

## Environment

### Roadmap (Transition Plan) to Carbon Neutrality

#### Expantion into green energy-related business

Rapid climate change is increasing the frequency and intensity of extreme weather events and natural disasters, and demand for green energy is on the rise. The YBHD Group will contribute to resolving environmental issues by venturing into businesses that help stabilize the supply of sustainable energy.

Viewing the offshore wind power generation business as a major driver for making renewable energy the main source of power given its potential for mass adoption, cost reduction, and economic ripple effects, the Japanese government has set target project formation of 10 GW by 2030 and 30 to 45 GW by 2040, and the industry has set a target domestic procurement of 60% by 2040. The government is currently creating promotion zones at an average annual rate of 1 GW, mainly for fixed offshore wind farm projects in coastal areas, and it has identified the need to accelerate the formation of fixed offshore wind farm projects and also to start the formation of floating offshore projects. In response, the YBHD Group will consider entering offshore wind power generation-related business to tackle the challenge of expanding into a new business area.

KPI	FY2024 result	FY2025 target	FY2027 target
Number of inquiries and estimates for new business areas, such as offshore wind power	14	20 or more	20 or more

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#### Developing products which help address global warming

There is an urgent need to improve the performance of social infrastructure and buildings to address global warming. We will help resolve environmental issues by developing products that contribute to solutions to global warming. In our engineered structure business, plant and warehouse building measures against global warming include using renewable energy, introducing energy-saving equipment, and using greening and shading materials. We will develop value-added products capable of reducing energy consumption by increasing insulation performance and introducing shading materials for buildings, underpinning our customers' efforts for decarbonization and GX management.

KPI	FY2024 result	FY2025 target	FY2027 target
Number of estimates for value-added products	4	30	70

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## Column Initiatives for offshore wind power generation business

**Kitomoshi Nishimura**, Executive Officer, Head of Planning Office, Head of Offshore Wind Project Office, Narasaki Seisakusyo

In the offshore wind power generation business, Round 3 of the public solicitation for selecting the implementing agencies for offshore wind projects (in Aomori and Yamagata) was held in FY2024, and the Round 4 selection will likely be for projects in Hokkaido (e.g., offshore of Matsumae and Hiyama).

Muroran has been adopted as the home port for self-elevating platform (SEP) vessels (deck barges for working offshore) given its excellent access to the planned offshore wind farms in Tohoku and Hokkaido, and is also expected to be



View of the area around Sakimori Pier. Foreground: Narasaki Seisakusyo. Back right: SEP vessel Hakkaku (owned by Obayashi Corporation/Toa Corporation)

used as a base port for offshore wind power generation projects. In response, over 120 companies, including ones from outside of Hokkaido, participate in the Muroran Offshore Wind Industry Promotion Association (MOPA), which mainly comprised local members when it was formed, of which we are one and play a central role. Although orders are still small-scale, orders for rigging SEP vessels—for example installing the Hakkaku Gangway—are gradually increasing, and the decision has been made to use the Sakimori Pier adjacent to Narasaki Seisakusyo as a storage port for tower components starting in FY2027. We are also providing estimates for producing jigs (materials for temporary works) and rigging items in due order. In the future, we will take steps to contribute to securing a production volume for the Group by entering the potentially large market for floating foundation production.



## Social

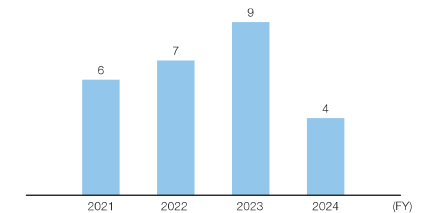
### Initiatives to Ensure Safety and Quality

With material issues that include “Commitment to ‘monozukuri’ manufacturing” and “Building infrastructure that supports the future,” the YBHD Group’s business activities are founded on preventing serious accidents and incidents, ensuring worker safety and health, and consistently supplying high-quality products. Concurrently, these three foundations are also key risk factors. Through our business activities, we will take the following measures to contribute to resolving these social issues.

#### Safety and quality management structure

The Group Safety and Quality Committee aggregates information on industrial accidents and quality nonconformities reported by each operating company. This information—which includes the number of incidents, analysis results, measures to prevent recurrence, and more—is reported to the Board of Directors by the Safety and Quality Committee chair (the director in charge of overall safety and quality management), and is monitored and supervised by the Board of Directors. The Safety and Quality Committee is responsible for making recommendations to the Board of Directors for any improvements in safety and quality management measures.

