business investment, capital investment, human resource investment, and IT/DX investment. In an aim to optimize the capital structure, we will work to implement a total of 40.0 billion yen of shareholder returns. In April and October this year, we analyzed and evaluated the current situation and updated the content.
- ✓ In November last year, the Company acquired and canceled approximately three million treasury shares. At that time, Tohoku Electric Power sold its shares in Yurtec, and as a result, Tohoku Electric Power is no longer a parent company of the Company.

President changeover for the first time in four years

On April 1, 2025, Ikumi Kobayashi replaced Yoshiharu Ota as Representative Director & President, Chief Executive Officer. He is the second president in a row to have risen through the ranks internally before taking the helm. The new management structure marks a turning point, as our 2030 Vision and Medium-Term Management Plan (2024-2028), which were formulated in March last year, have gotten off to a good start, the Company celebrated its 80th anniversary in October last year, and Mr. Ota served as president for roughly four years. This personnel change was deliberated in January this year by the Nomination and Remuneration Advisory Committee, which is composed of a majority of Independent External Directors, and was decided at the Board of Directors meeting held in February following the committee's reports.

Taking Mr. Kobayashi's career and track record into consideration, the Board of Directors highly values his broad perspective and experience in overall management, deep insight, outstanding leadership skills, and integrity.

Initiatives to improve corporate governance

We are continuously striving to improve our corporate governance, considering the change in society and the management environment. In terms of our systems, we introduced an executive officer system with management positions in June 2019 and transitioned to a company with an Audit and Supervisory Committee in June 2022.

At the General Meeting of Shareholders held in June this year, we revised the number of Directors including Audit and Supervisory Committee Members. In June 2022, there were 15 Directors, but this number was reduced by two to 13 in June 2023, and then reduced again by two to 11 in June this year. At the same time, we increased the number of Independent External Directors by one to six, changing the composition in which Independent External Directors account for the majority of all Directors. We also increased the number of female Directors by one to three.

We believe that these revisions will ensure diversity in terms of expertise, gender, career, age, and other aspects, as well as an appropriate size, which will enhance management objectivity and transparency and speed in decision-making, thereby contributing to the sustainable increase of our corporate value. Since June this year, we believe that discussions have become more constructive, multifaceted, and in-depth than ever before.

Further enhancement of dialogue with our stakeholders

Dialogue with our stakeholders provides a valuable opportunity for us to gain new insights and learn from them. In our "Action to Implement Management That Is Conscious of Cost of Capital and Stock Price" announced in October last year, a major pillar was "further enrichment of IR/SR activities."

We will continue to listen to the opinions of our stakeholders with an open mind and incorporate them into our management. We kindly ask for your continued guidance and encouragement for our Group.

Corporate Governance

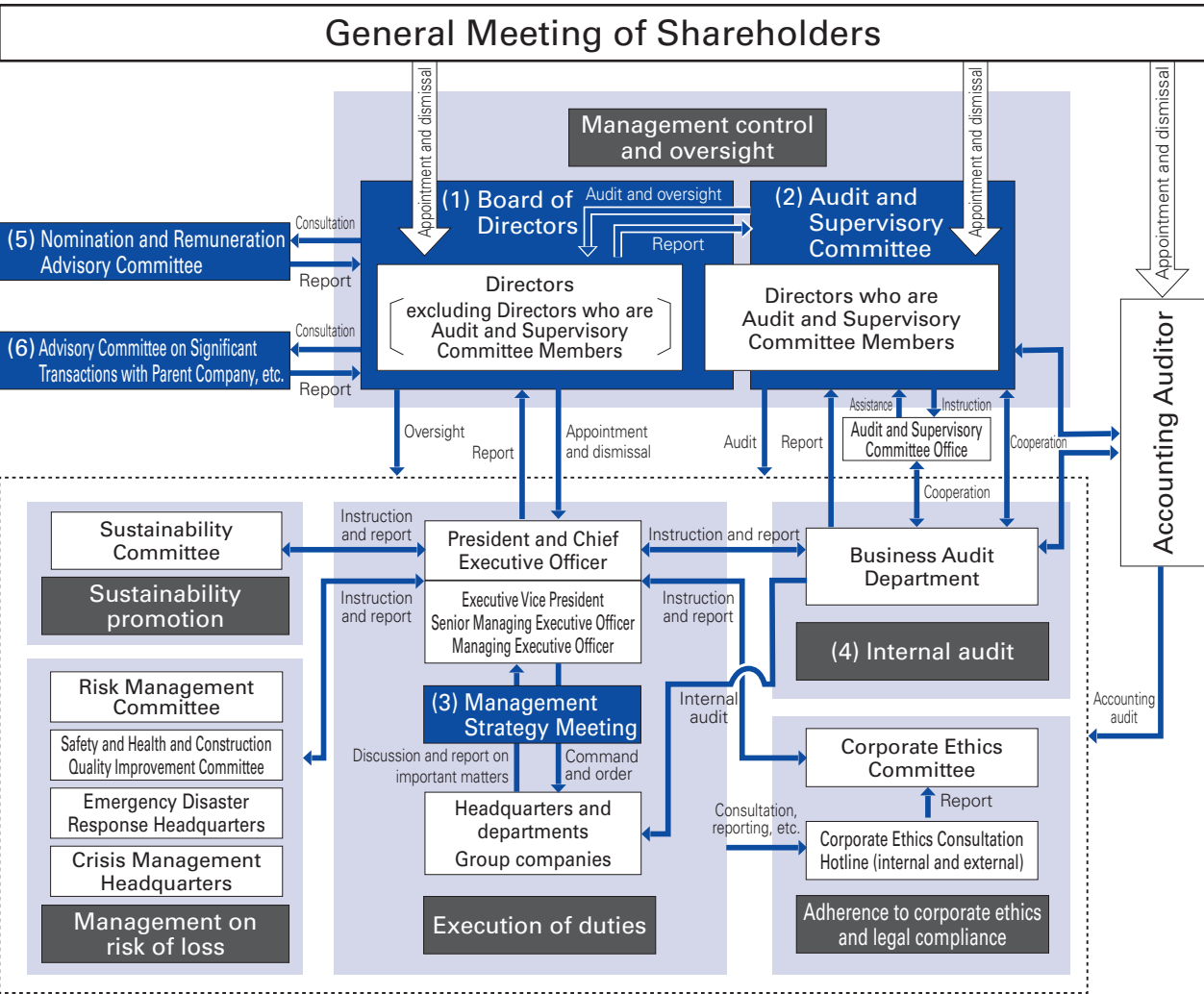
Corporate Governance

Basic Approach to Corporate Governance

The Company is committed to the sustainable development and improvement of corporate value as a total supporter of the lifeline that supports daily life, while building a deep relationship of trust with the community and society, with the aim of cooperating with customers in creating value and contributing to society. Based on this philosophy, to properly conduct business operations, we are dedicated to thoroughly adhering to corporate ethics and legal compliance, strengthening internal control and risk management, and continuing to further enhance corporate governance with the aim of improving the soundness, fairness, and transparency of management.

