Note: This document has been translated from the original in Japanese for reference purposes only. In the event of any discrepancy between this translated document and the original in Japanese, the original shall prevail.

To our shareholders:

We would like to extend our sincere gratitude to our shareholders for their continued support. On the occasion of reporting on our Company's 87th fiscal year (from April 1, 2025 to March 31, 2026), I would like to extend a greeting.

The Japanese economy experienced a moderate recovery as personal consumption showed signs of pickup, while improvements in the employment and income environment continued. At the same time, caution remained necessary regarding the risk of downward pressure on the economy, due to factors such as the impact of U.S. trade policies and continued inflation.

Domestic demand for corrugated containers fell slightly below the previous year's level, mainly due to the decline in demand for fresh produce and processed food. In the Group's domestic Corrugated Container sector, overall sales volume fell below the previous year's level, due to a decline in shipments of processed foods, our mainstay business. Meanwhile, the selling price rose as a result of the product price revision.

In the domestic Housing market, new housing starts fell sharply by double digits mainly due to a decline in demand following the rush to build before energy efficiency standards became mandatory, as well as rising construction costs. In the Group's Housing sector, for Sweden House Co., Ltd., the number of units sold declined compared to the previous year. At Tamazen Co., Ltd., although the number of properties sold declined, the number of renovations exceeded that of the previous year. Moreover, both companies worked to pass on rising construction costs to their selling prices in an effort to improve profit margins.

In the logistics industry, the total volume of domestic cargo transport fell for the fourth consecutive year.

In the Group's Transportation and Logistics sector, handling volumes increased by implementing full-year handling operations at the logistics center for a major retailer, which commenced operations last year, and by opening a new facility for beverage-related cargo. Transport procurement costs have increased due to the impact of the 2024 problem. However, we worked to optimize logistics costs through negotiations and improve transportation efficiency.

The Japanese economy is expected to see a moderate recovery supported by improvements in the employment and income environment and the effects of various government policies. However, we must pay close attention to the risks of downward pressure on the Japanese economy, such as the situation in the Middle East, fluctuations in financial and capital markets, and developments surrounding the U.S. trade policy.

Amid these circumstances, the Group will enter the first fiscal year of its Third Medium-Term Business Plan, and we will further strive to enhance corporate value. Based on our policy for paying stable dividends to shareholders, the year-end dividend for the fiscal year ended March 31, 2026 is set at 65 yen per share with the payment date set for June 8, 2026, as resolved at the Board of Directors meeting held on May 15, 2026.

For the next fiscal year, the Company plans to pay an annual dividend of 170 yen per share, including an interim dividend of 85 yen per share.

To all of our shareholders, we sincerely appreciate your continued understanding, support, and cooperation.

June 2026

Mitsuo Nakahashi, President & Chief Executive Officer

Attachments to the 87th Notice of Convocation

Business Report

(from April 1, 2025 to March 31, 2026)

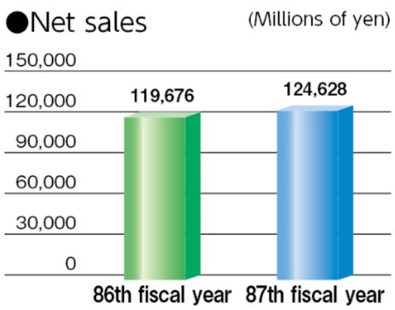
1. Matters Regarding the Current Status of the Corporate Group

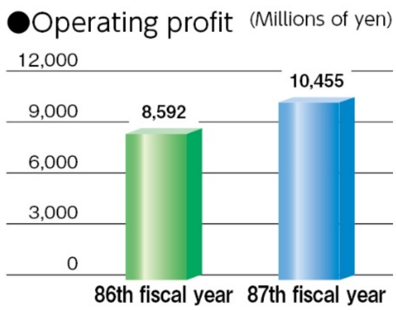
(1) Business activities and results

The Japanese economy, for the current fiscal year, experienced a moderate recovery as personal consumption showed signs of pickup, while improvements in the employment and income environment continued. At the same time, caution remained necessary regarding the risk of downward pressure on the economy, due to factors such as the impact of U.S. trade policies and continued inflation.

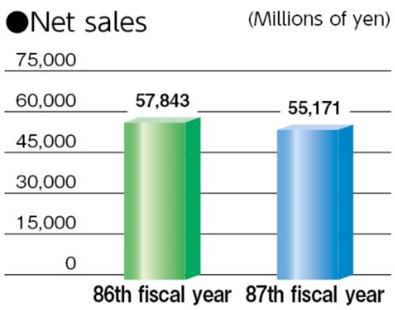
Amid these circumstances, the Group entered the final fiscal year of its Second Medium-Term Business Plan, and we worked to enhance corporate value. As a result, we posted consolidated net sales of 224,090 million yen, an increase of 2.0% from the previous fiscal year, consolidated operating income of 11,378 million yen, an increase of 21.6%, consolidated ordinary profit of 11,445 million yen, an increase of 21.7%, and current net income attributable to parent company's shareholders of 7,361 million yen, an increase of 13.1%.

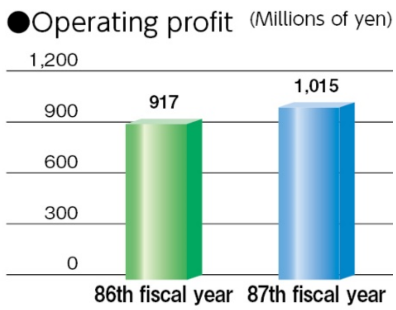
Corrugated Container



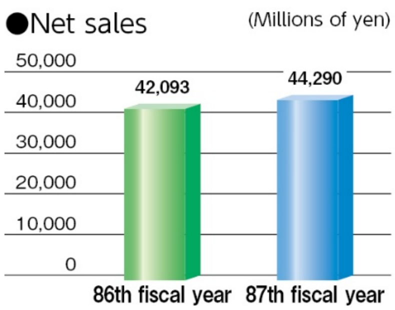


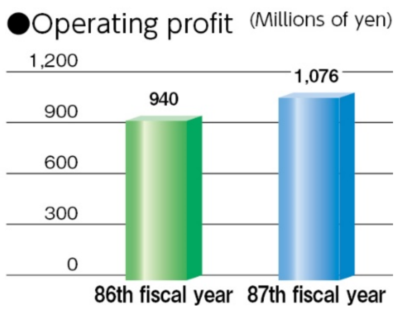
Housing



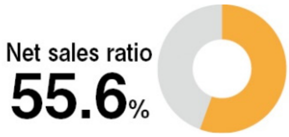


Transportation and Logistics





Corrugated Container		
	Sales	124,628 million yen (Up 4.1% YoY)
	Operating income	10,455 million yen (Up 21.7% YoY)



Domestic demand for corrugated containers fell slightly below the previous year's level, mainly due to the decline in demand for fresh produce and processed food.

In the Group's domestic Corrugated Container sector, overall sales volume fell below the previous year's level, due to a decline in shipments of processed foods, our mainstay business. Meanwhile, the selling price rose as a result of the product price revision.

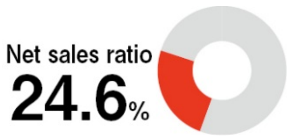
Our corrugated packing works significantly increased its production capacity by upgrading the processing equipment at our Kyushu Works to state-of-the-art high-speed printing presses. As part of measures against recent heat waves, we have installed and upgraded air-conditioning systems and cooling fans at each of our works to improve the working environment.

Our consolidated subsidiary, Taiyo Co., Ltd., relocated its works to Isehara-shi, Kanagawa Prefecture, and commenced operations of its state-of-the-art facility in January 2026, establishing a stable production and supply system in Kanagawa Prefecture. Moreover, in March 2025, we established a new hands-on safety training center equipped with 11 types of equipment and facilities to conduct experiential hazard training, strengthening our occupational health and safety systems.

In the overseas Corrugated Container sector, despite a slight increase in sales volume at our Vietnam subsidiary, the total overseas sales volume fell below the previous year's level, as our U.S. subsidiary was affected by a decline in demand due to trade policies and other factors.

As a result, the Corrugated Container sector recorded sales of 124,628 million yen, an increase of 4.1% over the previous year, and operating income of 10,455 million yen, an increase of 21.7%.

Housing		
	Sales	55,171 million yen (Down 4.6% YoY)
	Operating income	1,015 million yen (Up 10.6% YoY)



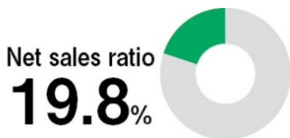
In the domestic Housing market, new housing starts fell sharply by double digits mainly due to a decline in demand following the rush to build before energy efficiency standards became mandatory, as well as rising construction costs.

In the Group's Housing sector, for Sweden House Co., Ltd., the number of units sold declined compared to the previous year. At Tamazen Co., Ltd., although the number of properties sold declined, the number of renovations exceeded that of the previous year. Moreover, both companies worked to pass on rising construction costs to their selling prices in an effort to improve profit margins.

