

# Financial Results

for FY2024

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May 13, 2025



**TAISEI CORPORATION**

*For a Lively World*

# **I. Review of the First Year of Medium-Term Business Plan**

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## Progress of the Medium-Term Business Plan (2024-2026)

- We will continue to operate our businesses with a **focus on profit growth** in order to achieve our performance targets and continuously contribute to the development of a resilient society.

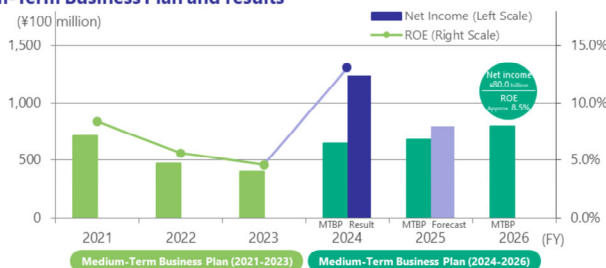
**FY2024 result** | Significant improvements in group net sales and profits at all levels compared to the previous fiscal year.

**FY2025 forecast** | Both net sales and profits are expected to decrease compared to the strong results in FY2024.

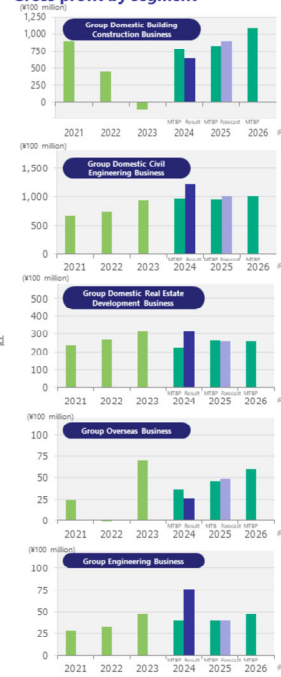
	Medium-Term Business Plan (2024-2026)			
	YoY Change	FY2024 Result	FY2025 Forecast	FY2026 Target
Group net sales	+22.0%	2,154.2 billion yen	1,960.0 billion yen	[Ref.] Around 1,950.0 billion yen
Group operating income	+354.9%	120.1 billion yen	101.0 billion yen	120.0 billion yen
Group net income	+207.9%	123.8 billion yen	80.0 billion yen	80.0 billion yen
ROE	+9.2pt	13.8%	9.5%	Around 8.5%
Dividend payout ratio	(29.5pt)	30.8%	30.8%	30% (lower limit) Revised

\* FY2025 forecast and FY2026 target figures do not reflect any sale of cross-shareholdings or M&A projects that are not decided.

### Medium-Term Business Plan and results



### Gross profit by segment



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- ✓ Group net sales and profits at all levels improved significantly in FY2024 compared to the previous fiscal year.
- ✓ Net sales increased due to the steady execution of a strong backlog in Civil Engineering and Building Construction. Operating income rose sharply, recovering from the previous fiscal year in which Taisei Corporation's Building Construction segment recorded a large provision for losses on construction contracts.
- ✓ Increase in net income is attributable to the one-time amortization of negative goodwill recognized in relation to M&A and the faster than expected progress of the reduction of cross-shareholdings.
- ✓ Partly due to the contribution of a subsidiary that became a new consolidated subsidiary in FY2023 M&A and contributed to earnings throughout the year, Taisei Group as a whole delivered results that exceeded the first year targets of the Medium-Term Business Plan. I feel that this is an excellent start.
- ✓ On the other hand, Domestic Building Construction of Taisei Corporation, which remains our challenge, failed to achieve its profit margin and profit amount targets as it recognized losses on several large construction projects in the fourth quarter.
- ✓ Although both net sales and profits for the Group in FY2025 are expected to decline due to a reaction to the strong performance in FY2024, profitability at the time of order in the Building Construction segment continues to steadily improve. As a result, we expect gross profit to remain approximately at the same level as in FY2024, despite the impact of decreased revenue.

## Progress of major measures under the Medium-Term Business Plan [Group Domestic Building Construction Business]

### Group Domestic Building Construction Business

To restructure the profit structure through appropriate order receiving and performance of the works

Expansion of the system for the performance of the works

Number of hires

	FY2023	FY2024
New graduates	153	168
Mid-career hires	17	48

● Achieved an increase in recruitment over the previous year.

Order receiving activities under appropriate conditions

### Domestic Building Construction segment profit margin



● Recovery trend toward achieving FY2026 target

### 8-day/4-weeks work site closure rate

	FY2023	FY2024
8-day/4-weeks work site closure rate	39.0%	49.9%

\* Important new construction projects  
8-day/4-weeks work site closure rate: 100%

● Steadily improving toward achieving FY2026 target

Orders received in the advantageous fields



[Data center]  
(Tentative name) Ibaraki Data Center  
Project new construction work



[Engineering-related construction  
(pharmaceuticals field)]  
FUJIFILM Toyama Chemical Co., Ltd.  
Project-LOTUS second phase construction work



[Urban redevelopment-related construction]  
New construction work for type 1 urban  
redevelopment project facility buildings  
(A block) in Northeast area, 3-chome,  
Nishiazabu



[Urban redevelopment-related construction]  
New construction work for type 1 urban  
redevelopment project facility buildings,  
etc. (South block) in North area, 1-chome,  
Yaesu

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- ✓ We have made steady progress in the past year on the three priority measures identified as a key to deliver results during the Medium-Term Business Plan period (from FY2024 to FY2026).
- ✓ Regarding rebuilding of the Group Domestic Building Construction Business, we faced two main challenges: expanding the system for the performance of the works for construction projects and appropriately reflecting the rising cost of construction materials in contract prices.
- ✓ As for the system for the performance of the works, our efforts are steadily achieving results, including sales activities based on securing an appropriate construction schedule and efforts to expand the system. On the other hand, as high levels of busyness are expected to continue for some time, we will strive to further improve productivity.
- ✓ As for properly passing the soaring prices of construction materials on to our contract prices, we continued to negotiate with owners, including top-level negotiations. As a result, the profitability at the time of order in Building Construction has recovered significantly, and the profit margin of Domestic Building Construction of Taisei Corporation is steadily improving.
- ✓ In FY2024, we secured orders for many large projects, such as data centers, semiconductor-related projects, plants for pharmaceuticals, and redevelopment projects by investing management resources in advantageous fields.

## Progress of major measures under the Medium-Term Business Plan [Group Overseas Business]

### Group Overseas Business

To establish an integrated construction and development business structure

- To implement thorough localization for future business expansion
- To utilize development know-how and expand construction business through organizational restructuring
- To invest management resources in fields other than construction business (PPP, concessions, etc.)

### Establishing an integrated construction and development business structure

#### Establishment of the International Operations Headquarters

- Established in April 2024 to achieve **synergy between construction and development**.  
▶ Having designated the period **through 2030 as the foundation development period** to ensure the continuation of stable profit, we are focusing on measures to improve the construction and tendering capabilities.
- In Vietnam and Taiwan, we have stated new initiatives, including **receiving orders for construction projects, using development projects as our starting point and integrated construction and development sales activities** targeting Japanese and local developers.

### Promotion of localization, etc.

#### Establishment of local subsidiaries/delegation of authority

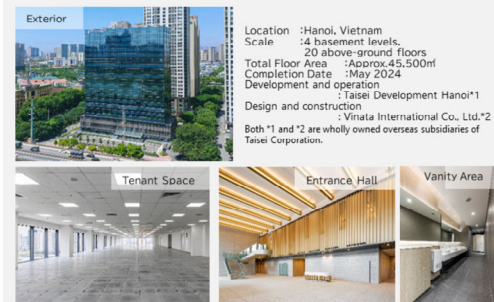
- A **local subsidiary was established in India** whose medium- to long-term growth prospect is strong.
- Viewing overseas subsidiaries as a pillar of Overseas Building Construction, we have started to **delegate authorities** in a phased manner to them toward building a **locally-led business structure**.
- Working to create demand by utilizing **environment-related technology** in making proposals and introducing technologies.