In addition, the Company established the Basic Policy on Corporate Governance, in which our basic approach to corporate governance and operational policies are set forth, and discloses it on Sustainability section of its Japanese version of website.

Internal Control and Corporate Governance Schematic Diagram



Reasons for Adopting the Current Corporate Governance Structure

The Company aims to enhance the supervisory function of the Board of Directors as well as speed up its decision-making, by including Audit and Supervisory Committee Members among the members of the Board of Directors to supervise the execution of duties of Directors. With the purpose of further enhancing corporate governance, we transitioned to a company with an Audit and Supervisory Committee based on the resolution at the 108th Annual General Meeting of Shareholders held on June 24, 2022. In addition, in order to separate the decision-making and oversight functions of management from the business execution function, and in terms of improving fairness and transparency, we have introduced an executive officer system with management positions. Furthermore, as voluntary committees equivalent to the Nomination Committee and Remuneration Committee in a company with a Nomination Committee, etc., we have established a Nomination and Remuneration Advisory Committee. By having a majority of its members comprised of Independent External Directors, we are ensuring the independence and objectivity of the nomination process of candidates for Director and Executive Officer as well as determination process of their remuneration. In this manner, our corporate governance structure ensures adequate soundness, fairness, and transparency in our management, and thus we will continue to adopt the current system.

(1) Board of Directors

The Board of Directors consists of 13 members, including five Independent External Directors who do not have a risk of conflict of interest with general shareholders, and convenes as necessary in accordance with the Companies Act and internal regulations. At these meetings, the Board makes decisions on important matters regarding the execution of the Company's business, including important management plans, and has Directors oversee each other's execution of duties, with regular reports on business execution from the Directors and Executive Officers.

(2) Audit and Supervisory Committee

Three of the four Directors who are Audit and Supervisory Committee Members are Independent External Directors, ensuring objectivity and neutrality in the management oversight function. The Audit and Supervisory Committee appoints Audit and Supervisory Committee Members who exercise their rights to audit and supervise (Selected Audit and Supervisory Committee Members). In accordance with the basic audit policy outlined in the Audit and Supervisory Committee audit plan, which is decided at the Audit and Supervisory Committee meetings, as well as with the division of duties and other policies, the committee audits the execution of duties by Directors, the establishment and operation of the internal control system, safety and quality management, the independence of the Accounting Auditor, the quality and method of accounting audit, and reasonableness of the audit results.

Moreover, we have appointed one full-time Audit and Supervisory Committee Member and by having the member attend important meetings such as the Management Strategy Meeting, listen to reports on the execution of duties from business execution departments, conduct visiting audits of offices, and coordinating with the internal audit department, we are enhancing the effectiveness of our auditing and oversight functions.

We have also positioned one Audit and Supervisory Officer to assist the duties of the Audit and Supervisory Committee and have established an Audit and Supervisory Committee Office (with four dedicated staff members) as an organization dedicated to support the Committee in its duties.

(3) Management Strategy Meeting

In principle, the meeting is held weekly to deliberate on the general policy and plan for

business management and the execution of important business based on the resolutions of the Board of Directors.

(4) Internal audit

The Business Audit Department, which is directly under the President and Chief Executive Officer, conducts internal audits based on the examination plan, promoting the appropriateness of business processing and enhancing and strengthening internal checks and balances. The Department prompts the relevant departments to take corrective actions for each identified case, and the results of the examinations are reported to the President and Chief Executive Officer, as well as to the Board of Directors and Audit and Supervisory Committee. Furthermore, we strive to improve the effectiveness of internal audits by coordinating and cooperating with the Audit and Supervisory Committee and the Accounting Auditor.

(5) Nomination and Remuneration Advisory Committee

As an advisory body to the Board of Directors, we have established a Nomination and Remuneration Advisory Committee, which performs the functions of both a voluntary committee equivalent to the Nomination Committee and a voluntary committee equivalent to the Remuneration Committee.

This Committee, from the perspective of ensuring independence and objectivity in nomination and remuneration, has a majority of its members as Independent External Directors, and receives and deliberates on consultations related to nomination and remuneration for Directors from the Board of Directors and provides reports.

(6) Advisory Committee on Transactions between Group Companies

As an advisory body to the Board of Directors, the Company has established an Advisory Committee on Transactions between Group Companies, which deliberates on and considers matters for the purpose of protecting interests of minority shareholders.

The Committee is composed of Independent External Directors to ensure independent and objective procedures, and deliberates and reports on the appropriateness and fairness of significant conflict of interest transactions and exceptional transactions with Tohoku Electric Power Co., Inc. and its wholly-owned subsidiaries, upon consultation from the Board of Directors.

Corporate Governance

Corporate Governance

Approach to the Overall Balance, Diversity, and Scale of the Board of Directors

The Company has set its policy of building an effective management structure required for a company engaged in the construction business, and for its Board of Directors to be composed of the number of members necessary and appropriate to ensure substantial discussion and monitoring functions on business execution. The number of Directors shall be not more than seventeen (17) and Independent External Directors shall be appointed, as stipulated in the Company's Articles of Incorporation.

By composing the Board of Directors based on the criteria mentioned to the right, while considering diversity such as gender, internationality, career background, and age, we ensure a balance of knowledge, experience, and capabilities across the Board of Directors as a whole and strive for efficient business execution and appropriate business management. In addition, Directors who are Audit and Supervisory Committee Members are striving to strengthen the oversight function by being involved in the audit function and in the nomination and remuneration of Directors.

If a Director concurrently serves as an officer at another listed company, they shall do so within reasonable limits and the status of such concurrent positions is to be disclosed annually.

The Company has identified the skills that should be possessed by the Board of Directors, and has created a Skill Matrix showing the list of skills possessed by the current Directors based on their career backgrounds, which is disclosed in the Notice of the Annual General Meeting of Shareholders.

Effectiveness Evaluation of the Board of Directors

The Company conducts an annual questionnaire on Directors regarding the overall effectiveness of the Board of Directors, and reports the results to the Board of Directors. The Board of Directors evaluates its overall effectiveness based on the questionnaire results, and confirms initiatives for further enhancing effectiveness.

[Initiatives for enhancing the effectiveness of the Board of Directors in FY2024]

- (1) Timely verify the PDCA cycle concerning important management matters and implement monitoring of management control
- (2) Continuously conduct training, briefings, and site tours that contribute to a better understanding of the management and business of the Company and its Group companies
- (3) While leveraging the benefits of digitalizing Board of Directors meeting materials, carefully review the content to facilitate deeper discussions
- (4) Continuously share information with the Board of Directors about the nomination process of Directors, etc., which is deliberated by the Nomination and Remuneration Advisory Committee

[Composition members]

- (1) Internal Directors (excluding Directors who are Audit and Supervisory Committee Members) Individuals who are suitable for appointment as officers of the Company in terms of personality, insight, competence, experience, and ethics, who were selected among those who are knowledgeable about their respective fields, taking into account the balance of expertise, extensive business experience, knowledge on management overall, etc.
- (2) External Directors (excluding Directors who are Audit and Supervisory Committee Members) Individuals who are capable of appropriate decision making and management oversight at the Board of Directors, with their practical experience based on corporate management, etc., and their extensive knowledge on social and economic trends, etc.
- (3) Directors who are Audit and Supervisory Committee Members Individuals who are capable of properly carrying out their duties as Audit and Supervisory Committee Members using their experiences and knowledge, performing audits of and overseeing the execution of Directors' duties. Of which, those who are External Directors who are Audit and Supervisory Committee Members shall be capable of performing audits and overseeing those matters objectively and impartially.