Number of accidents causing lost worktime (four or more days lost)

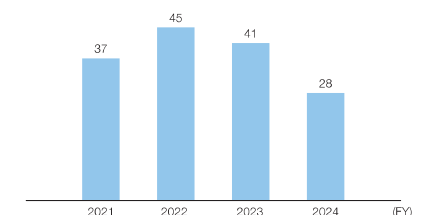


#### Quality assurance

The Group has a system in place for establishing and operating quality management systems in its manufacturing and construction departments. Each operating company formulates and implements a quality management plan based on the Group’s and their own quality policies. We also investigate and analyze past quality nonconformities to formulate measures to prevent recurrence. After the measures are implemented, we conduct another analysis and repeatedly undergo the PDCA cycle for continuous improvement to reduce the number of nonconformities.

As a result of these activities, the number of quality nonconformities involving a correction cost of 1 million yen or more gradually decreased during the three-year period of the Sixth Medium-Term Management Plan; the number was lowest in FY2024, the final year of the plan. During the Seventh Medium-Term Business Plan, we will continue working to maintain and improve customer satisfaction while ensuring quality.

Number of quality nonconformities (costing 1 million yen or more to address)



#### FY2024 industrial accident statistics and Seventh Medium-Term Management Plan KPIs

KPI	FY2024 results	FY2025 targets	FY2027 targets
Fatal accidents	0	0	0
Number of accidents causing lost worktime (four or more days lost)	4	0	0
Frequency rate*	0.5	0.9	0.9
Severity rate*	0.03	0.05	0.05

\*Incidents involving four or more days lost from work

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KPI	FY2024 result	FY2025 target	FY2027 target
Number of quality nonconformities (costing 1 million yen or more to address)	28	0	0

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## Social

## Initiatives to Ensure Safety and Quality

## Ensuring the stable supply of products

## BCP initiatives

The increasing severity of typhoons, earthquakes, tsunami, and other natural disasters over the past several years has heightened the risk of disruptions to various business activities.

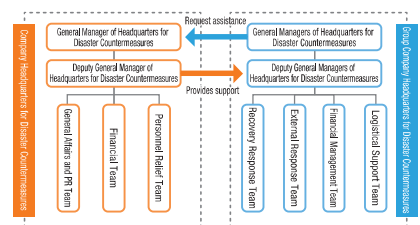
The YBHD Group has formulated a business continuity plan (for major earthquakes and floods) and promotes education and training to institutionalize BCP initiatives. We are also updating our production facilities to better withstand these natural disasters. Additionally, disaster risk reduction measures and drills are regularly conducted at all Group locations.

## Reinforcing facilities and strengthening our workforce

We continue our efforts to avoid production facility shutdowns by conducting daily inspections and operational checks as well as periodic maintenance as required for each production facility.

When there are problems or accidents involving production facilities, we investigate the cause and plan the restoration. Additionally, to minimize the impact on plant production, we are reorganizing processes, reassigning personnel, and strengthening our workforce to enable substitutions.

## Headquarters for Disaster Countermeasures organization chart



KPI	FY2024 results	FY2025 targets	FY2027 targets
Implementation of BCP training	32 times	20 or more times	20 or more times
Capital investment	¥5.7 billion	¥5.8 billion	¥5.3 billion
Number of employees (including equity method affiliates)	2,121	2,180	2,340
New graduate hiring plan achievement rate	91.7%	100%	100%
Qualification possession rate			
*Possession rate in departments requiring the qualification			
Professional Engineer: Bridge design departments	34%	40% or more	50% or more
First-class Civil Engineering: Bridge planning/construction departments	71%	80% or more	90% or more
First-class Architect: Architectural design departments	22%	30% or more	40% or more
First-class Architectural Construction: Architectural planning/construction departments	38%	40% or more	50% or more
First-class Construction Accountants: Accounting departments	38%	40% or more	50% or more

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## Support for disaster recovery

## Swift support system

As full members of the Japan Bridge Association, each company in the YBHD Group that engages in bridge business has established a system to provide support for disaster recovery efforts based on disaster agreements concluded with 46 organizations throughout Japan.

KPI	FY2024 result	FY2025 target	FY2027 target
Conducting disaster response training (support record)	1 time (2 times)	1 time	1 time

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## Examples of support for disaster recovery efforts

In September 2024, at the request of the Nagoya Regional Head Office of the Central Nippon Expressway Company, we were awarded a certificate of appreciation for our work in removing earth and sand from municipal roads, restoring a temporary drainage channel for cleaning, and regulating traffic for fabrication restoration work necessitated by torrential rain in the construction areas of the eastern bridge carrying the main lanes of the Gifu Interchange (steel superstructure construction) and seven other bridges.