### International development investments

#### Grand Opening of TAISEI SQUARE HANOI

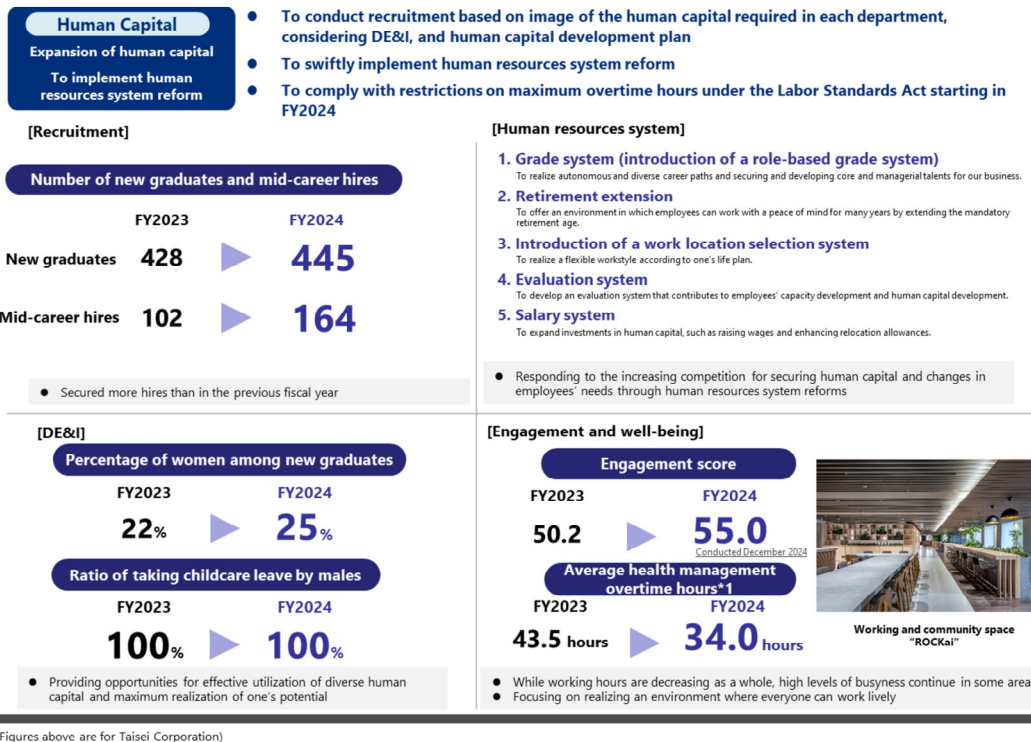
- [U.S.] Participated in two new projects (logistics facility development and rental housing development)
- [Vietnam] Participated in two new residential condominium development projects  
Completed a large office development (Taisei Square Hanoi), which was opened in September 2024

#### TAISEI SQUARE HANOI: An Office Building Pursuing Japanese Quality



- ✓ Next, this slide is regarding our efforts to improve the operational structure of Group Overseas Business.
- ✓ Aiming to ensure the continuation of stable profit in Overseas Business, Taisei Group is focusing on various measures during the period through FY2030, which is designated as the foundation development period.
- ✓ In April 2024, the International Branch was reorganized to the International Operations Headquarters, and we have started integrated construction and development sales activities, among other efforts.
- ✓ We are making steady progress in developing a structure toward future, such as establishing a local subsidiary in India and delegating authority to overseas subsidiaries.

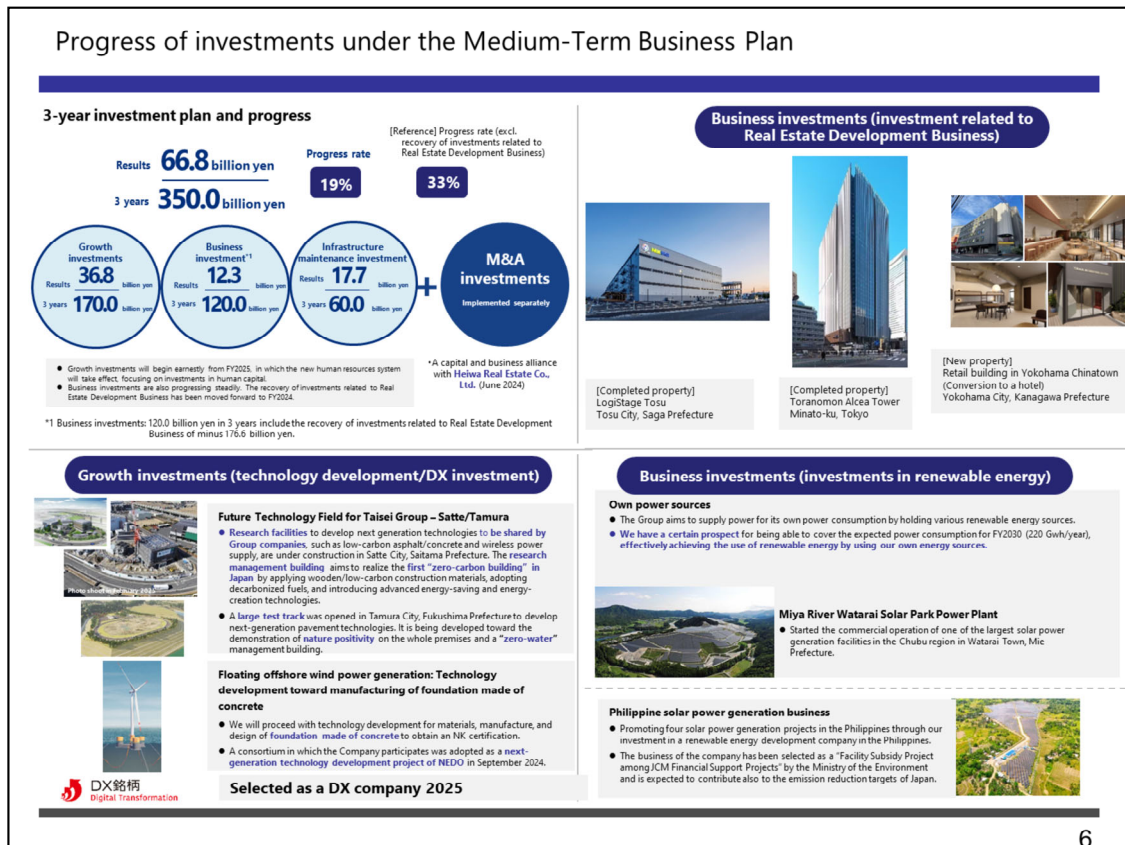
## Progress of major measures under the Medium-Term Business Plan [Human capital]



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- ✓ Lastly, this slide is regarding the enhancement of human capital.
- ✓ In FY2024, we have significantly revised our human resources system in view of the increasing competition for securing human capital and changes in employees' needs.
- ✓ These changes will be gradually implemented starting FY2025, and we will work to ensure they are well understood and embedded throughout the organization.





- ✓ Now, let's move onto the progress status of our investment plan.
- ✓ Against the 3-year investment plan of 350.0 billion yen in total, the actual investment result in FY2024 was 66.8 billion yen, and the progress rate was approximately 19%. However, this reflects the effect of the recovery of investment in Real Estate Development Business ahead of schedule. If we exclude this effect, the progress rate of investments is 33%, a steady progress in line with the plan.
- ✓ Major investment projects are as shown in the presentation material for your review.
- ✓ Regarding M&A, we entered into a capital and business alliance with Heiwa Real Estate Co., Ltd. in June 2024.
- ✓ As for PS Construction and Satohide, which joined Taisei Group in FY2023, a post-merger integration process (PMI) is currently ongoing in order to produce synergy with them, and it is already delivering certain results.
- ✓ We will continue to actively pursue M&A activities going forward, independently from our investment plan.

## Shareholder Returns

### Dividend policy

- The Company introduced dividend payout ratio subject a lower limit\* in FY2025.

\* Lower limit = Dividend per share of 150 yen

In FY2025; Initial forecast of consolidated net income 80.0 billion yen × Dividend payout ratio 30%

In FY2026; Announced mid-term management plan figures of consolidated net income 80.0 billion yen × Dividend payout ratio 30%

### Repurchase of our own shares

- As before, acquisition will be carried out based on our financial policy

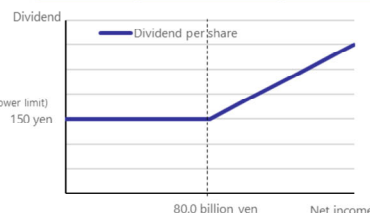
### Shareholder returns going forward

- Recognizing raising the dividend payout ratio as one of our issues, we are considering the introduction of a shareholder return policy focusing on dividend once a milestone is achieved at which we will see a clear path toward reducing the total number of issued shares to around 140 million shares.\*

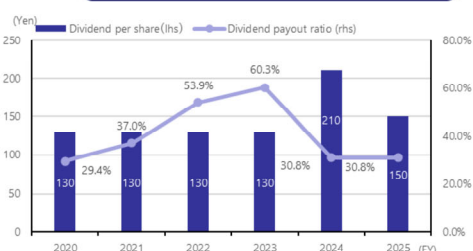
\* This is the level before the total number of issued shares increased due to the issuance of convertible bonds, etc. based on aggressive equity finance during the bubble period.