[Summary of effectiveness evaluation results for FY2024]

In the questionnaire conducted in March 2025, five main categories (composition and operation of the Board of Directors, management strategy and business strategy, corporate ethics and risk management, performance monitoring and evaluation and remuneration of management, dialogue with shareholders, etc.) were set, and evaluations were made for each question in each category.

Following a review of the results of this questionnaire at the Board of Directors meeting held in May 2025, it was evaluated that the overall effectiveness of the Board of Directors was generally secured. Nonetheless, we will undertake the following measures in FY2025 to further enhance the effectiveness of the Board of Directors.

- (1) Timely verify the PDCA cycle concerning important management matters and implement monitoring of management control
- (2) Conduct further careful reviews of materials and preliminary briefings focused on key points to allow more time for discussion and to ensure that meetings proceed efficiently and effectively
- (3) Continuously conduct training, briefings, and site tours that contribute to a better understanding of the management and business of the Company and its Group companies

Support System for External Directors

The Company provides support through various communication mediums for the execution of duties of External Directors (excluding Directors who are Audit and Supervisory Committee Members) and External Directors who are Audit and Supervisory Committee Members, via the Secretariat Group of Human Resources Department and the Audit and Supervisory Committee Office as their respective contact points.

Furthermore, to enhance discussions at the Board of Directors, we provide External Directors with opportunities as needed to understand the content of our operations through preliminary distribution and explanation of materials for the Board of Directors, provision of related information, explanations of our business at the time of appointment, visits to our offices, and dialogue and discussions with the Representative Directors, and we will continue these initiatives going forward.

Policies, etc. for Determining Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

- (1) Basic policy on remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) The remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) consists of a fixed remuneration, bonuses as performance-linked remuneration, and restricted stock remuneration. However, only fixed remuneration will be provided for External Directors in view of their roles and independence.
- (2) Policy on determining the amount or calculation method of individual remuneration and the timing of payments
 - a. Fixed remuneration The amount of individual remuneration will be set at an appropriate level according to the position, giving comprehensive consideration to the medium- to long-term management environment and management policies, and will be paid monthly in cash.
 - b. Bonuses A variable remuneration system is set based on consolidated operating profit, an important indicator under the Medium-Term Management Plan. The amount of individual remuneration will be determined based on a set standard amount according to the fixed remuneration corresponding to the position, adjusted within the range of 75% to 125% according to the degree of achievement of the target value of consolidated operating profit for each fiscal year, and will be paid in cash after the expiration of the Directors' terms of office in June every year.
 - c. Restricted stock remuneration The number of shares granted to each individual is determined based on a standard amount according to the fixed remuneration corresponding to the position, decided upon using the stock price on the business day prior to the Board of Directors' resolution date concerning the share allocation. The Board of Directors will resolve the share allocation within one month of a Director's appointment, and issue the shares within another month from the said resolution date.
- (3) Policy on determining the proportion of individual remuneration payments To ensure that the remuneration effectively

- functions as an incentive for improving corporate value, the payment ratio of fixed remuneration and performance-linked remuneration (bonuses and restricted stock remuneration) for Directors (excluding Directors who are Audit and Supervisory Committee Members) will be approximately 70% and 30% respectively (approximately 20% for bonus and approximately 10% for restricted stock remuneration) upon achieving targets. However, External Directors shall only be provided fixed remuneration.
- (4) Method of determining individual remuneration Fixed remuneration and performance-linked remuneration, etc. (bonuses and restricted stock remuneration) for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be determined by a resolution of the Board of Directors within the total amount approved at the General Meeting of Shareholders, after deliberation by the Nomination and Remuneration Advisory Committee, the majority of whose members consist of Independent External Directors.
 - (5) Method of determining the decision-making policy The policy regarding the remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members) is determined by a resolution of the Board of Directors after deliberation by the Nomination and Remuneration Advisory Committee, the majority of whose members consist of Independent External Directors.
 - (6) Content of resolution by the General Meeting of Shareholders
 - a. Fixed remuneration For Directors (excluding Directors who are Audit and Supervisory Committee Members), up to 200 million yen in total per year (including up to 20 million yen for External Directors)
 - b. Bonuses For Directors (excluding Directors who are Audit and Supervisory Committee Members and External Directors), up to 100 million yen in total per year
 - c. Restricted stock remuneration For Directors (excluding Directors who are Audit and Supervisory Committee Members and External Directors), up to 50 million yen and 100,000 shares in total per year

Risk Management/Adherence to Corporate Ethics and Legal Compliance

/// Policies, etc. for Determining Remuneration for Directors Who Are Audit and Supervisory Committee Members

The policy for determining the content of remuneration for Directors who are Audit and Supervisory Committee Members is determined by the discussion among the Directors who are Audit and Supervisory Committee Members.

- The remuneration for Directors who are Audit and Supervisory Committee Members shall consist only of a monthly fixed remuneration and shall be paid in cash each month.
- The remuneration for Directors who are Audit and Supervisory Committee Members is determined by the discussion of the Directors who are Audit and Supervisory Committee Members within the total amount approved at the General Meeting of Shareholders.

[Contents of resolutions by the General Meeting of Shareholders] Up to 60 million yen in total per year

/// Approach and Policies ofTohoku Electric Power Co., Inc. on Group Management

The Company belongs to the Tohoku Electric Power Group. In April 2024, the Tohoku Electric Power Group introduced "Working alongside next +PLUS" as its future management development plan to achieve its medium- to long-term vision. Each business will independently pursue earnings and growth across five areas and 11 business segments, with a focus on electricity and energy.

Within the business segments outlined in "Working alongside next +PLUS," the Company is positioned as playing a key role in "power transmission/distribution," and "comprehensive facility engineering."

Tohoku Electric Power Co., Inc. has not specified any particular matters to be discussed with the Company, except for those that need to be aligned with the overall policies of the Tohoku Electric Power Group.

From the perspective of ensuring the appropriateness of operations, Tohoku Electric Power Co., Inc. also continues to understand the Company's situation through implementing monitoring in a timely and accurate manner and coordinates with the Company as necessary.

/// Views and Measures on Ensuring Independence Necessary from the Viewpoint of Protecting Interests of Minority Shareholders

Based on the fact that there are potential for conflicts of interest between Tohoku Electric Power Co., Inc. and minority shareholders of the Company, they have a policy of respecting the Company's managerial independence. We recognize that a certain degree of independence is ensured for us.

Specifically, in decision-making on matters such as the creation of management plans and the promotion of each business, Directors concurrently serving at Tohoku Electric Power Co., Inc. have deliberated based on the policy of respecting the Company's independence, and thus we believe that they do not hinder the Company's ability to make its own decisions.