Sweden House Co., Ltd. merged with its subsidiary, Sweden House Reform Co., Ltd., effective July 1, 2025, thereby establishing a structure to provide a one-stop service covering everything from new builds to renovations. The Company also maintained high customer satisfaction ratings and was ranked in the top spot overall for the 12th consecutive year in the ORICON Customer Satisfaction ® Survey in custom-built housing.

As a result, the Housing sector recorded sales of 55,171 million yen, a decrease of 4.6% compared to the previous year, and operating income of 1,015 million yen, an increase of 10.6%.

Transportation and Logistics		
	Sales	44,290 million yen (Up 5.2% YoY)
	Operating income	1,076 million yen (Up 14.4% YoY)



In the logistics industry, the total volume of domestic cargo transport fell for the fourth consecutive year.

In the Group's Transportation and Logistics sector, handling volumes increased by implementing full-year handling operations at the logistics center for a major retailer, which commenced operations last year, and by opening a new facility for beverage-related cargo. Transport procurement costs have increased due to the impact of the 2024 problem. However, we worked to optimize logistics costs through negotiations and improve transportation efficiency.

As a result, the Transportation and Logistics sector recorded sales of 44,290 million yen, an increase of 5.2% compared to the previous year, and operating income of 1,076 million yen, an increase of 14.4%.

(2) Capital investments

Total capital investments of the corporate group in this fiscal year came to 10,872 million yen. The main capital investments were for relocating Taiyo Co., Ltd., for expanding SOUTHLAND BOX COMPANY, and for upgrading equipment for quality improvement purposes.

(3) Financing

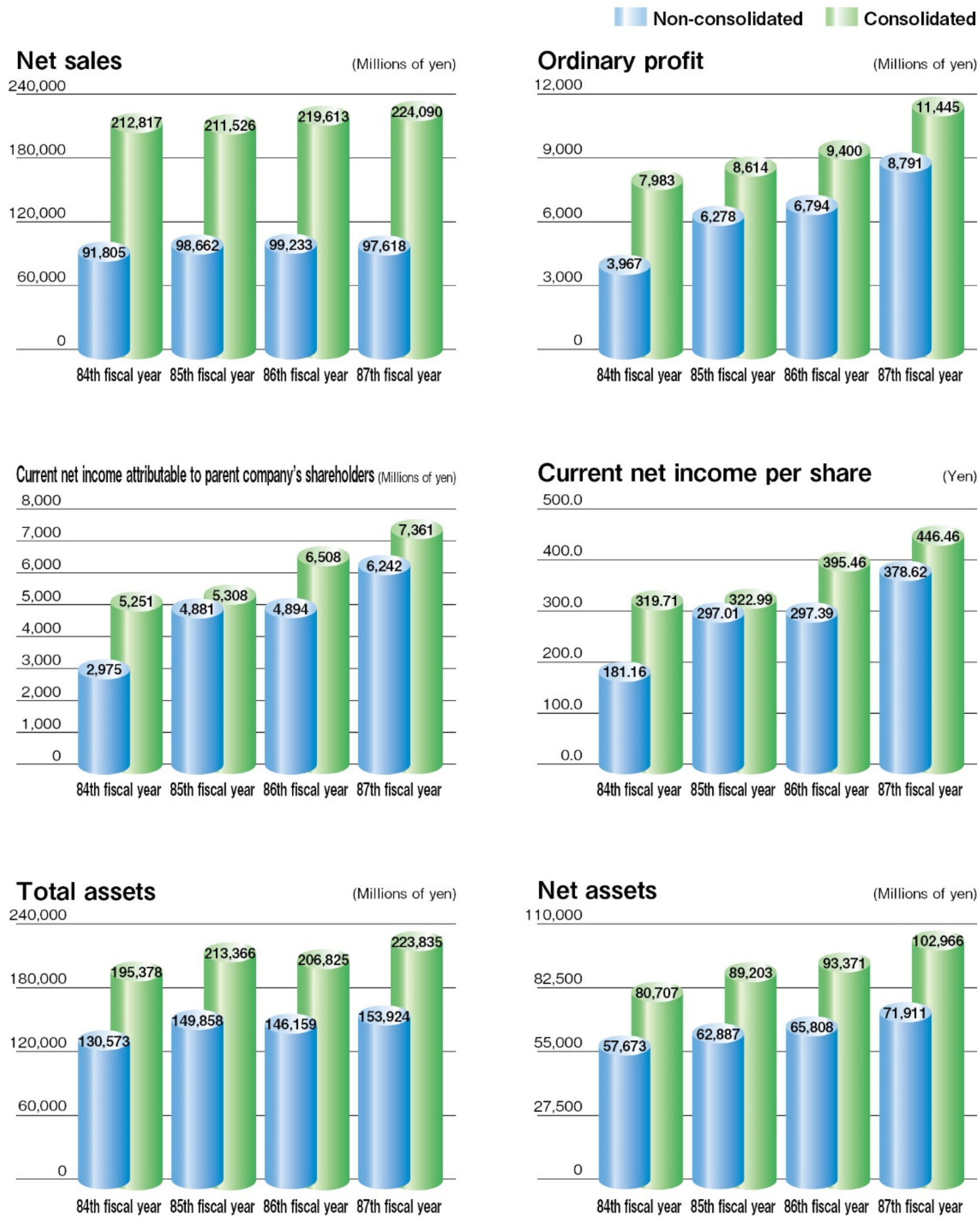
In terms of financing during the fiscal year, we procured 6,064 million yen in long-term borrowings in order to install and upgrade equipment, and to allocate it to the repayment of long-term borrowings. We repaid our long-term borrowings totaling 8,173 million yen.

(4) Trends in assets at the end of and operating results in the (current and) most recent three fiscal years

Category		84th Term (Fiscal year ended March 31, 2023)	85th Term (Fiscal year ended March 31, 2024)	86th Term (Fiscal year ended March 31, 2025)	87th Term (Current fiscal year) (Fiscal year ended March 31, 2026)
Sales	(millions of yen)	212,817	211,526	219,613	224,090
Ordinary profit	(millions of yen)	7,983	8,614	9,400	11,445
Current net income attributable to parent company's shareholders	(millions of yen)	5,251	5,308	6,508	7,361
Current net income per share	(yen)	319.71	322.99	395.46	446.46
Total assets	(millions of yen)	195,378	213,366	206,825	223,835
Net assets	(millions of yen)	80,707	89,203	93,371	102,966

Note: Current net income per share is calculated based on the average number of shares outstanding during the period (after the deduction of treasury shares).

Financial highlights (reference information)



(5) Issues to be addressed

The Japanese economy is expected to see a moderate recovery supported by improvements in the employment and income environment and the effects of various government policies. However, we must pay close attention to the risks of downward pressure on the Japanese economy, such as the situation in the Middle East, fluctuations in financial and capital markets, and developments surrounding the U.S. trade policy.

Amid these circumstances, the Group will enter the first fiscal year of its Third Medium-Term Business Plan, and we will further strive to enhance corporate value.

In the Corrugated Container sector, we will continue focusing on sales activities emphasizing profitability. We will also place greater emphasis on our overseas businesses, which are expected to be growth drivers. Tomoku Co., Ltd. won the highest number of awards as a Japanese company, receiving six awards at the “WorldStar Award 2026,” organized by the World Packaging Organisation (WPO). We will continue to strengthen our supply system for high-quality, high-value-added products by integrating development, manufacturing and sales.

The business environment in Housing is expected to remain difficult due to rising costs for construction, etc. Sweden House Co., Ltd. integrated the home design business of Hokuyo Koeki Co., Ltd. on April 1, 2026. The company has also opened a new facility, the NORDIC DESIGN CENTER (NDC), in Ariake, Tokyo, offering a one-stop service for original products, Nordic design, and maintenance and renovation proposals. Following the previous year’s merger with Sweden House Reform Co., Ltd., the company has established a system capable of providing comprehensive solutions for new builds, interior design, and renovation, thereby pursuing enhanced brand value and customer satisfaction.

In the Transportation and Logistics sector, domestic cargo volumes are expected to continue declining. The sector also needs to address fluctuations in crude oil prices, the 2024 problem, and the revised Logistics Efficiency Act. Under these circumstances, we will deepen our presence in the beverage sector, one of the Group’s key strengths, engage in negotiations to optimize logistics costs, increase our fleet of vehicles, establish new warehouse locations, and review existing site layouts. We will focus on stabilizing our business foundation by enhancing collaboration with partner companies to secure transport capacity and improve logistics quality. In addition, Fujisho Co., Ltd., which was acquired last year, is located in Okayama Prefecture and serves as a midpoint between Kyushu and Osaka. Going forward, we will operate it as a key hub for relay transportation as a solution to the 2024 problem. We will also continue to expand our product lineup of agricultural machinery parts and mechanical parts.

The outlook for consolidated performance for the fiscal year ending March 31, 2027 is expected to be sales of 220,500 million yen, a decrease of 1.6% from the previous fiscal year, operating income of 12,700 million yen, an increase of 11.6%, ordinary profit of 11,900 million yen, an increase of 4.0%, and current net income attributable to parent company’s shareholders of 8,100 million yen, an increase of 10.0%. The impact of the sale of shares of a subsidiary within the Transportation and Logistics sector amounted to approximately 14,000 million yen in sales. However, the impact on each level of profit is minimal. Furthermore, the impact of price increases for energy and petrochemical feedstocks such as crude oil, naphtha, and diesel fuel resulting from a blockade of the Strait of Hormuz has not been included, as it is difficult to make a reasonable estimate of the financial impact at this time. We will continue to monitor developments closely and take prompt action to minimize the impact on our business performance.