\* The expected total number of issued shares at the end of November 2025: 160 million shares (after the completion of the repurchase of our own shares that is currently in progress)

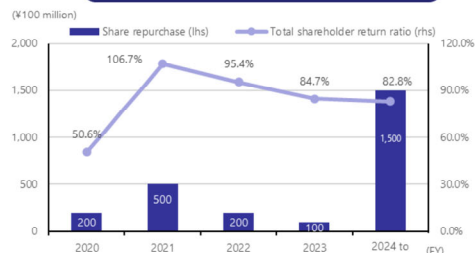
### Dividend payout ratio subject to a lower limit (schematic illustration)



### Dividend/share, dividend payout ratio (full fiscal year)



### Repurchase of our own shares (full fiscal year)



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- ✓ Now, let me explain shareholder returns in view of our financial policy and FY2024 results.
- ✓ The Company will introduce the “dividend payout ratio subject to lower limit” of 30% from the next fiscal year as a new dividend policy for the purpose of expressing our strong commitment to the realization of the targets of the Medium-Term Business Plan and in compliance with the dividend policy.
- ✓ This is to guarantee 150 yen per share as the lower limit of the dividend, which is calculated by multiplying the announced net income forecast of 80.0 billion yen, by the dividend payout ratio of 30%, and to revise the dividend forecast upward based on the dividend payout ratio of 30% if financial results exceed the forecast.
- ✓ We will execute repurchase of our own shares flexibly based on our financial policy in the same manner as before.
- ✓ For the purpose of enhancing the value per share, we are prioritizing the reduction of the total number of issued shares over dividend increase and have continued the repurchase of our own shares and cancellation of our treasury shares over the last 10 years.
- ✓ Recognizing that our dividend payout ratio and dividend yield are inferior to those of other companies, we are planning to introduce a shareholder return policy focusing on dividend, such as raising the dividend payout ratio, once we see a clear path toward reducing the total number of issued shares to around 140 million shares.



## **II. FY2024 Financial Results FY2025 Financial Forecasts**

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- ✓ In this section, I will explain the results and forecasts using figures on a consolidated basis unless otherwise noted.
- ✓ I will generally use consolidated figures for my explanation.
- ✓ I will refer to fiscal year 2024 as the "current fiscal year" and fiscal year 2025 as the "next fiscal year."
- ✓ The figures shown have been changed from rounded to truncated, starting from fiscal 2024, including figures for previous years.

## Financial summary

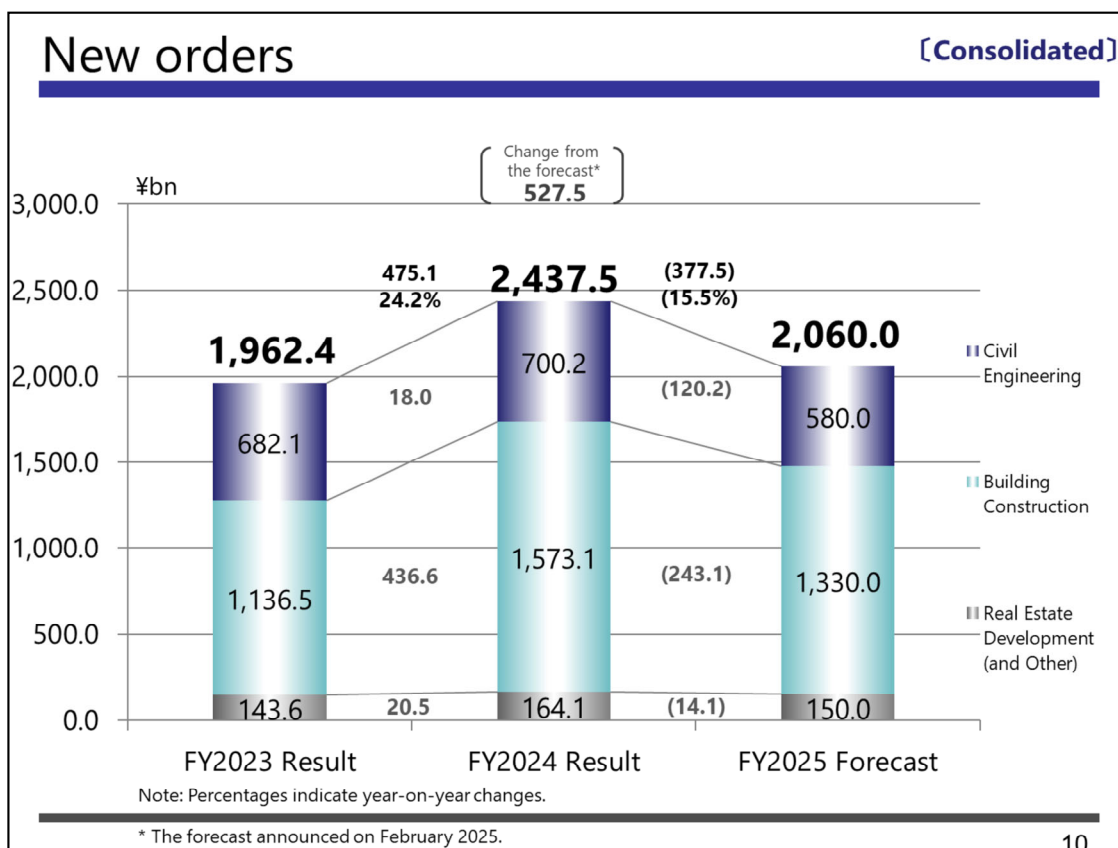
- ✓ In FY2024, new orders, net sales, and profits at all levels increased YoY.
- ✓ In FY2025, we expect both net sales and profits to decrease YoY from the strong results in FY2024. However, we expect that gross profit will be maintained at about the same level as in FY2024 as the profitability in Building Construction of Taisei Corporation is expected to improve.

	FY2023 Result	FY2024 Result	YoY Change	FY2025 Forecast	YoY Change
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<b>New orders</b>	1,962.4	2,437.5	475.1	2,060.0	(377.5)
<b>Net sales</b>	1,765.0	2,154.2	389.2	1,960.0	(194.2)
<b>Gross profit</b>	127.4 7.2%	231.1 10.7%	103.7 3.5Pt	227.0 11.6%	(4.1) 0.9Pt
<b>Operating income</b>	26.4 1.5%	120.1 5.6%	93.6 4.1Pt	101.0 5.2%	(19.1) (0.4Pt)
<b>Net income attributable to owners of parent</b>	40.2 2.3%	123.8 5.7%	83.5 3.4Pt	80.0 4.1%	(43.8) (1.6Pt)
<b>Net income per share (¥)</b>	215.75	682.78	467.03	487.61 *	(195.17)
<b>ROE</b>	4.6%	13.8%	9.2Pt	9.5% *	(4.3Pt)

\* Net income per share and ROE of FY2025 forecast is described with consideration of the effect of share repurchase.

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- ✓ Comparing the results of the current fiscal year with the results of the previous fiscal year, new orders of Building Construction increased significantly as we have received orders for multiple large construction projects.
- ✓ PS Construction and Satohide, which were acquired in the previous fiscal year, have been included in the consolidation since the beginning of the current fiscal year, which is the factor contributing to the increases of items below new orders compared to the previous fiscal year.
- ✓ Net sales increased as Domestic Civil Engineering began the year with a higher backlog, and project progress was steady. In the Building Construction segment, sales increased as several large projects in Japan reached their peak construction phases.
- ✓ Gross profit increased mainly due to the absence of the large construction loss provision that was recognized in the previous fiscal year in the Building Construction segment.
- ✓ Operating income and other profits below all increased as non-operation income and loss improved due to the one-time amortization of negative goodwill and extraordinary profit and loss improved along with gain on sale of investment securities increased due to the progress of the reduction of cross-shareholdings.
- ✓ Regarding the financial forecast for the next fiscal year, new orders, net sales, and profits at all levels are expected to decrease.
- ✓ However, we expect that gross profit will be maintained at about the same level with the current fiscal year despite the decrease in net sales as the profitability is expected to improve going forward in Building Construction of Taisei Corporation.



### [FY2024 Result]

- ✓ New orders in the current fiscal year were 2,437.5 billion yen, up 475.1 billion yen YoY.
- ✓ New orders of Civil Engineering increased due to the contribution of the subsidiaries.
- ✓ New orders of Building Construction increased due to orders received for multiple large private-sector construction projects in Japan.
- ✓ New orders of Real Estate Development (and Other) increased due to an increase in the number of sale transactions of income properties at a subsidiary.

### [FY2025 Forecast]

- ✓ New orders in the next fiscal year are expected to be 2,060.0 billion yen, down 377.5 billion yen compared to the current fiscal year.
- ✓ New orders of both Civil Engineering and Building Construction in the next fiscal year are expected to decrease due to the absence of the orders that we received for large construction projects in the previous fiscal year.
- ✓ New orders of Real Estate Development (and Other) are expected to decrease due to the decision to sell properties for sale was brought forward to FY2024.