In addition, by establishing Nomination and Remuneration Advisory Committee, a majority of the members of which are Independent External Directors, the Company ensures independence and objectivity regarding decisions on nomination and remuneration. Furthermore, Independent External Directors attend the Board of Directors meetings as objective parties to monitor the management. We believe that these measures also secure the Company's independence.

Furthermore, in order to further protect the interests of minority shareholders, material transactions with conflict of interests and unusual transactions with Tohoku Electric Power Co., Inc. and its wholly-owned subsidiaries are reviewed by the Advisory Committee on Transactions between Group Companies, which is composed of Independent External Directors.

/// Risk Management System

System for managing risk of loss

- (1) Organizations, job authorities, and internal regulations are maintained to ensure that risk management is carried out appropriately at both the Company-wide and departmental levels.
- (2) For risks that could have a significant impact on management, each department regularly identifies and evaluates risks related to business activities and incorporates their countermeasures into the business plan formulated each year, practicing risk management within the management cycle.
- (3) For risks related to natural disasters, regular training is conducted, and in the event that such events occur, an Emergency Disaster Response Headquarters is established based on internal regulations in order to respond appropriately.

- (4) We have established a safety and construction quality management system, and we have defined internal regulations and set up an internal committee to enhance employees' awareness of safety and construction quality, prevent labor accidents before they occur, and ensure construction quality. In addition, we have established internal regulations to prevent the occurrence of nonperforming loans that could have a significant impact on our earnings.
- (5) We have established a Risk Management Committee and engage in training and information sharing to improve our risk response capabilities, in order to prevent crises that could significantly impact the Company's assets and social trust and to minimize damage in the event of a crisis. In the event of any of these events, we will establish a response headquarters based on internal regulations and respond appropriately.
- (6) The status of risk management is regularly reported to the Board of Directors.

/// Recognized Risks for Business, etc. and Countermeasures

Risks	Countermeasures
① Curtailement of investment in electric power facilities Controlled construction orders by Tohoku Electric Power and Tohoku Electric Power Network, which account for approximately 40% of sales, and expanded competitive ordering, resulting in decreased construction orders received and intensified competition for orders	Expand areas outside Tohoku and Niigata and increase orders received for general and government construction
② Curtailement of private sector capital investment Decreased construction orders received and intensified competition for orders in the event of a downturn in construction demand due to factors such as the progression of a declining birthrate, aging population, declining population, and economic trends	In addition to further expanding orders for indoor wiring/ air-conditioning and plumbing installation work by maintaining and enhancing relationships with existing customers and strengthening sales and construction systems, etc., increase orders received for related information and telecommunications construction and other favorable orders, and thoroughly enhance operational efficiency
③ Occurrence of natural disasters, etc. Possibility of work interruptions or significant delays, or substantial damage to the Group's business offices due to natural disasters such as earthquakes and typhoons or the spread of new infectious diseases, etc.	Regarding natural disasters, review and strengthen disaster prevention plans for each business site based on hazard maps designated by the national and local governments Regarding infectious diseases, despite a reduced risk of COVID-19, continue efforts to prevent infection and the spread of disease
④ Rising material and labor costs, etc. Significant additional costs due to construction delays, amid rising material and labor costs owing to increases in material prices and labor shortages	Discuss methods to reflect matters in construction contracts, and expand competitive ordering and volume discounts through centralized purchasing as cost reduction measures
⑤ Earnings related to construction contracts Fluctuations in construction conditions on which estimates are based	Continue to ensure reliability of revenue recognition by calculating estimates appropriately and reasonably
⑥ Compliance with laws and regulations Revision or abolition of legal requirements under the Construction Business Act, the Antimonopoly Act, the Labor Standards Act, the Industrial Safety and Health Act, etc., establishment of new acts, or changes in applicable standards, etc., or if an event against compliance occurs	While closely monitoring legal revisions, etc., establish the Corporate Ethics Committee, assign officers in charge of corporate ethics, establish and implement the Yurtec Corporate Code of Conduct and the Corporate Ethics Code, which describe the code of conduct in the course of operations, and promote strengthening and reviewing training and education programs to further enhance corporate ethics awareness within the Group
⑦ Risks associated with M&A, etc. Business deterioration, construction errors, or misconduct at investee companies	Ensure that external experts conduct pre-investment surveys (due diligence), post-investment management, and provides guidance and support
⑧ Goodwill impairment risk Significant revisions to the business plans of investee companies due to changes in their business environment, preventing the expected generation of cash flow	Regularly monitor investee companies' business plans, and provide guidance and support

/// System for Adherence to Corporate Ethics and Legal Compliance

To become a company trusted by stakeholders such as customers, business partners, shareholders, investors, local communities, and society, the Company has established the Yurtec Corporate Code of Conduct to serve as a guideline for our officers and employees in the course of operations.

We have also established consultation hotlines both internally and externally with the purpose of early detection and resolution of legal violations or issues regarding corporate ethics within the Group, accepting consultations and reports not only from the Group's officers and employees but also from people in companies with business relations with the Group.

Corporate Governance

Message from External Directors



Now, when performance is strong, is the time for us to tackle long-term issues such as human resource development, technology development, and productivity improvement.

■Career summary
April 1987 Joined Miyagi Prefectural Government (retired from the prefectural government in March 1999)
December 2006 Joined Shin Nihon Audit Corporation (current Ernst & Young ShinNihon LLC) (retired from the audit corporation in June 2014)
July 2014 Representative, Yashima CPA Office (current Office Yashima-CPA)
June 2021 Corporate Auditor, the Company
June 2022 Director who is an Audit and Supervisory Committee Member (to present)

Tokuko Yashima
Director & Audit and Supervisory Committee Member



With the environment changing at an increasingly rapid pace, I look forward to seeing Yurtec take on the challenge of creating new value and paving the way to the future.

■Career summary
April 1986 Joined Suntory Limited (retired from the company in June 1991)
July 2003 Joined KANEZAKI Co., Ltd.
November 2010 General Manager, Planning & Development Department, KANEZAKI Co., Ltd.
May 2011 Director and General Manager of Sales Division, KANEZAKI Co., Ltd.
April 2014 Senior Managing Director, KANEZAKI Co., Ltd.
March 2016 President & CEO, KANEZAKI Co., Ltd.
June 2024 Director, the Company (to present)

Akemi Kato
Director

Looking back on the past year

I was appointed to my current position following the transition to a company with an Audit and Supervisory Committee. In my view, we have been able to strengthen our monitoring function by reflecting the opinions of the Board of Directors based on the insights gained through discussions at the Audit and Supervisory Committee and audits. I feel that psychological safety has been ensured in both the Audit and Supervisory Committee and the Board of Directors, creating an environment in which it is easy to speak up.

In September 2024, I accompanied audits of the Vietnam Office and Group companies in Vietnam, where I confirmed the status of business execution through dialogue with the head of the Vietnam Office, Group companies' management, and employees, as well as through on-site inspections. This made me realize how differences in laws, culture, and other aspects make management very difficult. Looking ahead to overseas business expansion, I believe that it will be essential for Yurtec to enhance its management and support systems, including human resource development, safety and technical support, and fund procurement assistance.