To all of our shareholders, we sincerely appreciate your continued understanding, support, and cooperation.

(6) Principal parent company and significant subsidiaries

(i) Parent company

Not applicable.

(ii) Significant subsidiaries

Subsidiary	Capital (Millions of yen, unless otherwise stated)	Capital contribution ratio (%)	Principal business activities
Toshin Package Co., Ltd.	80	100.00	Manufacture and sale of corrugated container products
Sendai Shiki Kogyo Co., Ltd.	90	100.00	Manufacture and sale of corrugated container products
Wako Co., Ltd.	10	100.00	Manufacture and sale of corrugated container products
Taiyo Co., Ltd.	60	100.00	Manufacture and sale of corrugated container products
Daiichi Container Co., Ltd.	125	70.00	Manufacture and sale of corrugated container products
Tokachi Package Co., Ltd.	10	70.00	Manufacture and sale of corrugated container products
Nichiei Shikou Co., Ltd.	20	75.00	Manufacture and sale of corrugated container products
Enshu Kami Kogyo Co., Ltd.	20	100.00	Manufacture and sale of folding carton and corrugated container products
SOUTHLAND BOX COMPANY	(thousands of U.S. dollars) 5,000	100.00	Manufacture and sale of corrugated container products
TOMOKU VIETNAM CO., LTD.	(billions of Vietnamese dong) 200.8	100.00	Manufacture and sale of corrugated container products
Sweden House Co., Ltd.	400	100.00	Design, building, and sale of imported housing
Tamazen Co., Ltd.	95	100.00	Design, building, and sale of housing
Prime Truss Co., Ltd.	280	*100.00	Manufacture and sale of mainly housing materials
TOMOKU HUS AB	(thousands of Swedish krona) 32,000	*100.00	Manufacture and sale of housing materials
Hokuyo Koeki Co., Ltd.	30	*100.00	Wholesale of imported housing materials and golf course management
Hokuyo Co., Ltd.	50	100.00	Trading of packaging materials and insurance agency business
Tohun Co., Ltd.	574	100.00	Transportation and warehousing business
Kanto Tohun Co., Ltd.	20	*100.00	Transportation business
ITO EN LOGITEM, LTD.	100	*66.00	Transportation and warehousing business
Hoju Unyu Co., Ltd.	9.5	*100.00	Transportation business

Notes: 1. Capital contribution ratio with an asterisk denotes indirectly held shares.
2. Sweden House Co., Ltd. merged with its subsidiary, Sweden House Reform Co., Ltd., effective July 1, 2025.
3. The Group sold all of its shares in ITO EN LOGITEM, LTD., effective April 1, 2026.

(7) **Principal business activities** (as of March 31, 2026)

Business Segment	Business Activities
Corrugated Container	Manufacture and sale of corrugated container sheets, containers, and printed cartons
Housing	Manufacture and sale of imported Swedish housing materials Design, building, supervision, and sale of detached homes Housing renovations
Transportation and Logistics	Freight and warehousing businesses

(8) **Major offices and production factories** (as of March 31, 2026)

The Company	Head Office	Chiyoda-ku, Tokyo
	Works	Tatebayashi (Tatebayashi-shi, Gunma) Iwatsuki (Saitama-shi, Saitama) Atsugi (Atsugi-shi, Kanagawa) Nagano (Chino-shi, Nagano) Sapporo (Otaru-shi, Hokkaido) Osaka (Kadoma-shi, Osaka) Kobe (Kobe-shi, Hyogo) Komaki (Komaki-shi, Aichi) Kyusyu (Kiyama-cho, Saga) Shimizu (Shizuoka-shi, Shizuoka) Hamamatsu (Hamamatsu-shi, Shizuoka) Aomori (Aomori-shi, Aomori) Niigata (Seiro-machi, Niigata) Yamagata (Yamagata-shi, Yamagata) Sendai (Iwanuma-shi, Miyagi) Chiba Folding Carton (Chonan-machi, Chiba) Tomoprest (Meiwa-machi, Gunma)
Sweden House Co., Ltd.	Head Office	Setagaya-ku, Tokyo
	Branches Regional Offices	Hokkaido (Sapporo-shi, Hokkaido) Tohoku (Sendai-shi, Miyagi) Kita-kanto (Saitama-shi, Saitama) Chiba (Funabashi-shi, Chiba) Tokyo (Musashino-shi, Tokyo) Yokohama (Yokohama-shi, Kanagawa) Nagoya (Nagoya-shi, Aichi) Kansai (Kobe-shi, Hyogo) Kyusyu (Fukuoka-shi, Fukuoka)
	Display House	Hokkaido area (10 locations) Tohoku area (2 locations) Kanto area (27 locations) Nagoya area (6 locations) Kansai area (5 locations) Chugoku area (2 locations) Kyusyu area (4 locations)
Tohun Co., Ltd.	Head Office	Saitama-shi, Saitama
	Offices	Hokkaido (Otaru-shi, Hokkaido) Tohoku (Tagajo-shi, Miyagi) Kita-kanto No. 1 (Hanyu-shi, Saitama) Kita-kanto No. 2 (Meiwa-machi, Gunma) Kita-kanto No. 3 (Chiyoda-machi, Gunma) Kita-kanto No. 4 (Saitama-shi, Saitama) Minami-Kanto (Atsugi-shi, Kanagawa) Chubu (Mizuho-shi, Gifu) West Japan (Suita-shi, Osaka)
Hokuyo Co., Ltd.	Head Office	Chiyoda-ku, Tokyo
Tamazen Co., Ltd.	Head Office	Nagoya-shi, Aichi
	Branch	Toyohashi-shi, Aichi
Hokuyo Koeki Co., Ltd.	Head Office	Sapporo-shi, Hokkaido
	Branch	Kawasaki-shi, Kanagawa
Toshin Package Co., Ltd.	Head Office	Kazo-shi, Saitama
	Works	Head Office (Kazo-shi, Saitama) Ohtone (Kazo-shi, Saitama)
SOUTHLAND BOX COMPANY	Head Office / Works	Los Angeles, California, U.S.A.
TOMOKU HUS AB	Head Office / Works	Insjön, Sweden
TOMOKU VIETNAM CO., LTD.	Head Office / Works	Binh Duong Province, Vietnam

(9) **Employees** (as of March 31, 2026)

(i) Employees of the corporate group

Business Segment	Number of Employees	YoY Change
Corrugated Container	1,802	+83
Housing	1,136	-25
Transportation and Logistics	995	+76
Company-wide (common)	32	+1
Total	3,965	+135

Note: In addition to the above, 609 casual workers are employed, on average, each year.

(ii) Employees of the Company

Number of Employees	YoY Change	Average Age	Average Years of Service
1,157 persons	-16	39.7	14.4 years

Note: In addition to the above, 154 casual workers are employed, on average, each year.

(10) **Major creditors** (as of March 31, 2026)

Creditor	Loan Balance (millions of yen)
Mizuho Bank, Ltd.	8,396
MUFG Bank, Ltd.	6,561
Sumitomo Mitsui Trust Bank, Limited	4,028
Sumitomo Mitsui Banking Corporation	2,600
The Norinchukin Bank	2,134
The Shizuoka Bank, Ltd.	1,994
North Pacific Bank, Ltd.	1,700
Nippon Life Insurance Company	1,000
The Hokkaido Bank, Ltd.	900
Mizuho Trust & Banking Co., Ltd.	328

Note: Syndicated loans totaling 40,177 million yen are not included in the above loan balances.

(11) **Other important matters regarding the current status of the corporate group**

• Concerning the system failure caused by unauthorized access to the Group’s servers

On May 3, 2025, a portion of the Group’s servers had been subjected to unauthorized access involving a ransomware attack, resulting in system data encryption.

We have investigated and addressed this matter in collaboration with external specialists and law enforcement authorities, and system recovery has been completed.

Moreover, we have reported the potential leak of personal information to the Personal Information Protection Commission and addressed this; these procedures have also been completed.

The Group will continue to work to strengthen information security.

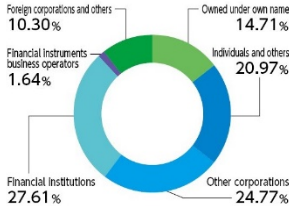
2. Shares (as of March 31, 2026)

(1) Total number of authorized shares 60,000,000 shares

(2) Total number of issued shares 19,341,568 shares

(3) Number of shareholders 8,927 persons

Shareholding ratio by owner



(4) Major shareholders

Shareholder	Investment in the Company	
	Number of shares held (thousand shares)	Capital contribution ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	1,615	9.79
Marubeni Corporation	923	5.59
Custody Bank of Japan, Ltd. (trust account)	864	5.24
Nippon Paper Industries Co., Ltd.	719	4.35
HOKKAN HOLDINGS LIMITED	604	3.66
Tomoku Employee Shareholding Association	540	3.27
Tokushu Tokai Paper Co., Ltd.	540	3.27
Mizuho Bank, Ltd.	388	2.35
Nippon Life Insurance Company	388	2.35
Mitsubishi UFJ Trust and Banking Corporation	329	1.99

Notes: 1. The Company holds 2,845 thousand treasury shares, which are excluded from the above table.
2. The capital contribution ratio is calculated after subtracting the treasury shares.