## Major new orders [Civil Engineering]

[Non-consolidated]

Order receipt period	Project	Type of construction	Client	Industry
Q1	Detail Design and Construction Works for tunnel of Tokiwabashi district	Road	Metropolitan Expressway Company Limited	Government related enterprise
Q4	Ban-Etsu Expressway Kuromoriyama Tunnel Construction	Road	East Nippon Expressway Company Limited	Government related enterprise
Q4	Nakagawa Construction-Generated Soil Improvement Plant Reconstruction Works II	Water supply and sewerage	Bureau of Sewerage, Tokyo Metropolitan Government	Local Public Enterprises
Q4	Construction work for land preparation/paving of Runway B extension section	Port development	Narita International Airport Corporation	Government related enterprise
Q4	Construction work of Station Renovation at access service by railways to the airport in Tokyo International Airport	Railroad	Kanto Regional Development Bureau	National Government

☐ : Public  
☐ : Private  
☐ : Overseas

\*New orders (Domestic construction business) by type of construction and industry are described in the Supplementary data.

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- ✓ These are the major new projects orders received by Civil Engineering of Taisei Corporation.

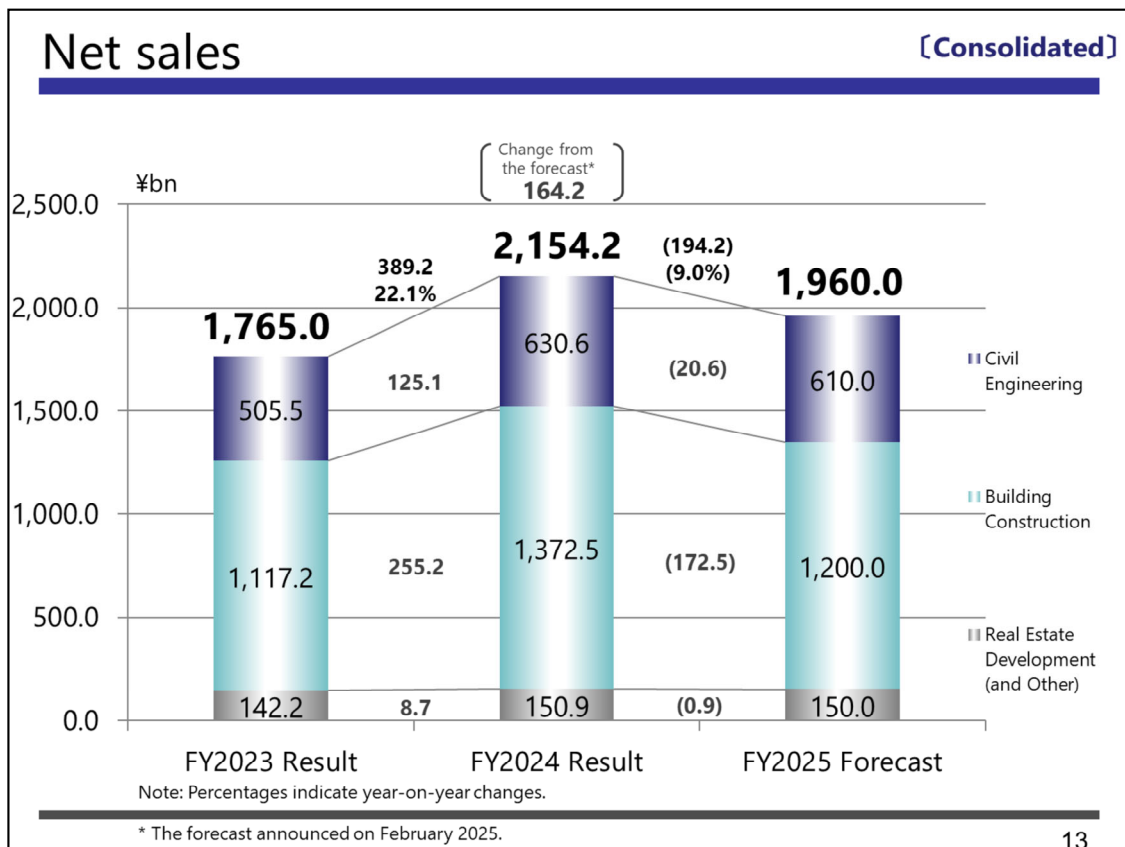
## Major new orders [Building Construction] [Non-consolidated]

Order receipt period	Project	Type of construction	Client	Industry
3Q	New Building Construction Work (South district) for Yaesu 1-chome North district Category 1 Urban Redevelopment Project	Office	Yaesu 1-chome North district Urban redevelopment association	Service
4Q	New Building Construction Work (district A) for Nishi-Azabu 3-chome Northeast district Category 1 Urban Redevelopment Project	Housing	Nishi-azabu 3-Chome Northeast district Urban redevelopment association	Service
4Q	Chita Thermal Power Station Units 7 and 8 Construction Plan	Factory and Power plant	Chita Energy Solutions LLC	Electric and gas
3Q	New Building Construction Work (South district) for Mita-Koyama cho West District Category 1 Urban Redevelopment Project	Housing	Mita-Koyama cho West district Urban redevelopment association	Service
4Q	Renovation and expansion work of Fukuoka Airport domestic terminal complex and existing terminal building	Others	Fukuoka International Airport Co.,Ltd.	Real estate

 : Public  
 : Private  
 : Overseas

\*New orders (Domestic construction business) by type of construction and industry are described in the Supplementary data.

- ✓ These are the major new projects orders received by Building Construction of Taisei Corporation.



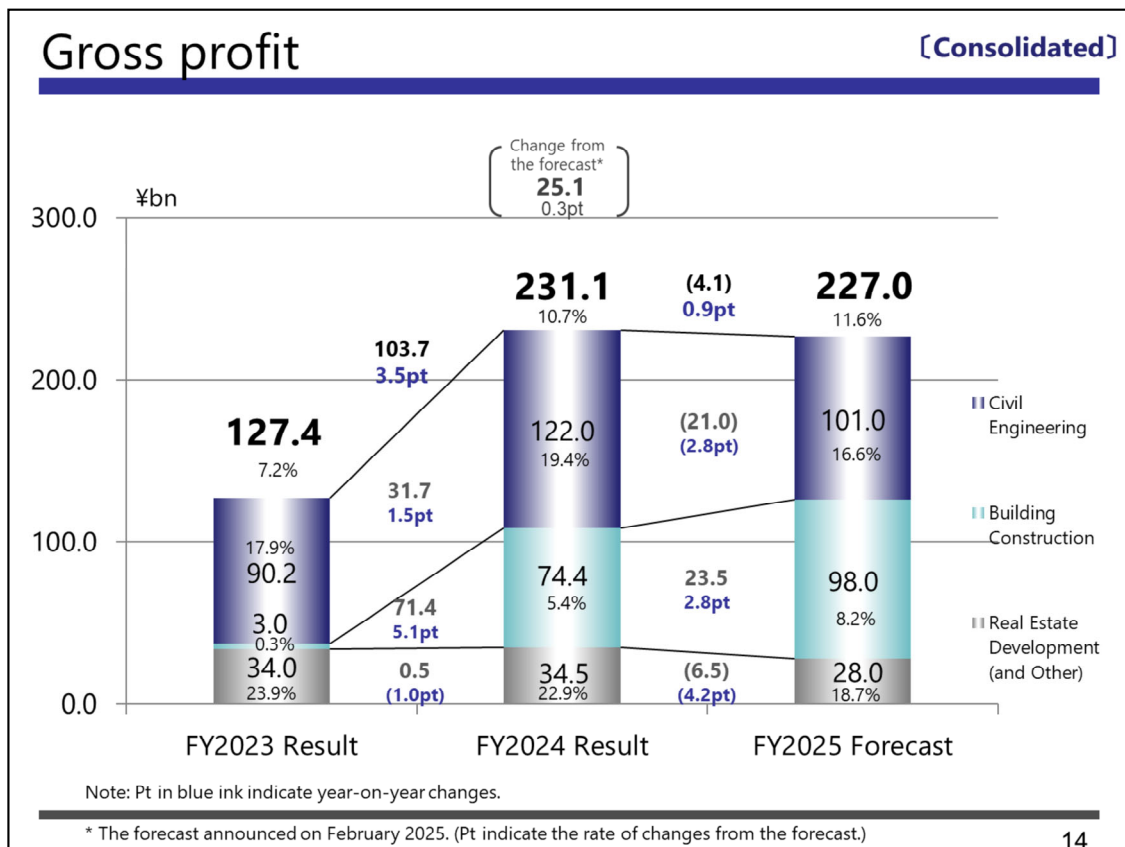
### [FY2024 Result]

- ✓ Net sales in the current fiscal year were 2,154.2 billion yen, up 389.2 billion yen YoY.
- ✓ Net sales of Civil Engineering increased as the backlogs at the beginning of the fiscal year increased and their project process progressed steadily.
- ✓ Net sales of Building Construction increased as several large-scale domestic projects reached peak construction phases.
- ✓ Net sales of Real Estate Development (and Other) rose due to an increase in the number of sale transactions of income properties at a subsidiary.