About my role

My role is to contribute to the enhancement and maximization of corporate value as a representative of our minority shareholders. I believe that it is important to have an external perspective and to exercise effective governance.

I consider the greatest risk to Yurtec to be the loss of stakeholder trust if it acts in a way that deviates from common sense in the event of an emergency. I make it a point to openly point out any areas where Yurtec's culture or common sense diverges from general common sense, and I make sure to never forget this role.

While I cannot compete with those inside the Company when it comes to specialized knowledge of the construction industry, I believe that it is important to question the status quo within the Company and hold discussions from various perspectives.

Advisory Committee on Transactions between Group Companies

Yurtec has shifted from a consolidated subsidiary of Tohoku Electric Power to an equity-method affiliate. To protect minority shareholders, we have also established the Advisory Committee on Transactions between Group Companies as an advisory body to the Board of Directors. The committee deliberates on the appropriateness and propriety of important conflict-of-interest transactions and unusual transactions with Tohoku Electric Power and its wholly owned subsidiaries.

When acquiring treasury shares from Tohoku Electric Power in November 2024, we carefully considered whether the purpose and terms of the transaction were reasonable and would not disadvantage minority shareholders. Given the importance of the matter, I asked questions until I was satisfied.

To minority shareholders, a lack of transparency in transactions hinders long-term investment. I believe it is important for the Board of Directors to continue to consider these issues from the perspective of investors, both in terms of Group management and the protection of minority shareholders, and to fulfill its responsibility to provide accountability more thoroughly via disclosure and dialogue with shareholders.

Expectations for Yurtec

First, we seek to achieve sustainable growth and to increase our corporate value. I think that now, when performance is strong, is the time for us to tackle long-term issues such as human resource development, technology development, and productivity improvement.

Second, we must be a company that can contribute to society through our business operations. Contributing to society while improving our earning power is a very difficult task.

The other day, when reading the 80th anniversary commemorative publication, which chronicles Yurtec's trajectory over the past 10 years since its 70th anniversary, I was once again reminded that society and the Company are constantly changing. I believe that the actions and choices of each employee will shape the future of the Company over the next 10 years as well. Through my role, I also plan to contribute to Yurtec's sustainable growth and the enhancement of corporate value.

Looking back on the past year

It has been a year since I was appointed as an External Director of Yurtec last year. Over the past year, I have engaged in extensive discussions with other members of the management team to strengthen our business strategy and governance structure.

I have approached Board of Directors meetings from the objective and practical perspective of a corporate executive, always keeping in mind the appropriateness of strategies in light of changes in the business environment and the effectiveness of risk responses.

I also had the opportunity to observe employees at work during on-site inspections and other occasions. As the work that supports infrastructure, including power transmission and distribution, is directly linked to the safety and security of local communities, our employees carry out their duties with a high level of expertise and a sense of mission, sometimes under harsh natural conditions. I strongly felt that the solid technical capabilities, on-site capabilities, and response capabilities of each employee, as well as their pride in supporting local communities, form the foundation of Yurtec's trust.

About my role

I believe that my role as External Director is not merely to supervise and advise, but to also act as a bridge between management and shareholders and to support the enhancement of corporate value from a long-term perspective. I will continue to offer constructive advice and support from an independent standpoint so that Yurtec can carry its strengths into the future as a company that values people and grows together with its employees.

Additionally, the Nomination and Remuneration Advisory Committee actively engages in forward-looking discussions on the themes of developing next-generation leaders and strengthening human capital. I plan to remain actively involved going forward, so that I can contribute to a system that balances the diversity of management personnel and sustainable growth. Drawing on my experience and lessons learned over the past year, I will continue to work wholeheartedly to ensure that Yurtec is trusted by all stakeholders.

Evaluation of the governance structure

We are actively working to strengthen our corporate governance structure to ensure that we achieve sustainable growth and gain the trust of society. Systems have been put in place to enhance transparency and objectivity, such as conducting evaluations of the effectiveness of the Board of Directors and operating the Nomination and Remuneration Advisory Committee, which I feel enable External Directors to freely and openly express their opinions at Board of Directors meetings. I feel that such frank and open discussions are indicative of the sincere corporate culture that is unique to Yurtec.

Going forward, I believe it will be important to further improve the quality of management decisions by sharing information and enhancing discussions, as well as by enhancing risk management systems.

Expectations for Yurtec

To date, the Company has operated businesses that are rooted in local communities, and has supported social infrastructure based on its reliable technical capabilities and on-site capabilities. These efforts have not only ensured the safety and security of local communities, but have also earned the deep trust of society. As the environment surrounding the energy sector continues to change at an ever-accelerating pace, I look for the Company to take on the challenge of creating new value by incorporating renewable energy and digital technology, and make significant contributions to the realization of a sustainable society.

I am also confident that, based on the idea that people are the source of corporate value, the Company will work to create an environment where diverse human resources can demonstrate their strengths, and will achieve further growth by combining its on-site capabilities and organizational capabilities. I have high hopes for Yurtec as it paves the way to the future while remaining rooted in local communities.

Corporate Governance

List of Board of Directors/Skill Matrix

List of Board of Directors (*) Representative Director



Representative Director & Chairman of the Board

Toshinori Abe (*)



Representative Director & President, Chief Executive Officer

Ikumi Kobayashi (*)



Representative Director & Senior Managing Executive Officer
General Manager of Sales Headquarters

Koji Miura (*)



Director & Senior Managing Executive Officer
In charge of Compliance Promotion, In charge of Risk Management, In charge of IR

Yasuhiro Suzuki



Director (Independent External Director)

Akemi Kato



Director (Independent External Director)

Tadayuki Tamai



Director (Independent External Director)

Chiharu Shibata



Director & Audit and Supervisory Committee Member

Takeshi Sato



Director & Audit and Supervisory Committee Member (Independent External Director)

Koichi Ono



Director & Audit and Supervisory Committee Member (Independent External Director)

Yasunari Takaura



Director & Audit and Supervisory Committee Member (Independent External Director)

Tokuko Yashima

Skill Matrix

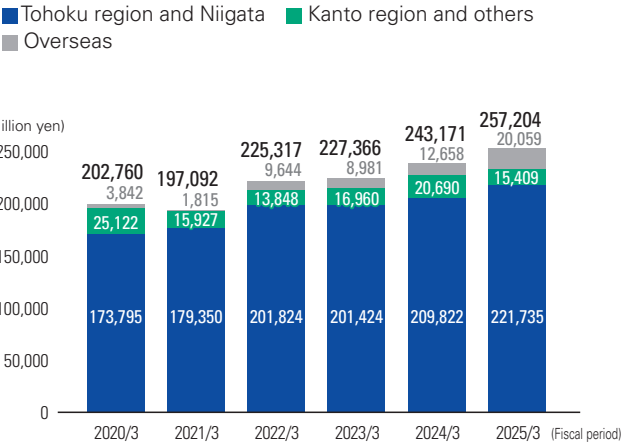
Name	Position	External Director/ Independent Officer	Directors' skills						
			Corporate management/ Management strategy	Sales/ Marketing	Technology/ Safety & Quality	Legal matters/ Risk control	Finance/ Accounting	Global understanding	Sustainability promotion
Toshinori Abe	Representative Director & Chairman of the Board		●	●		●			
Ikumi Kobayashi	Representative Director & President, Chief Executive Officer		●	●	●			●	●
Koji Miura	Representative Director & Senior Managing Executive Officer		●	●	●			●	●
Yasuhiro Suzuki	Director & Senior Managing Executive Officer		●	●		●	●		●
Akemi Kato	Director (External)	○	●	●					●
Tadayuki Tamai	Director (External)	○	●			●			●
Chiharu Shibata	Director (External)	○	●	●					●
Takeshi Sato	Director & Audit and Supervisory Committee Member					●	●		
Koichi Ono	Director & Audit and Supervisory Committee Member (External)	○				●	●		
Yasunari Takaura	Director & Audit and Supervisory Committee Member (External)	○					●		●
Tokuko Yashima	Director & Audit and Supervisory Committee Member (External)	○				●	●		

(Notes) 1. ● indicates the main skills possessed by each Director.
2.This table does not show all the skills possessed by each Director.