(5) Shares delivered during the fiscal year to the Company's officers as consideration for the performance of duties

	Number of shares	Number of persons that received shares
Directors (excluding external Directors)	18,000 shares	6 persons

Note: Details of the Company's stock compensation are provided under [(2) Total amount of remuneration for Directors and Audit & Supervisory Board Members] in [4. Matters Regarding Company Officers] of the business report.

3. Share Acquisition Rights

Not applicable.

4. Matters Regarding Company Officers

(1) Directors and Audit & Supervisory Board Members (as of March 31, 2026)

Position in the Company	Name	Responsibilities in the Company and significant concurrent positions
President & Chief Executive Officer	Mitsuo Nakahashi	
Executive Vice President	Shoji Hirose	President & Chief Executive Officer, Tohun Co., Ltd.
Director & Senior Managing Executive Officer	Takeshi Ariga	General Manager of Safety Promotion and Quality Assurance Div. President of Hokuyo Co., Ltd.
Director & Senior Managing Executive Officer	Terutaka Fukazawa	General Manager of Sales Div. / Manager of Tokyo Sales Dept. / Manager of Sales Development Dept.
Director & Senior Managing Executive Officer	Yoshito Yamaguchi	General Manager of Administration Div.
Director & Managing Executive Officer	Kazuho Fujiyama	Deputy General Manager of Administration Div. / General Manager of President's Office
Director	Mito Shimonaka	Representative Director and Chairman of Heibonsha Ltd. Outside Director of DYNIC CORPORATION
Director	Tetsuya Kobayashi	
Director	Koji Koyanagi	Standing Audit & Supervisory Board Member of Sumitomo Mitsui Trust Real Estate Investment Management Co., Ltd.
Full-time Audit & Supervisory Board Member	Natsuki Tsujino	
Audit & Supervisory Board Member	Shigeki Yagi	Certified Public Accountant
Audit & Supervisory Board Member	Kayoko Kitade	Attorney-at-law
Audit & Supervisory Board Member	Yoshie Shinoki	Certified Public Accountant

Notes:
1. Directors Mito Shimonaka, Tetsuya Kobayashi, and Koji Koyanagi are external Directors.
2. Audit & Supervisory Board Members Shigeki Yagi, Kayoko Kitade, and Yoshie Shinoki are external Audit & Supervisory Board Members.
3. The Company has designated external Directors Mito Shimonaka, Tetsuya Kobayashi, and Koji Koyanagi as well as external Audit & Supervisory Board Members Shigeki Yagi, Kayoko Kitade, and Yoshie Shinoki as independent officers as stipulated by the Tokyo Stock Exchange, Inc., and has reported this to the exchange.
4. Audit & Supervisory Board Members Shigeki Yagi and Yoshie Shinoki are certified public accountants and possess considerable expertise in finance and accounting.
5. A Director who resigned during the fiscal year is as follows.

Name	Date of resignation	Reason for resignation	Position, responsibilities, and significant concurrent position outside the Company at the time of resignation
Toshihiko Nagayasu	June 24, 2025	Expiration of term	Director

6. Changes in positions, responsibilities and significant concurrent positions of Directors during the fiscal year are as follows.

Name	New position or responsibility	Previous position or responsibility	Date of change
Shoji Hirose	Executive Vice President President & Chief Executive Officer, Tohun Co., Ltd.	Executive Vice President In Charge of Production Div.	June 24, 2025
Takeshi Ariga	Director & Senior Managing Executive Officer General Manager of Safety Promotion and Quality Assurance Div. President of Hokuyo Co., Ltd.	Director & Senior Managing Executive Officer General Manager of Safety Promotion and Quality Assurance Div.	June 24, 2025

(2) Total amount of remuneration for Directors and Audit & Supervisory Board Members

Category	Number of people to be paid	Fixed remuneration (millions of yen)	Directors' bonuses (millions of yen)	Non-monetary remuneration (millions of yen)	Amount of remuneration (millions of yen)
Director	10	193	79	48	321
(of which external Directors)	[4]	[15]	[5]		[20]
Audit & Supervisory Board Member	4	33	9	–	42
(of which external Audit & Supervisory Board Members)	[3]	[15]	[5]		[20]
Total	14	226	89	48	364

Notes:
1. The amount of remuneration for Directors does not include employee salaries and bonuses for Directors who also serve as employees.
2. The amount of remuneration for Directors was resolved to be 360 million yen or less a year (However, this does not include employee salaries and bonuses for Directors who also serve as employees.), and the amount of remuneration for Audit & Supervisory Board Members was resolved to be 60 million yen or less a year, at the 69th Annual General Meeting of Shareholders held on June 27, 2008. At the same General Meeting of Shareholders, it was resolved to abolish the retirement benefits system for directors and other officers. At the end of the same General Meeting of Shareholders, there were 10 Directors (of which none were external Directors) and 4 Audit & Supervisory Board Members (of which 2 were external Audit & Supervisory Board Members).

   Separate from monetary compensation, at the 83rd Annual General Meeting of Shareholders held on June 23, 2022, it was resolved to provide to Directors of the Company (excluding external Directors) monetary compensation claims paid as compensation for Restricted Shares in the amount of within 80 million yen annually, with a maximum of 40,000 shares per year. At the conclusion of the same Annual General Meeting of Shareholders, there were six Directors subject to the resolution.
3. Individual remuneration of Directors (performance-linked monetary remuneration) is based on "(3) Policy for determining remuneration," using ordinary profit (consolidated 11,445 million yen/non-consolidated 8,791 million yen) as the basis.
4. Non-monetary remuneration consists of the Company's shares, and the terms and conditions of allotment are as described in "(3) Policy for determining remuneration."
5. The above number of people to be paid includes one resigned Director at the conclusion of the 86th Annual General Meeting of Shareholders held on June 24, 2025.

(3) Policy for determining remuneration

The Basic Policy on the Remuneration of Directors is comprised of monetary fixed remuneration and directors' bonuses and non-monetary stock remuneration as performance-linked remuneration paid according to the performance in a single fiscal year to function as a sound incentive for sustainable growth. This remuneration is paid at an appropriate level according to the positions and roles of each Director and the Company's performance.

In regards to the calculation method and determination procedures of the fixed remuneration for Directors, remuneration is calculated using the guidelines that determine the standards according to the positions and roles of the Directors. The Board of Directors will pass a resolution based on the report of the remuneration committee chaired by an external Director to ensure objectivity and transparency relating to the determination of remuneration.

We will change to a method to also adjust the amount of remuneration in regards to performance-linked remuneration for Directors according to the degree of achieving the SDGs as a specific ESG issue. This will be a non-financial indicator that strengthens the Group's efforts with a long-term perspective in addition to financial indicators. The Board of Directors will determine the method of calculating that and its results in consultation with the remuneration committee.

Moreover, we are working to enhance our business execution structure and to strengthen the supervisory functions of the Board of Directors. Against that background, the purpose of the stock remuneration is for Directors to share the benefits and risks of stock price fluctuations in the mid- to long-term with shareholders and to elevate their desire to contribute to an increase in the stock price and corporate value more than ever before. Under that aim, we have decided to allot Restricted Shares within the allotment limit determined in advance according to positions and roles as non-monetary stock remuneration for Directors excluding external Directors. The Board of Directors will determine the number of shares to be allotted to each individual in consultation with the remuneration committee. In principle, the Company will lift the Transfer Restrictions on allotted Restricted Shares with a resolution by the Board of Directors when officers retire.

In addition, the Board of Directors has confirmed that the remuneration of the Board of Directors for the current fiscal year is consistent with and in line with the policy for determining remuneration approved by the Board of Directors.

The basic policy of the Company is that the remuneration for Audit & Supervisory Board Members shall be paid at an appropriate level as compensation for the duties of each Audit & Supervisory Board Member. The remuneration for Audit & Supervisory Board Members is determined through discussions with the Audit & Supervisory Board Members within the range of the amount of remuneration based on the resolution at the General Meeting of Shareholders.

(4) Matters regarding outside directors

(i) Significant concurrent positions as executives at other organizations and relationships between the Company and such other organizations

Director Mito Shimonaka is Representative Director and Chairman of Heibonsha Ltd. We have no special interest with Heibonsha Ltd.

(ii) Significant concurrent positions as outside directors and other officers at other organizations and relationships between the Company and such other organizations

Director Mito Shimonaka serves as an Outside Director of DYNIC CORPORATION. We have no special interest with DYNIC CORPORATION.

Director Koji Koyanagi is Standing Audit & Supervisory Board Member of Sumitomo Mitsui Trust Real Estate Investment Management Co., Ltd. We have no special interest with Sumitomo Mitsui Trust Real Estate Investment Management Co., Ltd.