### [FY2025 Forecast]

- ✓ Net sales in the next fiscal year are expected to be 1,960.0 billion yen, down 194.2 billion yen compared to the current fiscal year.
- ✓ In Civil Engineering, net sales are expected to decline due to the absence of large-scale government projects that significantly contributed to the current year's performance. In Building Construction, a decline is also expected as the impact of large domestic projects reaching peak phases in FY2024 will not recur.
- ✓ Net sales of Real Estate Development (and Other) are expected to be almost at the same level as in the current fiscal year.



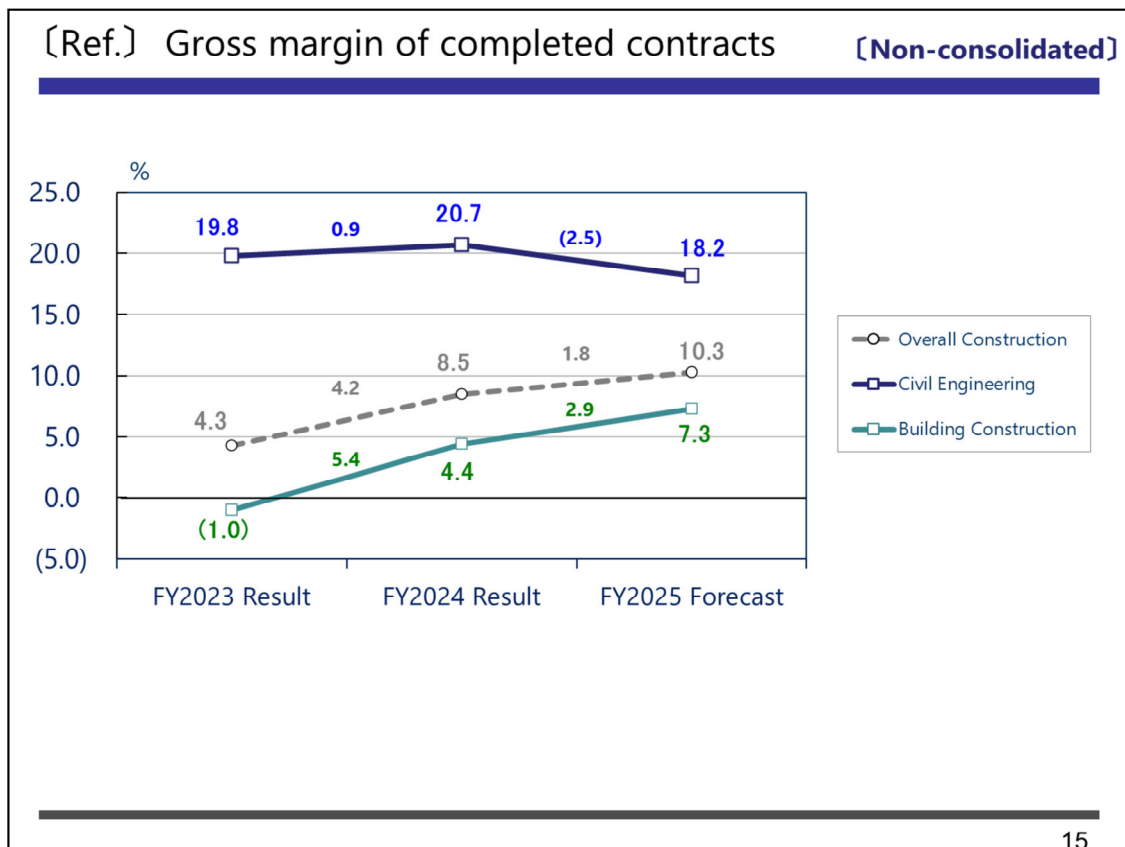


### [FY2024 Result]

- ✓ Gross profit in the current fiscal year was 231.1 billion yen, up 103.7 billion yen YoY.
- ✓ Gross profit of Civil Engineering increased due to the increase in net sales and the improvement of profit margin.
- ✓ Gross profit of Building Construction increased mainly due to the absence of a loss that was recognized for large domestic projects in the previous fiscal year, but also due to the effect of increase in net sales, the improvement of profitability at the time of order, additional construction work, triggering of an inflation adjustment clause.
- ✓ Gross profit of Real Estate Development (and Other) was almost at the same level as in the previous fiscal year.

### [FY2025 Forecast]

- ✓ Gross profit in the next fiscal year is expected to be 227.0 billion yen, roughly flat from the current fiscal year.
- ✓ Gross profit of Civil Engineering is expected to decrease because our forecast can't reflect the acquisition of all additional work pertaining to backlogs at the time of target setting.
- ✓ On the other hand, gross profit of Building Construction is expected to increase due to the improvement of profit margin despite the effect of decrease in net sales.
- ✓ Gross profit of Real Estate Development (and Other) are expected to decrease due to Decline in the profitability of facility management business at subsidiaries.

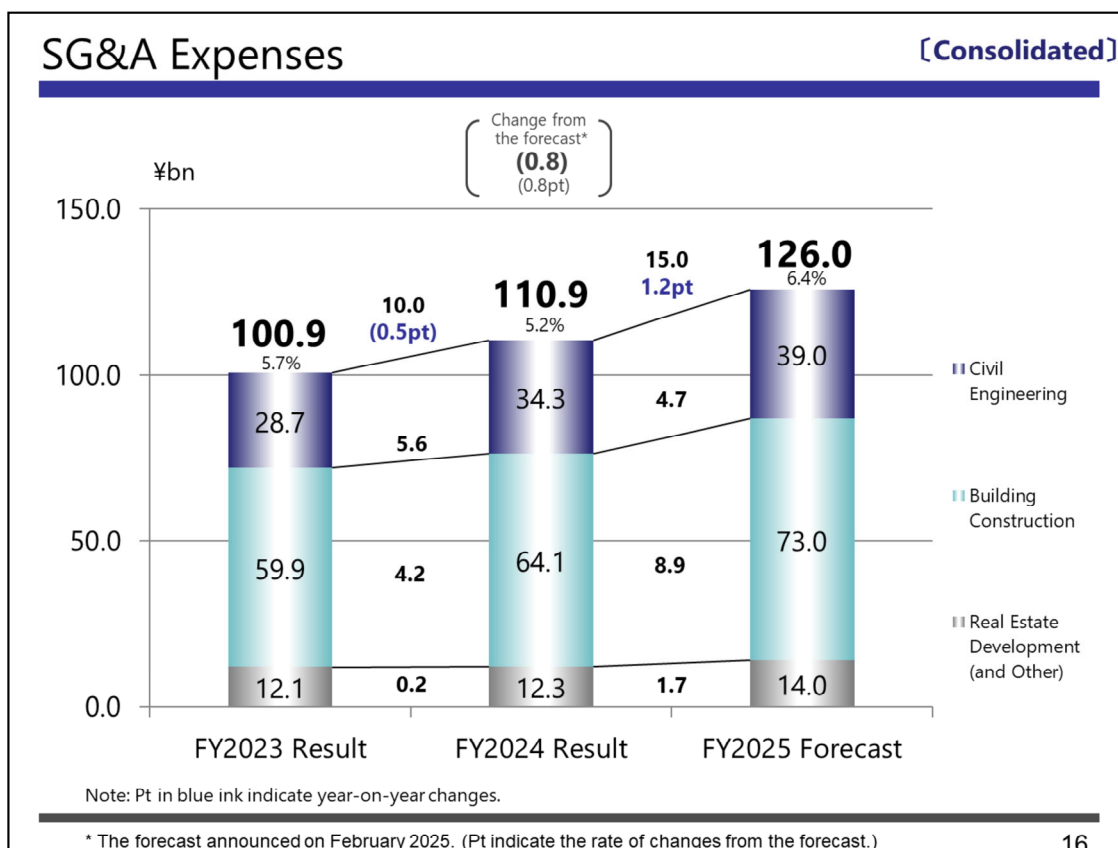


[FY2024 Result]

- ✓ Gross margin in the current fiscal year was 8.5%, up 4.2 percentage points YoY.
- ✓ Gross margin of Civil Engineering was 20.7%, up 0.9 percentage points YoY as profit margin improved mainly due to the acquisition of additional change work.
- ✓ Gross margin of Building Construction was 4.4%, up 5.4 percentage points YoY mainly due to the absence of a loss that was recognized in the previous fiscal year in large domestic construction projects
- ✓ The balance of provision for loss on construction contracts was 102.3 billion yen, up 6.3 billion yen YoY. The increase is due to lack of price fluctuation conditions under the contracts of large projects to be agreed with the project owners and us, which consists the backlog of Domestic Building Construction, therefore resulting in expenditures going ahead of revenue at the end of this fiscal period.