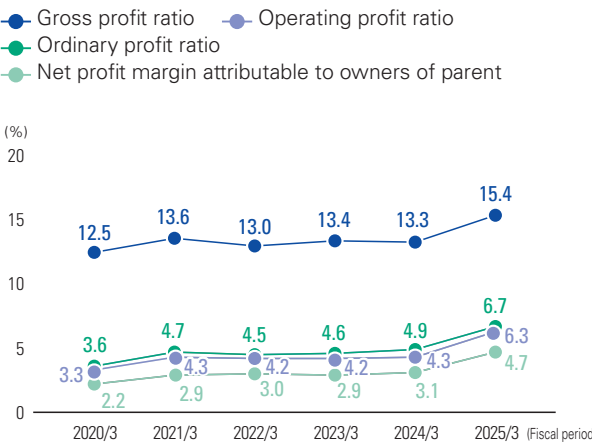
Financial and Non-Financial Highlights

Financial information

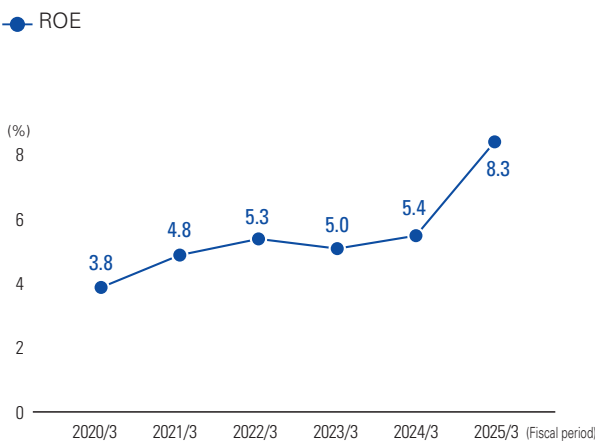
Net sales by region (consolidated)



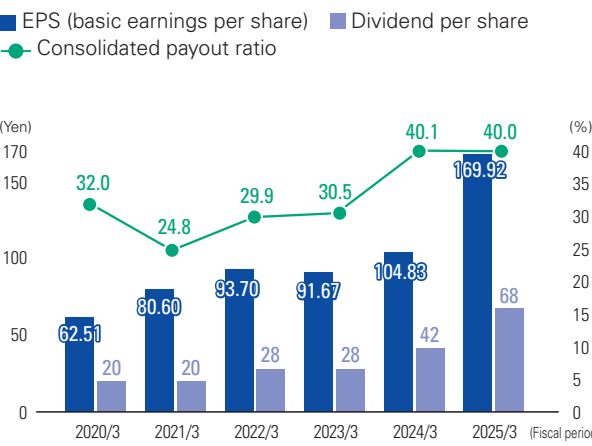
Profit margin (consolidated)



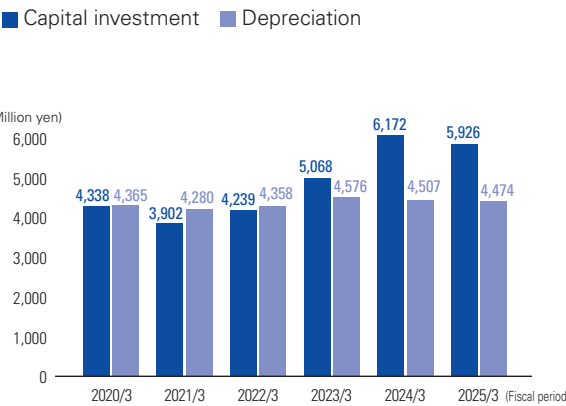
ROE (consolidated)



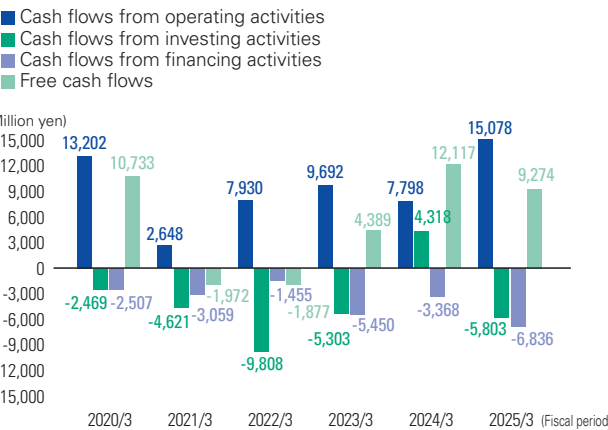
EPS, dividends (consolidated)



Capital investment, depreciation (consolidated)

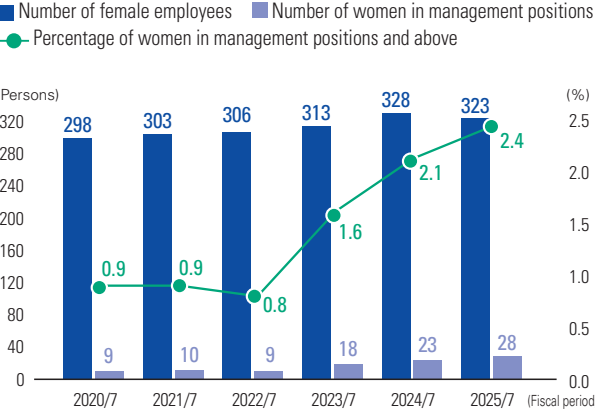


Cash flows (consolidated)