(iii) Major activities during the fiscal year

<Attendance and remarks at Board of Directors meetings and overview of duties performed with respect to expected role>

Director Mito Shimonaka attended 13 of 13 Board of Directors meetings held during the fiscal year. Ms. Shimonaka offers useful remarks in Board of Directors meetings based on her experience and insight from multifaceted viewpoints and drawing on her practical experience in corporate management. In addition, she plays an important role as Chair of the nomination committee and remuneration committee in deliberating on nominations and remuneration of Directors and Executive Officers and reporting to the Board of Directors.

Director Tetsuya Kobayashi attended 12 of 13 Board of Directors meetings held during the fiscal year. Mr. Kobayashi offers useful remarks from multifaceted viewpoints in Board of Directors meetings based on his global knowledge, extensive experience, and broad insight. In addition, he plays an important role as members of the nomination committee and remuneration committee in deliberating on nominations and remuneration of Directors and Executive Officers and reporting to the Board of Directors.

Director Koji Koyanagi attended 9 of 9 Board of Directors meetings held during the fiscal year since assuming office as Director on June 24, 2025. He has played an important role as Chair of the Board of Directors based on his wealth of practical and managerial experience, as well as broad insights and deep knowledge gained through his career in financial institutions. He also offers active input and appropriate opinions on the formulation and promotion of management strategies at Board of Directors meetings. In addition, he plays an important role as members of the nomination committee and remuneration committee in deliberating on nominations and remuneration of Directors and Executive Officers and reporting to the Board of Directors.

<Attendance and remarks at meetings of the Board of Directors and Audit & Supervisory Board>

Audit & Supervisory Board Member Shigeki Yagi attended 13 of 13 Board of Directors meetings and 8 of 8 Audit & Supervisory Board meetings held during the fiscal year.

Audit & Supervisory Board Member Kayoko Kitade attended 13 of 13 Board of Directors meetings and 8 of 8 Audit & Supervisory Board meetings held during the fiscal year.

Audit & Supervisory Board Member Yoshie Shinoki attended 13 of 13 Board of Directors meetings and 8 of 8 Audit & Supervisory Board meetings held during the fiscal year.

As certified public accountants and attorney-at-law, Mr. Yagi, Ms. Shinoki, and Ms. Kitade provide advice and suggestions from their respective professional perspectives to ensure valid and appropriate decision-making at Board of Directors meetings. Similarly, in Audit & Supervisory Board meetings, they actively express their opinions from their professional perspectives.

Mr. Yagi, as a member of the nomination committee, and Ms. Kitade, as a member of the remuneration committee, play an important role in deliberating on the nomination and remuneration of Directors and Executive Officers and reporting to the Board of Directors.

In addition, they offer comments to the Board of Directors meetings on the establishment, enhancement, and enforcement of the compliance system across the entire Group.

(iv) Overview of the contents of the limited liability agreement

Based on Articles 25 and 35 of the Company's Articles of Incorporation, the Company has entered into agreements with Mito Shimonaka, Tetsuya Kobayashi, Koji Koyanagi, Shigeki Yagi, Kayoko Kitade, and Yoshie Shinoki limiting their liability for damages under Article 427, Paragraph 1 of the Companies Act to the extent allowed by laws and regulations.

(5) Summary of directors and officers liability insurance policy

To secure excellent human resources and support proactive and decisive business decisions for corporate growth, the Company entered into a directors and officers liability insurance policy with an insurance company. A summary of the agreement is as follows.

(i) Scope of insured

Directors, Audit & Supervisory Board Members, and Executive Officers of the Company

(ii) Summary of contents of insurance agreement

a. Actual premium share of insured

Premiums are paid in full by the Company, and the insured does not pay any premiums.

b. Summary of insured accidents subject to coverage

The insurance provides indemnification for damages that may arise from the responsibilities borne by insured directors and other officers in the execution of their duties or from claims related to the pursuit of said responsibilities. However, there are certain exemption clauses, such as when an insured person commits an act while recognizing it is an act in violation of laws and ordinances.

c. Measures to ensure the propriety of the duties of directors and other officers

The insurance agreement has a deductible provision and does not cover losses up to the amount of the deductible.

5. Accounting Auditor

(1) Name

Ernst & Young ShinNihon LLC

(2) Amount of remuneration

Category	Payment amount (millions of yen)
Amount of remuneration for the accounting auditor for the fiscal year	40
Total of money and other economic benefits to be paid by the Company and its subsidiaries to the accounting auditor	110

Notes:
1. The audit agreement between the Company and the accounting auditor does not distinguish between remuneration for audits performed under the Companies Act and remuneration for audits performed under the Financial Instruments and Exchange Act and such amounts cannot be practically separated. Accordingly, the amount of remuneration to be paid to the accounting auditor for the fiscal year, as shown above, is the total amount.
2. The Company's Audit & Supervisory Board checked the audit plans, audits undertaken, audit hours, and remuneration for audits from past years, and also examined the appropriateness of the accounting auditor's audit plan, its content, estimated audit hours, and remuneration for this fiscal year. Based on this review, it approved the payment of remuneration to the accounting auditor pursuant to Article 399, Paragraph 1 of the Companies Act.
3. The financial statements (including documents of an equivalent nature) of some of the Company's principal subsidiaries have been audited by a certified public accountant or accounting firm (including those overseas with equivalent qualifications) other than the Company's accounting auditor in accordance with the provisions of the Companies Act or the Financial Instruments and Exchange Act (including foreign laws and regulations corresponding to these laws).

(3) Non-auditing services

Not applicable.

(4) Policy on decisions of dismissal or non-reappointment of accounting auditor

If the Audit & Supervisory Board has determined it to be necessary, for example, when it is deemed difficult for the accounting auditor to fulfill their duties properly, the Board of Directors shall include in the agenda of the General Meeting of Shareholders the dismissal or non-reappointment of the accounting auditor based on a resolution of the Audit & Supervisory Board.

Also, if it can be concluded that the accounting auditor falls under the items prescribed in Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board shall, based on the agreement of all Audit & Supervisory Board Members, dismiss the accounting auditor. In this case, one of the members nominated by the Audit & Supervisory Board shall report on the accounting auditor's dismissal and the reasons thereof at the first General Meeting of Shareholders convened after the dismissal.

6. System to Ensure the Appropriateness of Operations and Its Operational Status

Overview of system to ensure the appropriateness of operations

(1) System to ensure that execution of duties of Directors and employees complies with laws and regulations, and the Company's Articles of Incorporation

(i) The Company has established an Internal Control Office to achieve the objectives of internal control, namely, the effectiveness and efficiency of operations, the reliability of financial reports, compliance with laws and regulations related to our business activities, and the safeguarding of assets.

(ii) The Internal Control Office has developed, and reviews when necessary, the Company's Management Philosophy and Code of Conduct, various regulations and manuals, and job descriptions, so that the Directors and employees can execute their duties in compliance with laws and regulations and the Company's Articles of Incorporation.

(iii) The Internal Audit Department carries out internal control audits and compliance audits to verify legal and regulatory compliance and then reports its findings to the president and the members of the Audit & Supervisory Board.

(iv) The Legal Affairs/Compliance Office serves as the point of contact for internal whistleblowing submitted by employees and others. Also, an external lawyer designated by the Company shall serve as the point of contact for external whistleblowing.

(v) The Company has established regulations concerning the basic policy of having no dealings whatsoever with antisocial forces, which we make sure is well understood by the Company and its subsidiaries. We maintain a firm stance against antisocial forces and take a systematic approach to dealing with them.

(2) Systems for retaining and managing information regarding the execution of duties by Directors

The Company has a system in place whereby information concerning the execution of duties with respect to the approvals by Directors and the establishment/administration of internal controls is recorded and saved in documents and the like, which can then be accessed by the Directors and Audit & Supervisory Board Members when needed.

(3) Regulations and other systems for the management of risk of loss

As the person responsible for risk management, the president issues instructions to the Internal Control Office and other relevant departments to oversee and manage the risks of the corporate group, including its subsidiaries, in accordance with the Risk Management Policy. The president identifies and assesses various risks mainly pertaining to financial and information security, compliance, product quality, the environment, and natural disasters, and adopts the necessary measures for avoiding such risks or mitigating their impact. In addition, the president reviews the Company's organizations, as well as regulations and manuals, in response to the emergence of risks.

(4) System to ensure efficient execution of duties by Directors

The Board of Directors has developed, and continues to review, the Company's Approval Regulations, Organizational Regulations, and Job Description Regulations, among other policies, and by doing so, clearly articulates the division of duties and purview of Directors. The Board of Directors also works to facilitate smooth reporting, communication, and consultation between Directors on a day-to-day basis.

(5) System to ensure the properness of operations by the corporate group comprised of the Company and its subsidiaries

(i) System for directors of subsidiaries to report to the Company

The Company periodically requests reports from our subsidiaries regarding their earnings, financial position, and other important business matters.

The directors responsible for subsidiary operations, as well as department heads and factory managers, have a thorough understanding of the nature of such operations. They therefore deliver appropriate instructions, report to the president and the Board of Directors when necessary, and follow the necessary procedures, including approvals.