## Social

## Initiatives for Human Rights and Sustainable Procurement

## Basic approach and structure

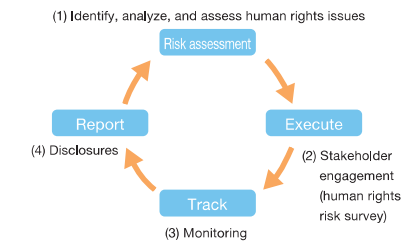
Based on our corporate philosophy ("Contribution to society and the public, and sound management") and our Code of Corporate Behavior, the YBHD Group recognizes respect for human rights as a key issue. Accordingly, we have established and published the Yokogawa Bridge Holdings Group Human Rights Policy to fulfill our responsibility to respect human rights in our business activities.

We have also established a Human Rights Due Diligence (DD) Working Group to continuously improve our human rights management system, and we report the details of our activities to our Board of Directors.

KPI	FY2024 result	FY2025 target
Human rights risk survey	1 time	1 time or more

See P.71 ⑫

## Human rights DD risk management cycle



Reference: Yokogawa Bridge Holdings Group Human Rights Policy and Sustainable Procurement Basic Policy  
→ <https://www.ybhd.co.jp/en/sustainability/policy/>

## Sustainable Procurement Basic Policy and Sustainable Procurement Guidelines

To guide our cooperation with our suppliers to build a sustainable supply chain and implement sustainable procurement, we have established and published a Sustainable Procurement Basic Policy and Sustainable Procurement Guidelines, which outline what we expect from our suppliers.

We formulated the policy and guidelines under the advice of an external expert (EY Ernst & Young ShinNihon LLC) and in line with international guidelines, for example, the Responsible Business Conduct Guidelines published by JEITA.

## Results of human rights risk survey of suppliers and the Group

In FY2024, we conducted a human rights risk survey of 128 companies identified as high-risk suppliers from the procurement, design, plant, and construction departments and overseas businesses with many suppliers in their value chains that were identified as high-risk based on the value chain map.

In our analysis of the results of returned surveys, we posed the following key questions, which the Group considers particularly important.

- |   |   |
|---|---|
| (1) Compliance with laws and regulations and respect for international norms  | (5) Promotion of health and safety      |
| (2) Prohibition of discrimination and harassment                              | (6) Reduction of environmental impact   |
| (3) Prohibition of forced labor and child labor                               | (7) Establishment of management systems |
| (4) Respect for freedom of association and the right to collective bargaining |   |

If a respondent indicated that they had not yet addressed a certain number of key questions, we sent a feedback sheet to the supplier informing them of the items we needed them to check and address on a priority basis.

Additionally, we identified risks associated with the human rights of foreign workers as a relatively high-risk human rights issue among our suppliers and also within the Group, and conducted a survey of Group company plant departments with technical intern trainees.

The results confirm that there are no problems because risk mitigation has been implemented at a high level.

## Future initiatives

In FY2025, we will continue to work with external experts to analyze the results of human rights risk surveys of Group company suppliers and within the Group to identify human rights issues in the Group and formulate and implement improvement measures.

## Establishing a grievance hotline for human rights violations

In April 2025, in line with the Guiding Principles on Business and Human Rights, we established the YBHD Hotline on our website to receive complaints about the Group and implement appropriate corrective measures so that individuals and organizations outside the Group who are facing human rights challenges can benefit from remedies.

Reference: YBHD Hotline  
→ [https://www.ybhd.co.jp/contact\\_select/](https://www.ybhd.co.jp/contact_select/)



## Social

## Social Contribution Activities

To fulfill our roles and responsibilities as an enterprise engaged in providing society with infrastructure and the foundations for daily life as well as a corporate citizen that seeks to work in harmony with the local community, we implement measures to invigorate local communities with the goal of helping to create a society in which people can live safely and with peace of mind

### Case Study 1 Site visits

In July 2024, Yokogawa Bridge hosted a site visit to the first bridge of the C Ramp of the Oizumi Junction on the Tokyo Gaikan Expressway, where we won the order to construct the steel superstructure. Roughly 55 university students majoring in civil and environmental engineering participated in the tour, receiving an overview of the construction site before climbing up on erected bridge girders. This gave them the opportunity to further their understanding of bridges to aid their studies and experience the full appeal of a bridge erection site.

By continuing to provide opportunities for people to take interest in our business, we aim to support the bridge builders of the future while growing our company and the civil engineering industry as a whole.



Photo from the site visit

### Case Study 2 Donating "survival bread" to the City of Sakai in Osaka Prefecture

In August 2024, we participated in a food drive hosted by the City of Sakai in Osaka Prefecture aiming to reduce food loss and support children during their summer vacation. A food drive is an initiative in which the organizer solicits donations of surplus food for people in need. Food drives have the effect of reducing environmental impact by reducing food loss, contributing to resolving poverty, and strengthening community ties.