[FY2025 Forecast]

- ✓ Gross margin in Civil Engineering in the next fiscal year is expected to be 18.2%, down 2.5 percentage points, and that in Building Construction is expected to be 7.3%, up 2.9 percentage points. Consequently, overall gross margin in the next fiscal year is expected to be 10.3%, up 1.8 percentage points.
- ✓ In Civil Engineering profit margin is expected to decrease, because we cannot reflect in the forecast the favorable events such as the acquisition of additional works, which are not decided at the time of target setting.
- ✓ In Building Construction profit margin is expected to improve due to the effect of improvement of the profitability at the time of order and further progress of the replacement of low-profitability projects with high-profitability projects in backlogs.

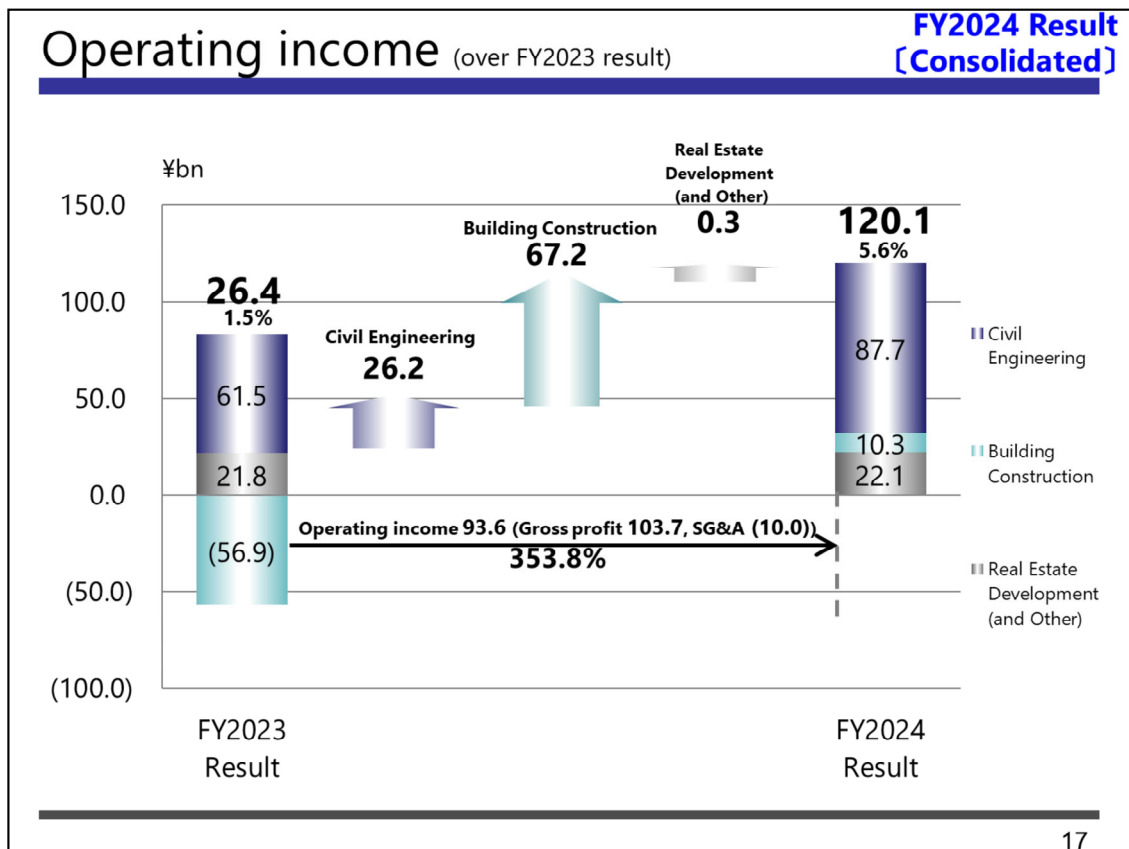


### [FY2024 Result]

- ✓ SG&A in the current fiscal year was 110.9 billion yen, up 10.0 billion yen YoY due to an increase in personnel expenses, including a base wage increase, as well as the impact of including subsidiaries that were consolidated in the previous fiscal year at the beginning of the current fiscal year.

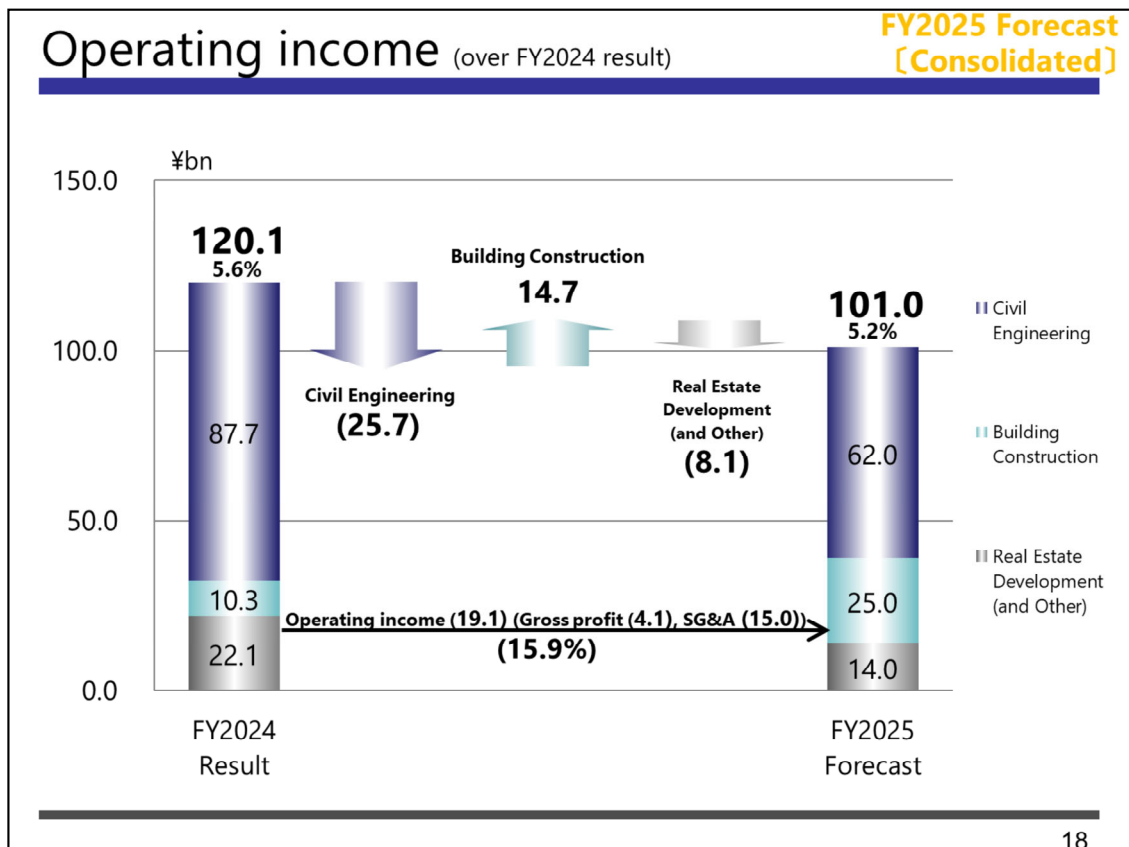
### [FY2025 Forecast]

- ✓ SG&A in the next fiscal year is expected to be 126.0 billion yen, up 15.0 billion yen YoY due to a continued increase in personnel expenses as a result of full-scale implementation of human resources system reform based on human capital investments, as well as an increase in research and development expenses aligned with our investment plan.