(ii) System for efficient business execution by subsidiary directors

The Company makes an effort to ensure the consistency of the regulations and manuals of our subsidiaries, taking into account the nature and scale of their business operations. Also, through various meeting bodies, we have established a framework under which business operations are carried out appropriately and uniformly across the corporate group.

(iii) System to ensure that the operations of subsidiary directors and employees comply with laws and regulations
The Company provides guidance by way of audits, meetings, notices, and other means to ensure that the operations of the Company's subsidiaries are being carried out properly and in compliance with laws, regulations, and the Company's Articles of Incorporation. We also have a system in place that guarantees the credibility of consolidated financial statements and other financial reports.

(6) System to ensure audits are conducted efficiently by Audit & Supervisory Board Members

(i) Employees appointed to assist with duties
If the Audit & Supervisory Board Members have requested the placement of employees to assist with their duties, the Company will appoint employees exclusively for that purpose after consulting with the Audit & Supervisory Board.
During the period that said employees are engaged in such duties, they shall follow the instructions and orders of the Audit & Supervisory Board Members. Their performance assessment, transfer, and benefits shall be decided by way of consultation between the Audit & Supervisory Board and the Board of Directors.

(ii) System for reporting to Audit & Supervisory Board Members
The Internal Control Office and Audit Department regularly, or when deemed necessary, report on the establishment/operational status of internal controls and the results of internal audits to the Audit & Supervisory Board Members.
Employees of the Company, as well as directors and employees of subsidiaries, can report to the members of the Audit & Supervisory Board when it is deemed necessary to do so.
We have established regulations and the like to make sure that any employee or director/employee of a subsidiary that reports to a member of the Audit & Supervisory Board is not treated unfairly simply for the reason of making such a report.

(iii) Other systems to ensure audits are conducted efficiently by Audit & Supervisory Board Members
In addition to the meetings of the Board of Directors, the members of the Audit & Supervisory Board also attend Executive Board meetings comprising Directors and executive officers to hear about specific policies and reports on business administration.
Meetings for exchanging opinions and presenting reports between the president and the Audit & Supervisory Board Members are set up on a regular or ad hoc basis. In addition, meetings between the Audit & Supervisory Board Members and subsidiary auditors and audit department heads are held regularly as part of our group-wide audit framework.

(iv) Audit expenses and other costs
The Company processes the expense claims submitted by the members of the Audit & Supervisory Board in connection with the execution of their duties, unless it has been demonstrated that an expense claim is not required for the execution of duties by the members of the Audit & Supervisory Board.

[Overview of operational status of system to ensure the properness of operations]

(1) Internal controls

The Audit Department and Legal Affairs/Compliance Office conduct internal audits of the Company's departments based on an annual audit plan. The results are reported to the president, the full-time Audit & Supervisory Board Members, and the Internal Control Office.

The establishment and operational status of internal controls pertaining to financial reports for the Company and group companies are evaluated in accordance with the Internal Control Regulations.

(2) Compliance system

New hires, mid-career employees, and newly appointed managers are obligated to attend compliance training for the purpose of deepening their understanding of the Tomoku Group Code of Conduct and Compliance Regulations.

As compliance is a focal point of audits, the Legal Affairs/Compliance Office inspects whether the Company is complying with laws, regulations, the Company's Articles of Incorporation, internal regulations, and other policies. It also checks whether operations are being carried out appropriately and efficiently, and whether employees have a thorough understanding of management policies. Measures for improvement are implemented as needed.

(3) Risk management system

Our policy on risk management is to identify risks that could have a significant impact on the Group and take measures to avoid or mitigate losses.

There were no major accidents, disasters, or misconduct incidents during the current fiscal year.

(4) Execution of duties by Directors

The Board of Directors convened 13 meetings during the fiscal year to make decisions on important matters prescribed in the Company's Approval Regulations and the Regulations of the Board of Directors, as well as to report on the execution of duties by directors. Audit & Supervisory Board Members attended the meetings of the Board of Directors to monitor agenda item discussions and decision making. Efforts were also made to facilitate smooth reporting, communication, and consultation between Directors on a day-to-day basis.

(5) Management of group companies

In terms of the administration of group companies, we obtain the necessary approvals for the execution of subsidiary operations based mainly on the Affiliated Company Management Regulations.

During the fiscal year, four Group Meetings were held. We periodically receive reports from our subsidiaries regarding their earnings, financial position, and other important business matters.

(6) Execution of duties by Audit & Supervisory Board Members

In addition to the meetings of the Board of Directors, the members of the Audit & Supervisory Board also attend Executive Board meetings comprising Directors and executive officers to hear about specific policies and reports on business administration, and to confirm the appropriateness of business execution by the Directors and executive officers.

During the fiscal year, the Audit & Supervisory Board convened eight meetings. Furthermore, the Audit & Supervisory Board conducts group-wide cross-functional audits mainly by meeting with the president, group auditors, and the head of the Audit Department, through communication with the accounting auditor, and by setting up opportunities for information exchange with the Internal Audit Department.

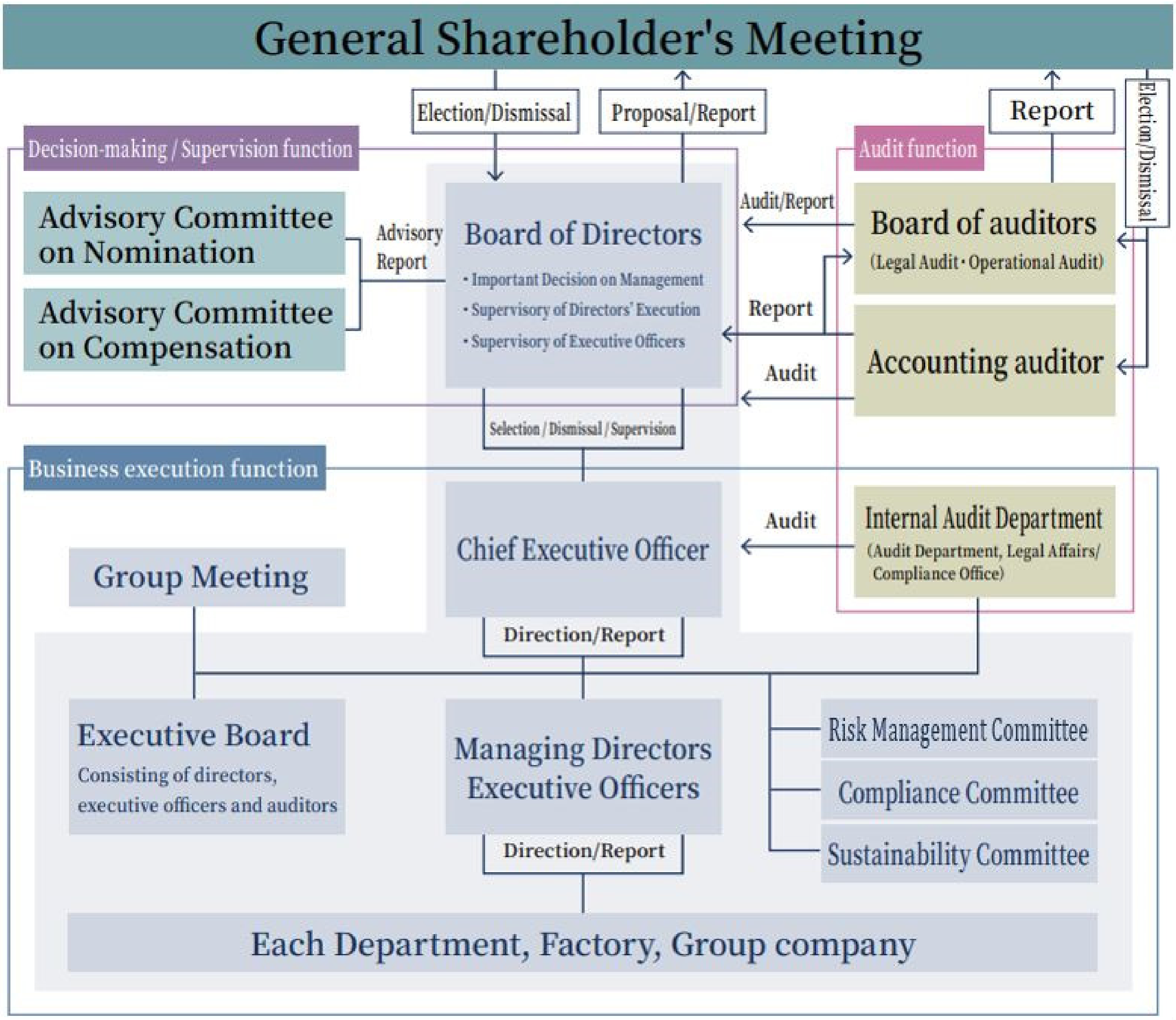
7. Policy on Decisions on Dividends and Other Appropriation of Surplus

Our basic policy regarding dividends of surplus is to pay stable dividends to shareholders. When distributing surplus funds, we aim to strike a balance between enhancing our internal reserves from a long-term perspective to maximize corporate value through investments and the like and to secure dividends for shareholders over the long term.