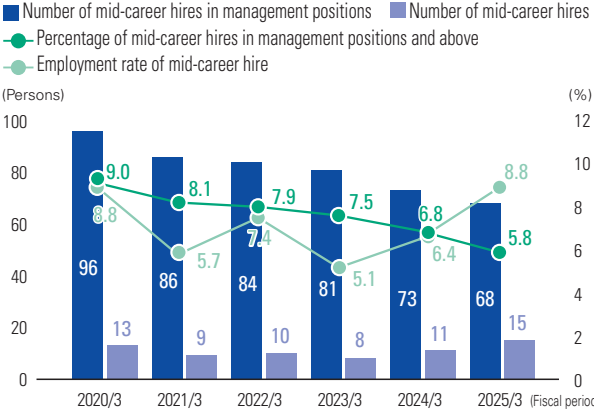


Non-financial information

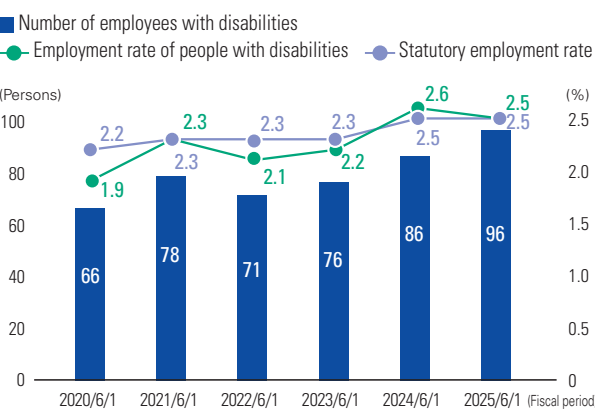
Percentage of women in management positions (non-consolidated)



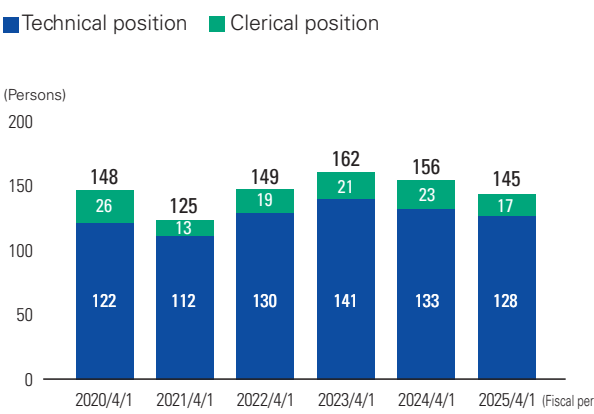
Mid-career hires promoted to management positions/ mid-career hiring results (non-consolidated)



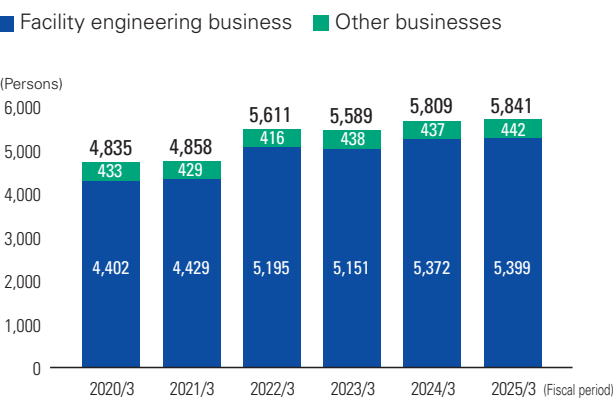
Employment rate of people with disabilities (non-consolidated)



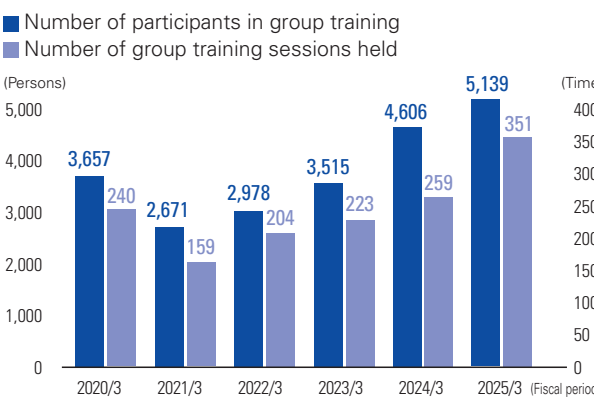
Regular employment results (non-consolidated)



Number of employees (consolidated)



Number of training sessions and participants



* Training sessions conducted at Human Resource Development Center

11-Year Financial and Non-Financial Summary (Consolidated)

Financial data

(Million yen)

	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3
Fiscal year											
Net sales	217,712	227,067	226,042	213,251	204,054	202,760	197,092	225,317	227,366	243,171	257,204
Operating profit	11,240	15,256	14,559	11,786	9,394	6,762	8,484	9,492	9,538	10,523	16,185
Operating profit ratio (%)	5.2	6.7	6.4	5.5	4.6	3.3	4.3	4.2	4.2	4.3	6.3
Ordinary profit	12,324	15,677	15,121	12,435	10,176	7,338	9,172	10,040	10,501	11,885	17,302
Ordinary profit ratio (%)	5.7	6.9	6.7	5.8	5.0	3.6	4.7	4.5	4.6	4.9	6.7
Profit attributable to owners of parent	12,160	10,470	10,118	8,378	6,631	4,470	5,763	6,700	6,561	7,510	11,982
Comprehensive income	14,088	8,831	11,325	9,269	6,550	4,528	6,606	7,071	7,176	9,871	13,421
Total assets	180,723	187,598	190,390	191,201	195,444	197,050	200,116	216,016	221,400	231,479	233,554
Net assets	92,564	99,801	109,601	110,490	115,608	118,734	123,908	129,546	134,488	142,406	147,713
Net assets per share (yen)	1,156.70	1,254.40	1,377.91	1,544.57	1,616.11	1,659.80	1,732.08	1,810.82	1,877.71	1,986.45	2,150.42
Basic earnings per share (yen)	152.81	131.62	127.23	118.69	92.73	62.51	80.60	93.70	91.67	104.83	169.92
Equity ratio (%)	50.9	53.2	57.6	57.8	59.1	60.2	61.9	59.9	60.7	61.5	63.2
Return on equity (ROE) (%)	14.7	10.9	9.7	7.6	5.9	3.8	4.8	5.3	5.0	5.4	8.3
Price earnings ratio (times)	5.2	7.1	6.0	7.1	8.7	9.8	10.1	7.4	9.0	14.5	10.0
Cash flows from operating activities	16,706	(218)	14,389	12,501	14,442	13,202	2,648	7,930	9,692	7,798	15,078
Cash flows from investing activities	(13,104)	(508)	(7,206)	(7,072)	(13,876)	(2,469)	(4,621)	(9,808)	(5,303)	4,318	(5,803)
Cash flows from financing activities	(609)	(861)	(12)	(7,886)	(1,857)	(2,507)	(3,059)	(1,455)	(5,450)	(3,368)	(6,836)
Cash and cash equivalents at end of period	35,494	33,709	40,855	38,316	37,123	45,301	40,284	37,039	36,334	45,406	47,688

Non-financial data

	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3
Number of employees (persons)	5,342	4,719	4,742	4,806	4,846	4,835	4,858	5,611	5,589	5,809	5,841

Data Section

Corporate Profile

Basic Information (As of March 31, 2025)

Company name	Yurtec Corporation
Established	October 1944
Location	Sendai City, Miyagi Prefecture
Business segment	Construction (Facility engineering business)
Number of employees	5,841 (Consolidated) 3,811 (Non-consolidated)
Consolidated subsidiaries	16 (incl. 2 overseas)
Capital	7.8039 billion yen
Market	Tokyo Stock Exchange (Prime Market)
Securities code	1934



Ikumi Kobayashi
Representative Director
& President,
Chief Executive Officer

Logo



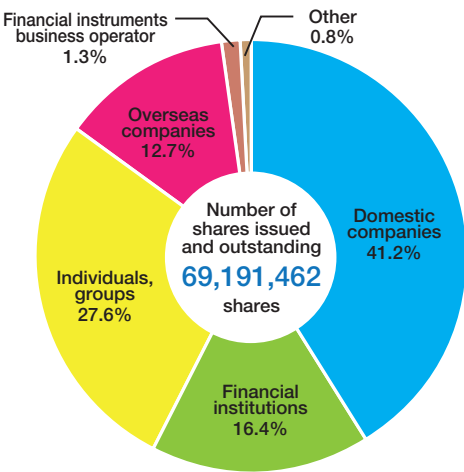
A stroke of the initial letter of the corporate name “Yurtec” is stressed with three sharp lines symbolizing “technology,” “creation,” and “challenge” to give an image of dynamic extension.