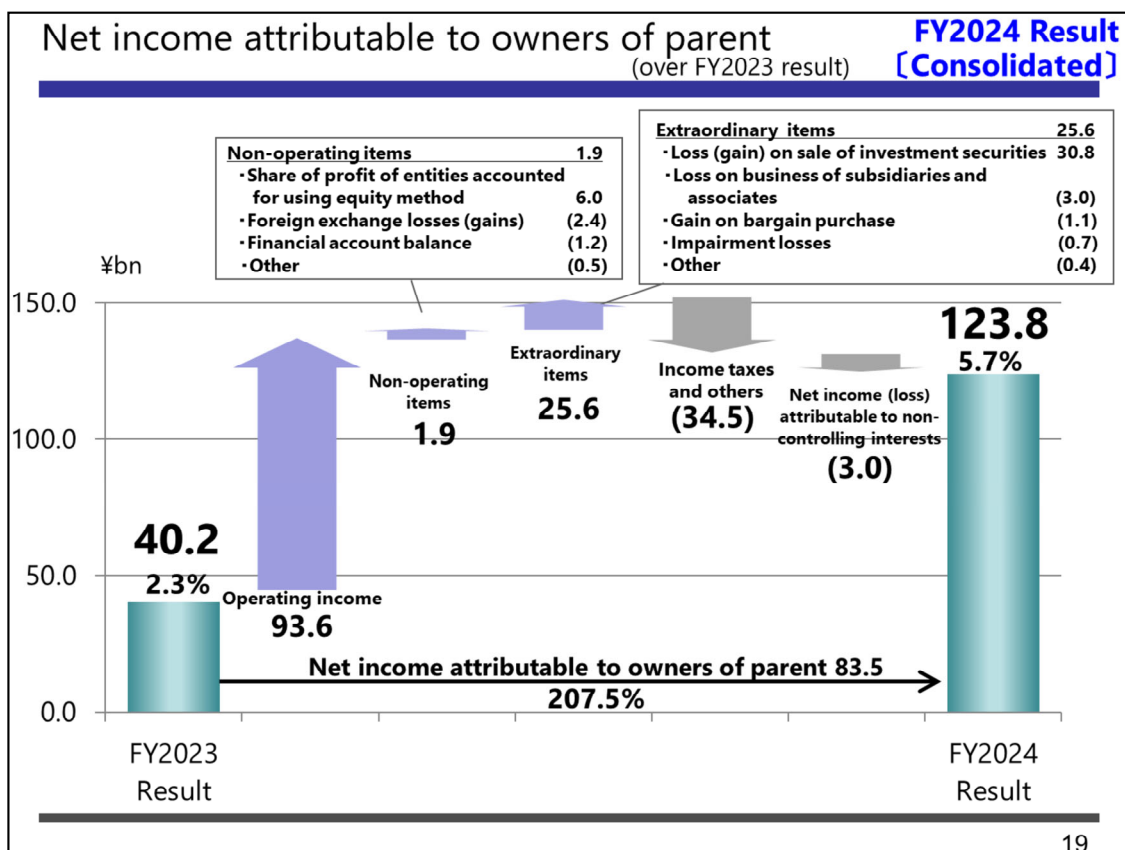
[FY2024 Result]

- ✓ Although SG&A increased, operating income in the current fiscal year was 120.1 billion yen, up 93.6 billion yen YoY due to an increase in gross profit.



[FY2025 Forecast]

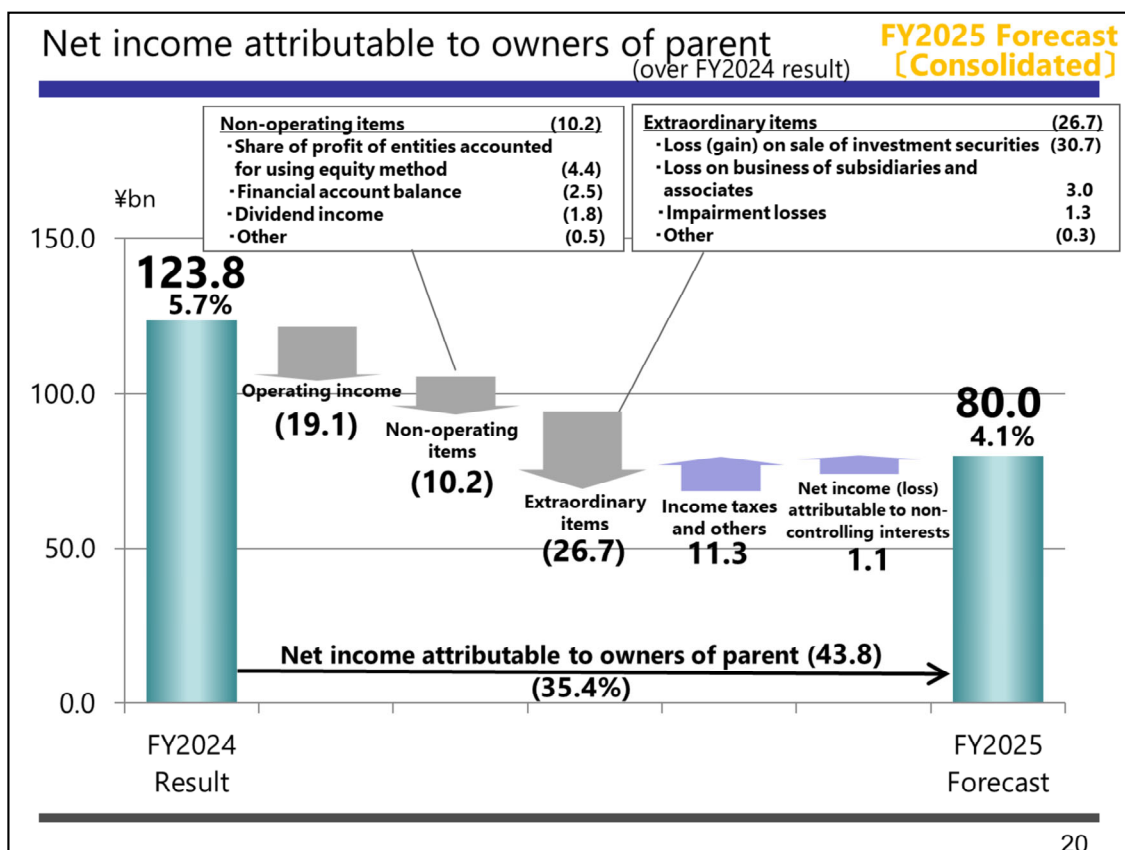
- ✓ Operating income in the next fiscal year is expected to be 101.0 billion yen, down 19.1 billion yen YoY as SG&A is expected to increase while gross profit is expected to remain roughly flat from the current fiscal year.



[FY2024 Result]

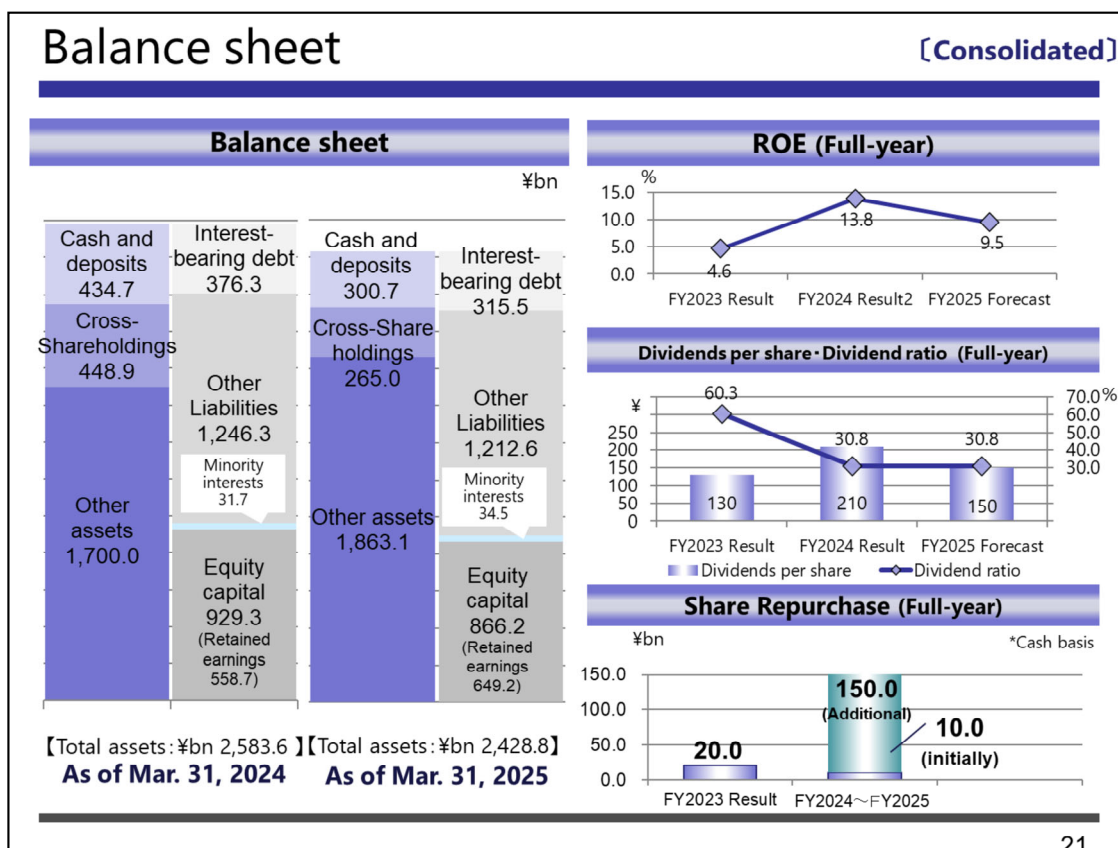
- ✓ As extraordinary income and loss increased due to an increase in gain on sale of investment securities, net income attributable to owners of the parent in the current fiscal year was 123.8 billion yen, up 83.5 billion yen YoY.
- ✓ Non-operation income and loss increased due to an increase in our share of profit of entities accounted for using equity method due to the one-time amortization of negative goodwill recognized in relation to the M&A of Heiwa Real Estate Co., Ltd.