The Company recognizes the return of profits to its shareholders as one of the management's top priorities. We aim to implement a progressive dividend policy that increases dividends in line with medium- and long-term profit growth. We are targeting a payout ratio of approximately 30% to enhance shareholder returns and improve capital efficiency.

For this fiscal year, a year-end dividend of 65 yen per share will be paid to shareholders in accordance with a resolution of the Board of Directors. Combined with the interim dividend of 65 yen per share that was distributed on December 4, 2025, the annual dividend amount comes to 130 yen per share.

<Reference>
Organization Chart of Corporate Governance



<Remarks>

The business report is presented according to the following.

(1) Amounts stated have been rounded down to the nearest unit.

(2) The number of shares has been rounded down to the nearest thousand.

(3) The capital contribution ratios for the principal parent company and significant subsidiaries have been rounded to the third decimal place. The year-on-year rate of change, average age, and average length of service have been rounded to the second decimal place. The average number of casual workers has been rounded to the first decimal place.

(4) Current net income per share and capital contribution ratios related to shares have been rounded down to the third decimal place.

Consolidated Financial Statements

Consolidated Balance Sheet

(millions of yen)

Category	Current fiscal year (As of March 31, 2026)	Previous fiscal year (Reference) (As of March 31, 2025)	Category	Current fiscal year (As of March 31, 2026)	Previous fiscal year (Reference) (As of March 31, 2025)
(Assets)	**223,835**	**206,825**	**(Liabilities)**	**120,868**	**113,453**
Current assets	**96,451**	**89,483**	**Current liabilities**	**65,737**	**53,497**
Cash and deposits	23,959	21,002	Notes and accounts payable	24,486	22,223
Notes receivable, accounts receivable, and contract assets	27,934	29,168	Short-term borrowings	12,823	10,096
Electronic records receivable	10,641	9,302	Current maturities of long-term borrowings	13,228	7,239
Inventories	25,127	23,161	Income taxes payable	2,366	1,564
Other	8,836	6,857	Provision for bonuses	2,245	2,148
Allowance for doubtful accounts	(47)	(8)	Provision for directors' bonuses	129	126
			Provision for warranties for completed construction	182	185
Non-current assets	**127,383**	**117,341**	Other	10,275	9,913
Property, plant, and equipment	99,125	95,405			
Buildings and structures	37,580	34,967	**Non-current liabilities**	**55,131**	**59,955**
Machinery, equipment, and vehicles	21,511	18,643	Long-term borrowings	44,161	50,328
Land	37,303	37,052	Deferred tax liabilities	6,202	4,415
Construction in progress	270	2,163	Retirement benefit liability	2,684	2,984
Other	2,460	2,578	Other	2,083	2,226
Intangible assets	364	718			
Investments and other assets	27,893	21,217	**(Net assets)**	**102,966**	**93,371**
Investment securities	15,178	11,012	**Shareholders' equity**	**90,585**	**85,119**
Long-term loans receivable	382	2	Capital	13,669	13,669
Deferred tax assets	1,406	1,471	Capital surplus	11,128	11,086
Retirement benefit asset	7,708	5,546	Retained earnings	69,891	64,509
Other	3,380	3,297	Treasury stock	(4,104)	(4,146)
Allowance for doubtful accounts	(162)	(112)	**Accumulated other comprehensive income**	**11,561**	**7,614**
			Valuation difference on available-for-sale securities	5,156	3,365
			Foreign currency translation adjustment	2,454	1,796
			Remeasurements of defined benefit plans	3,949	2,453
			Non-controlling interests	**819**	**637**
Total assets	**223,835**	**206,825**	**Total liabilities and net assets**	**223,835**	**206,825**

Consolidated Profit and Loss Statement

(millions of yen)

Category	Current fiscal year (from April 1, 2025 to March 31, 2026)	Previous fiscal year (Reference) (from April 1, 2024 to March 31, 2025)
Sales	**224,090**	**219,613**
Cost of sales	**183,492**	**182,670**
Gross profit	**40,597**	**36,942**
Selling, general, and administrative expenses	**29,218**	**27,582**
Operating income	**11,378**	**9,360**
Non-operating income	**1,255**	**955**
Interest and dividend income	326	308
Miscellaneous income	929	647
Non-operating expenses	**1,189**	**914**
Interest expenses	853	546
Miscellaneous losses	335	368
Ordinary profit	**11,445**	**9,400**
Extraordinary income	**190**	**484**
Gain on sales of non-current assets	190	–
Gain on sales of investment securities	–	260
Gain on insurance adjustment	–	224
Extraordinary losses	**415**	**368**
Loss on disposal of non-current assets	216	52
Impairment losses	198	7
Loss on reduction of non-current assets	–	224
Loss on valuation of shares of subsidiaries	–	84
Profit before income taxes	**11,220**	**9,516**
Income taxes - current	3,520	2,744
Income taxes - deferred	230	195
Profit	7,470	6,576
Profit attributable to non-controlling interests	109	67
Profit attributable to parent company’s shareholders	**7,361**	**6,508**

Consolidated Statement of Changes in Net Assets
(from April 1, 2025 to March 31, 2026)

(millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2025	13,669	11,086	64,509	(4,146)	85,119
Changes during the consolidated fiscal year					
Dividends of surplus			(1,977)		(1,977)
Profit attributable to parent company's shareholders			7,361		7,361
Purchase of treasury stock				(3)	(3)
Restricted stock compensation		42		45	87
Changes in the scope of consolidation			(1)		(1)
Net changes in items other than shareholders' equity during the consolidated fiscal year					
Total changes during the consolidated fiscal year	–	42	5,381	41	5,465
Balance as of March 31, 2026	13,669	11,128	69,891	(4,104)	90,585

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2025	3,365	1,796	2,453	7,614	637	93,371
Changes during the consolidated fiscal year						
Dividends of surplus						(1,977)
Profit attributable to parent company's shareholders						7,361
Purchase of treasury stock						(3)
Restricted stock compensation						87
Changes in the scope of consolidation						(1)
Net changes in items other than shareholders' equity during the consolidated fiscal year	1,791	658	1,496	3,946	182	4,128
Total changes during the consolidated fiscal year	1,791	658	1,496	3,946	182	9,594
Balance as of March 31, 2026	5,156	2,454	3,949	11,561	819	102,966

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

(millions of yen)

Category	Current fiscal year (As of March 31, 2026)	Previous fiscal year (Reference) (As of March 31, 2025)	Category	Current fiscal year (As of March 31, 2026)	Previous fiscal year (Reference) (As of March 31, 2025)
(Assets)	**153,924**	**146,159**	**(Liabilities)**	**82,013**	**80,351**
Current assets	**62,160**	**58,460**	**Current liabilities**	**39,542**	**31,996**
Cash and deposits	9,490	8,468	Accounts payable - trade	15,119	13,818
Notes receivable - trade	361	1,660	Short-term borrowings	7,704	5,961
Accounts receivable - trade	18,456	18,778	Current maturities of long-term borrowings	9,847	5,535
Electronic records receivable	10,288	8,809	Accounts payable - other	1,634	1,613
Lease receivable	406	577	Accrued expenses	1,729	1,706
Merchandise and finished goods	586	560	Income taxes payable	1,767	1,141
Semi-finished goods and work in process	88	84	Provision for bonuses	985	902
Raw materials and supplies	1,671	1,773	Provision for directors' bonuses	89	82
Short-term loans receivable	13,034	11,373	Other	664	1,235
Accounts receivable	7,563	6,272	**Non-current liabilities**	**42,471**	**48,354**
Other	217	106	Long-term borrowings	39,330	45,977
Allowance for doubtful accounts	(5)	(5)	Deferred tax liabilities	3,102	2,338
Non-current assets	**91,764**	**87,699**	Other	38	38
Property, plant, and equipment	42,100	44,163			
Buildings	13,883	14,477			
Structures	348	396	**(Net assets)**	**71,911**	**65,808**
Machinery and equipment	9,060	9,300	**Shareholders' equity**	**66,920**	**62,571**
Vehicles and transportation equipment	88	52	Share capital	13,669	13,669
Tools, equipment, and fixtures	1,058	1,039	Capital surplus	11,260	11,218
Land	17,660	18,844	Legal capital surplus	11,138	11,138
Construction in progress	0	50	Other capital surplus	122	80
Intangible assets	29	32	Retained earnings	46,138	41,873
Investments and other assets	49,634	43,503	Legal retained earnings	1,364	1,364
Investment securities	10,202	7,635	Other retained earnings	44,773	40,508
Shares of subsidiaries and associates	13,252	13,160	Reserve for advanced depreciation of non-current assets	1,931	1,982
Long-term loans receivable	22,851	19,335	Retained earnings brought forward	42,841	38,525
Distressed receivables	16	16	Treasury stock	(4,148)	(4,190)
Guarantee deposits	326	329	**Valuation and translation adjustments**	**4,991**	**3,236**
Prepaid pension cost	2,206	1,982	Valuation difference on available-for-sale securities	4,991	3,236
Other	965	1,120			
Allowance for doubtful accounts	(186)	(77)			
Total assets	**153,924**	**146,159**	**Total liabilities and net assets**	**153,924**	**146,159**