On this occasion, we donated 3,360 packages of "survival bread" from the emergency stockpile at our Osaka plant. The City of Sakai will use the donated food items in various situations, including municipal counseling on parenting and daily life for families with children, and support for single-parent households. This initiative was also written about on the city's official website.

We intend to continue to contribute to local community support and implement activities to help many people build a better future.



Donated food

### Case Study 3 Participating in the 2024 Mt. Fuji Kawaguchiko Piano Festival

The 2024 Mt. Fuji Kawaguchiko Piano Festival was held on September 20–23, 2024 at the Kawaguchiko Stellar Theater at the foot of Mount Fuji. The event is an opportunity to experience a variety of music, including performances by world-renowned pianist Nobuyuki Tsuji. Yokogawa Bridge has supported the festival since FY2021, when it established a connection with the organizers upon installing the theater's retractable roof.

This year, roughly 30 YBHD Group employees participated in the event as volunteer staff members. We prepared handouts, cleaned up the venue, served as ushers, and provided other operational support while communicating with local staff members, taking the opportunity to further our friendship with the local community.

The four-day piano festival was a great success, and Tsuji, who performed at the festival, said that he hoped to continue to develop the festival and make it a world-class event that would attract the world's most famous pianists.



Nobuyuki Tsuji plays at the festival



Photos of YBHD volunteer activities



## Social

## Stakeholder Engagement

The YBHD Group promotes constructive dialogue with shareholders and investors, aiming for sustainable growth and increased corporate value over the medium and long term. Our departments in charge of IR actively disclose information and share the concerns and views obtained from this dialogue with our management team and the Board of Directors and reflect them in our management and IR activities.

### IR policy

We promote constructive dialogue with shareholders, investors, and other stakeholders in accordance with our IR policy.

We also have a system in place for timely and proper disclosure of information through collaboration among related departments.

We proactively disclose information subject to the Timely Disclosure Rules of the Tokyo Stock Exchange, in addition to other information that could impact investment decisions even though the rules do not require its disclosure.

We also comply with the fair disclosure rule and strive to disclose information fairly and promptly.

Reference IR policy  
→ <https://www.ybhd.co.jp/en/ir/ir-policy/>

### Status of implementation

	FY2024 results	Main participants	Participant overview
Financial results briefing	2 times	Representative Director and President, Director in charge of IR	58 Japanese and foreign institutional investors, fund managers, analysts, etc.
Individual IR meetings	73	Director in charge of IR, departments in charge of IR	98 Japanese and foreign institutional investors, fund managers, analysts, etc.

### Main themes of dialogue and matters of interest for shareholders and investors

Themes	Matters of interest
Performance	Orders, profit/loss of core businesses
Medium-Term Management Plan	Medium-/long-term business environment, business strategy, growth strategy Business base strategy, capital allocation
Shareholder returns	Dividend policy (progressive dividends), treasury share repurchase policy
Market valuation	Initiatives to improve PBR
Others	Status of reduction of cross-shareholdings, results of DX initiatives and IT investments

### Policy on cross-shareholdings

We retain cross-shareholdings when we judge that doing so will help enhance the Group's corporate value over the medium and long term by maintaining and strengthening business relationships and maintaining and developing business alliances. However, we strive to reduce our cross-shareholdings based on dialogue with the companies whose shares we hold.

The Board of Directors annually reviews the appropriateness of holding each individual security, including the possibility of selling it, by comprehensively considering the necessity of holding the security, investment efficiency, and other benefits and risks associated with holding the security.

Notably, as of the end of FY2024, cross-shareholdings comprise less than 10% of our consolidated net assets.

### Number of issues and value on balance sheet of cross-shareholdings

Category	FY2020	FY2021	FY2022	FY2023	FY2024
No. of issues	42	39	35	30	22
Value on balance sheet (million yen)	16,342	13,589	11,855	13,955	9,976

### Initiatives to respect stakeholders' positions

#### Internal regulations stipulating respect for stakeholders' positions

The Group's Code of Corporate Behavior stipulates respect for the positions of shareholders, business partners, employees, and other stakeholders.

#### Implementation of environmental conservation and CSR activities

Based on the Code of Corporate Behavior, we undertake a wide range of initiatives, including environmentally conscious construction practices on-site.

#### Formulation of policies for information provision to stakeholders

We proactively provide information on facts determined internally and circumstances in line with the Timely Disclosure Rules set out by the Tokyo Stock Exchange.