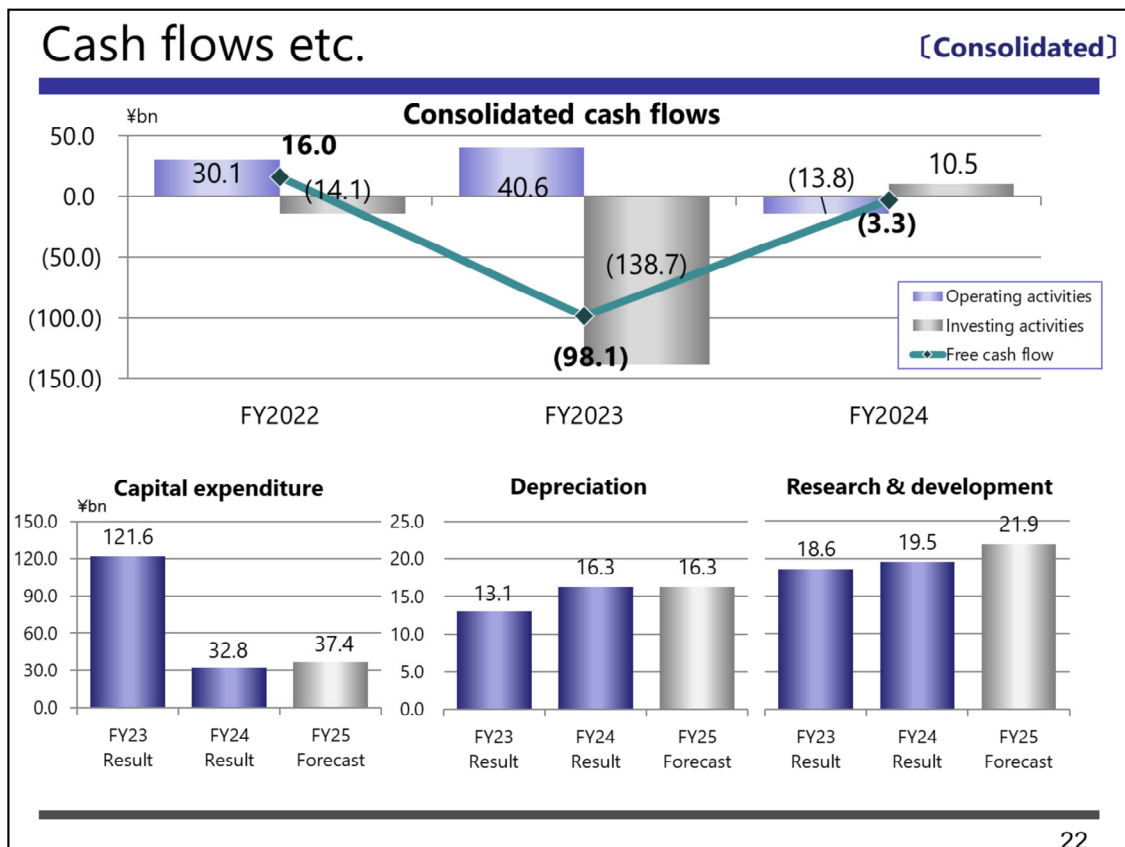


[FY2025 Forecast]

- ✓ Net income attributable to owners of the parent in the next fiscal year is expected to be 80.0 billion yen, down 43.8 billion yen YoY, due to decreases in operating income, non-operating income and loss, and extraordinary income and loss.
- ✓ Non-operation income and loss are expected to decrease 10.2 billion yen due to the absence of an increase in our share of profit of entities accounted for using equity method recognized in the current fiscal year.
- ✓ Extraordinary income and loss are expected to decrease 26.7 billion yen due to the absence of gain on sale of investment securities recorded in the current fiscal year.



- ✓ Total assets as of March 31, 2025 was 2,428.8 billion yen, down 154.8 billion yen YoY.
- ✓ Cash and deposits were 300.7 billion yen, down 134.0 billion yen and interest-bearing debt was 315.5 billion yen, up 60.8 billion yen. As a result, the net position changed to net debt of 14.8 billion yen from net cash in the previous year.
- ✓ Equity capital was 866.2 billion yen, down 63.1 billion yen, and equity ratio was 35.7%, down 0.3 percentage points.
- ✓ ROE is expected to be 9.5% in the next fiscal year, compared to 13.8% in the current fiscal year.
- ✓ The dividend in the next fiscal year is expected to be 150 yen per share, based on a “dividend payout ratio subject to a lower limit” of 30%.
- ✓ With regard to the repurchase of own shares, we are making steady progress toward the repurchase program up to 150.0 billion yen announced in November 2024, and have repurchased own shares of 72.0 billion yen by the end of March this year.
- ✓ We will continue to work on this repurchase program through the end of the planned repurchase period on November 7, 2025 without delay.



- ✓ Cash flow from operating activities in the current fiscal year was minus 13.8 billion yen, down 54.4 billion yen YoY.
- ✓ Free cash flow including investing activities in the current fiscal year was minus 3.3 billion yen, the situation where expenditures exceed income, up 94.8 billion yen YoY.
- ✓ Capital expenditure in the current fiscal year was 32.8 billion yen, down 88.8 billion yen YoY due to the absence of the acquisition of real estate for lease recorded in the previous fiscal year.
- ✓ Capital expenditure in the next fiscal year is expected to be 37.4 billion yen, up 4.6 billion yen YoY due to the investment in the Domestic Real Estate Development Business (Honmachi 4-chome Project).
- ✓ Research & development expenses in the current fiscal year was 19.5 billion yen, up 0.9 billion yen YoY and is expected to be 21.9 billion yen in the next fiscal year, up 2.4 billion yen YoY due to continued efforts in focused areas, such as DX and environment-related based on the investment plan of Medium-Term Business Plan.

## [Reference] Progress on the reduction of Cross-holding Shares

### Progress of the plan

**Reduction plan**(publicly announced in Dec.2023)  
The amount will be **less than 20%** of our consolidated net assets by **the end of the fiscal year 2026**

Planned sale amount sold (planned): **195.5 billion yen**

Number of brands (planned): **114 brands\***

\*Listed shares & Deemed possessed shares

**(sold + not sold but agreed to be sold) /**

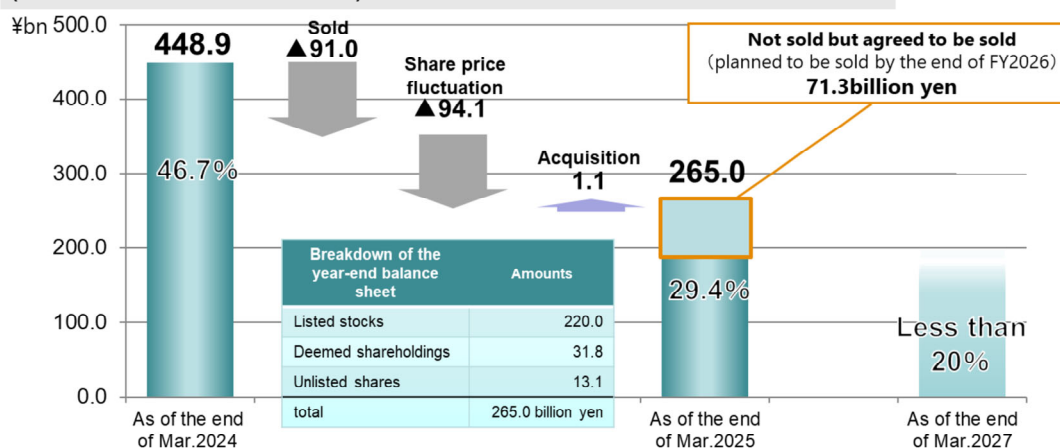
**reduction target [progress rate]**

**202.5 billion yen / 195.5 billion yen [103.6%]**

**106 brands / 114 brands [93%]**

\*the market prices at the time of the formulation of the plan  
(as of the end of Mar.2023)

### Change in the balance of Cross-holdings Shares against consolidated net assets (the market values as of the end of Mar.2025)



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- ✓ Lastly, the reduction status of cross-shareholdings is as described.
- ✓ The balance of cross-shareholdings as of March 31, 2025 was 265.0 billion yen, which accounts for 29.4% of consolidated net assets.
- ✓ We will continue our efforts to achieve the reduction plan, which aims to reduce the ratio of cross-shareholdings to consolidated net assets to levels below 20% by the end of March 2027.

## Disclaimer

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This information was translated into English and presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between Japanese "Kessan Setumeikai Siryou" and this document, Japanese "Kessan Setumeikai Siryou" shall prevail.