Profit and Loss Statement

(millions of yen)

Category	Current fiscal year (from April 1, 2025 to March 31, 2026)	Previous fiscal year (Reference) (from April 1, 2024 to March 31, 2025)
Sales	**97,618**	**99,233**
Cost of sales	**78,388**	**82,239**
Gross profit	**19,230**	**16,994**
Selling, general, and administrative expenses	**11,804**	**11,499**
Operating income	**7,425**	**5,494**
Non-operating income	**2,356**	**2,046**
Interest and dividend income	1,775	1,524
Miscellaneous income	581	521
Non-operating expenses	**991**	**746**
Interest expenses	610	359
Miscellaneous losses	380	387
Ordinary profit	**8,791**	**6,794**
Extraordinary income	**169**	**183**
Gain on sales of non-current assets	169	–
Gain on sales of investment securities	–	183
Extraordinary losses	**170**	**134**
Loss on disposal of non-current assets	170	43
Loss on valuation of shares of subsidiaries	–	84
Impairment losses	–	7
Profit before income taxes	**8,789**	**6,843**
Income taxes - current	2,580	1,840
Income taxes - deferred	(32)	109
Profit	**6,242**	**4,894**

Non-consolidated Statement of Changes in Net Assets
(from April 1, 2025 to March 31, 2026)

(millions of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
						Other retained earnings		
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for advanced depreciation of non-current assets	Retained earnings brought forward	Total retained earnings
Balance as of April 1, 2025	13,669	11,138	80	11,218	1,364	1,982	38,525	41,873
Changes during the fiscal year								
Reversal of reserve for advanced depreciation of non-current assets						(51)	51	–
Dividends of surplus							(1,977)	(1,977)
Profit							6,242	6,242
Purchase of treasury stock								
Restricted stock compensation			42	42				
Net changes in items other than shareholders' equity during the fiscal year								
Total changes during the fiscal year	–	–	42	42	–	(51)	4,315	4,264
Balance as of March 31, 2026	13,669	11,138	122	11,260	1,364	1,931	42,841	46,138

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance as of April 1, 2025	(4,190)	62,571	3,236	3,236	65,808
Changes during the fiscal year					
Reversal of reserve for advanced depreciation of non-current assets		–			–
Dividends of surplus		(1,977)			(1,977)
Profit		6,242			6,242
Purchase of treasury stock	(3)	(3)			(3)
Restricted stock compensation	45	87			87
Net changes in items other than shareholders' equity during the fiscal year			1,754	1,754	1,754
Total changes during the fiscal year	41	4,348	1,754	1,754	6,103
Balance as of March 31, 2026	(4,148)	66,920	4,991	4,991	71,911

This is the English translation of the audit report on consolidated financial statements which was originally issued in Japanese.

Audit Report

Audit Report on the Consolidated Financial Statements (Translation)

Independent Auditor's Report (Translation)

May 14, 2026

To: Board of Directors, Tomoku Co., Ltd.

Tokyo Office
Ernst & Young ShinNihon LLC

Shigeyuki Honda
Certified Public Accountant
Designated Engagement Partner

Hiroyuki Saito
Certified Public Accountant
Designated Engagement Partner

Audit Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements of Tomoku Co., Ltd., which comprise the consolidated balance sheet, the consolidated profit and loss statement, the consolidated statement of changes in net assets and the notes to the consolidated financial statements applicable to the fiscal year from April 1, 2025 through March 31, 2026.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Group, which consisted of Tomoku Co., Ltd. and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2026 in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan (including requirements applicable to audits of financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. Design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider, in making those risk assessments, internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly represent the underlying transactions and accounting events.
- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and inspection of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, any measures taken to eliminate obstruction factors to independence or any safeguards applied to reduce obstruction factors to a tolerable level.

Conflicts of Interest

We or engagement partners have no interests in the Company and its consolidated subsidiaries, which should be stated in compliance with the Certified Public Accountants Act.

Audit Report on the Financial Statements (Translation)

Independent Auditor's Report (Translation)

May 14, 2026

To: Board of Directors, Tomoku Co., Ltd.

Tokyo Office
Ernst & Young ShinNihon LLC
Shigeyuki Honda
Certified Public Accountant
Designated Engagement Partner
Hiroyuki Saito
Certified Public Accountant
Designated Engagement Partner

Audit Opinion

Pursuant to Article 436, Paragraph 2, item (i) of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated profit and loss statement, the non-consolidated statement of changes in net assets, the notes to the non-consolidated financial statements and the related supplemental schedules (collectively, "non-consolidated financial statements, etc.") of Tomoku Co., Ltd. (the "Company") applicable to the 87th fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations of the Company, applicable to the fiscal year ended March 31, 2026, in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan (including requirements applicable to audits of financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process for the other information.

Our opinion on the non-consolidated financial statements, etc. does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, etc., our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements, etc. or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan, this includes the maintenance and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. with the assumption of the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. Design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider, in making those risk assessments, internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the non-consolidated financial statements, etc. is not expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly represent the underlying transactions and accounting events.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, any measures taken to eliminate obstruction factors to independence or any safeguards applied to reduce obstruction factors to a tolerable level.

Conflicts of Interest

Our firm and the designated engagement partners have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act.

Audit Report of the Audit & Supervisory Board

Audit Report

The Audit & Supervisory Board, having received audit reports from each auditor on the business performance of the Company's directors during the 87th fiscal year from April 1, 2025 through March 31, 2026, and, as a result of discussion, does hereby report the audit report as follows.

1. Auditing methods and content of audits by Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) In addition to formulating an audit policy and the division of audit duties and receiving reports concerning the status and results of audits conducted by each auditor, the Audit & Supervisory Board received reports from the directors and the accounting auditor on the performance of their duties and sought explanations when necessary.

(2) Each auditor, in accordance with the standards of the Audit & Supervisory Board, audit policy, and the division of roles formulated by the Audit & Supervisory Board, sought to facilitate mutual understanding with the directors, the Internal Audit Department, and other employees, and endeavored to gather information and improve the audit environment. Audits were conducted based on the following methods.

(i) Each auditor attended meetings of the Board of Directors and other important meetings, received reports from the directors and other employees regarding the performance of their duties, and when deemed necessary, sought explanations, perused important documents including those subject to executive approval, and conducted examinations of the conditions of business and assets at the head office and other principal business sites. With respect to subsidiaries, the auditors sought to facilitate mutual understanding and exchange of information with the directors and company auditors of subsidiaries, and when necessary, received reports from subsidiaries regarding their business operations.

(ii) The auditors periodically received reports from the directors and employees, sought explanations when required, and expressed their opinions regarding a resolution of the Board of Directors passed in accordance with the provisions of Paragraphs 1 and 3 of Article 100 of the Ordinance for Enforcement of the Companies Act, which stipulates the establishment of a system that ensures the performance of the duties of the directors, as stated in the business report, is compliant with relevant laws and regulations and the Company's articles of incorporation, and that other affairs of the Company and the corporate group comprising its subsidiaries are conducted in an appropriate manner, and that the establishment and operational status of the Company's internal control system is in accordance with that resolution.

(iii) The auditors monitored and examined the independence of the accounting auditor and the appropriateness of audits conducted, received reports from the accounting auditor concerning the performance of their duties, and also requested explanations when necessary. The auditors received notice from the accounting auditor that the system to ensure the appropriateness of duties performed by the accounting auditor (set forth under Article 131 of the Ordinance for Corporate Accounting) is in accordance with audit quality control standards (Business Accounting Council) and requested their explanations when necessary.

Based on the above methods, an examination was carried out with respect to the Company's business reports and supplementary schedules, financial statements and supplementary schedules (balance sheet, profit and loss statement, statement of changes in net assets, and notes to non-consolidated financial statements), as well as consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to the consolidated financial statements) for the fiscal year.

2. Results of audit

(1) Results of audit of business report

(i) The contents of the business report and its supplementary schedules fairly present the position of the Company pursuant to laws and regulations and the Company's articles of incorporation.

(ii) With regard to the performance of the duties of the directors, no unfair conduct, or any material breach of laws, regulations, or the Company's articles of incorporation has been found.

(iii) The details of resolutions approved by the Board of Directors concerning the internal control system are proper and fair. In addition, with regard to the content of the business report concerning the internal control system and the performance of the duties of the directors, nothing has been found that would necessitate comment.

(2) Results of audit of financial statements and the accompanying supplementary schedules

We confirm that the audit method employed by the accounting auditor, Ernst & Young ShinNihon LLC, and the results thereof are proper and fair.

(3) Results of audit of consolidated financial statements

We confirm that the audit method employed by the accounting auditor, Ernst & Young ShinNihon LLC, and the results thereof are proper and fair.

May 14, 2026

Audit & Supervisory Board of Tomoku Co., Ltd.

Natsuki Tsujino, Full-time Audit & Supervisory Board Member

Shigeki Yagi, External Audit & Supervisory Board Member

Kayoko Kitade, External Audit & Supervisory Board Member

Yoshie Shinoki, External Audit & Supervisory Board Member