Stock Information

Fiscal closing date	March 31
Annual General Meeting of Shareholders	June
Date of record for year-end dividends	March 31
Date of record for interim dividends	September 30
Number of shares issued and outstanding	69,191,462 shares
Number of shareholders	8,300
Major shareholder	Tohoku Electric Power Co., Inc. (Holdings: 39.20%)

Stock Information
(As of March 31, 2025)

Shareholdings by shareholder



(Note) Treasury shares are included in “Other.”

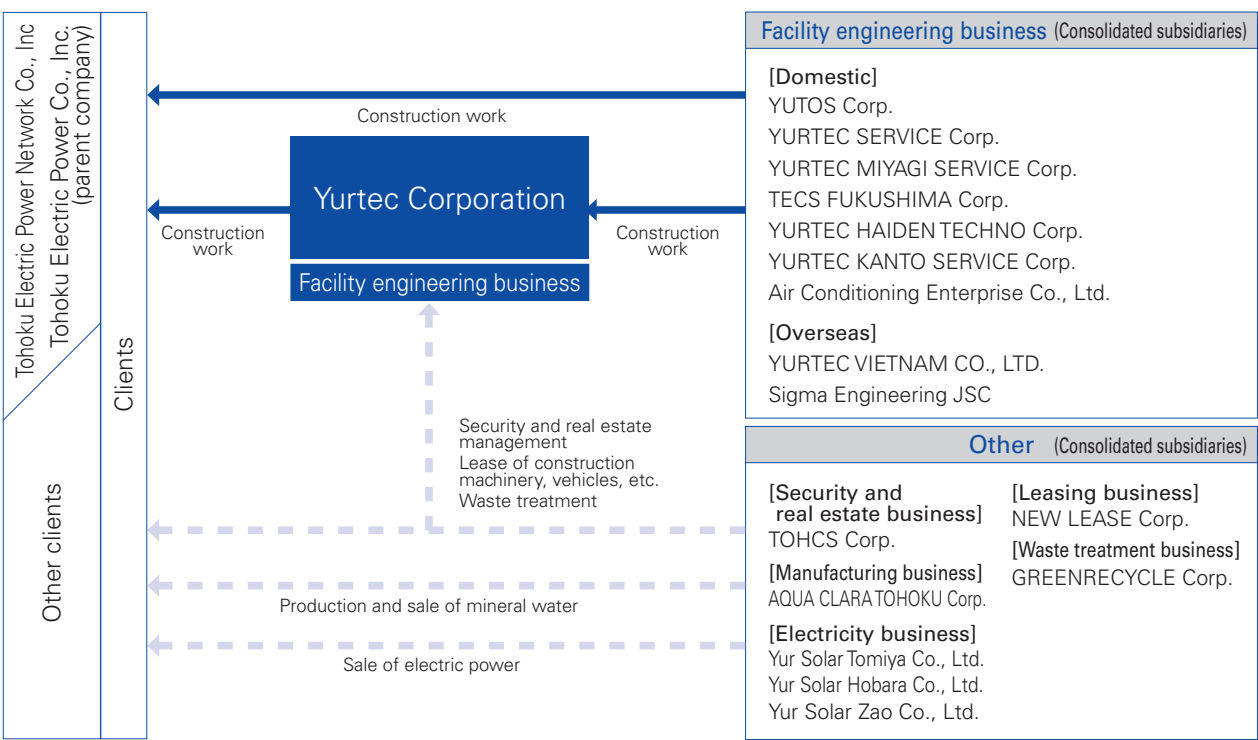
Major shareholders	No. of shares (thousand shares)	Ownership (%)
1 Tohoku Electric Power Co., Inc.	26,915	39.20
2 The Master Trust Bank of Japan, Ltd. (Trust Account)	5,248	7.64
3 Yurtec Employee Stock Ownership Plan	5,181	7.55
4 Custody Bank of Japan, Ltd. (Trust Account)	1,996	2.91
5 Nippon Life Insurance Company	1,381	2.01
6 DFA International Small Cap Value Portfolio	1,000	1.46
7 State Street Bank and Trust Company 505001	964	1.40
8 The 77 Bank, Ltd.	942	1.37
9 JP Morgan Chase Bank 385781	501	0.73
10 Meiji Yasuda Life Insurance Company	459	0.67

(Notes) 1. The Company holds 530 thousand treasury shares, which are excluded from the above major shareholders.
Ownership ratio is calculated by deducting treasury shares.
2. The above shareholder names are based on the notice to all shareholders.

Corporate Information

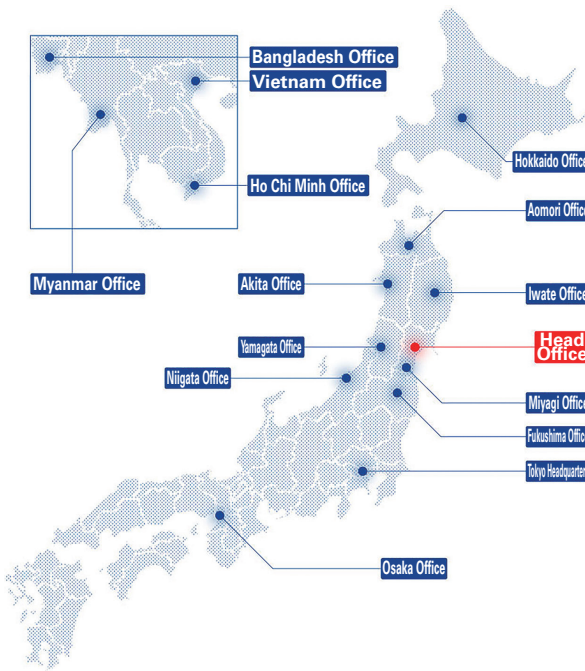
The Yurtec Corporate Group

Total consolidated subsidiaries: 16



Service Area

There are 77 business locations in Japan, primarily in the Tohoku region and Niigata Prefecture, as well as the Kanto region, Hokkaido, and Osaka Prefecture, and offices in 3 overseas countries (Vietnam, Myanmar, Bangladesh). We have established a system capable of quickly responding to customer needs with technical expertise that totally supports lifelines through a community-based network.



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Yurtec Corporation

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