Yokogawa Bridge Holdings Corp.

Integrated Report 2025

Building links to the future

Editorial Policy

In fiscal 2021, we began publishing an integrated report to communicate to stakeholders our efforts to realize the YBHD Group's corporate philosophy of "Contribution to society and the public, and sound management."

Going forward, we will continue to deepen our efforts and will enhance the content of the report, with the hope that it helps stakeholders to understand the YBHD Group.

Period

Fiscal 2024
(April 2024 to March 2025)

Published

September 2025

Scope

The YBHD Group's initiatives, focusing on the Group's financial and ESG information

Guidelines referenced

- International Integrated Reporting Council (IIRC) "International Integrated Reporting Framework"
- Ministry of Economy, Trade and Industry "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation (Guidance for Collaborative Value Creation)"
- Global Reporting Initiative "GRI Global Standards for Sustainability Reporting"

Inquiries about the report

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Website

For more information, please visit the website of Yokogawa Bridge Holdings Corp.
https://www.ybhd.co.jp/en/

Contents

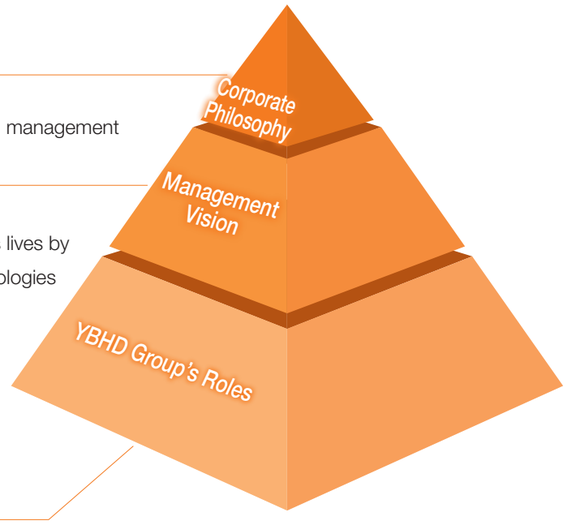
Philosophy Framework of the Yokogawa Bridge Holdings Group

Corporate Philosophy

Contribution to society and the public, and sound management

Management Vision

We will contribute to safe, secure and prosperous lives by integrating our craftspersonship and digital technologies to provide high-quality social infrastructure.



YBHD Group's Roles

1. Continuing to take on challenges as an industry-leading company
2. Accelerating the shift to smart business operations using digital technologies
3. Developing resilient social capital and achieving co-existence with the natural environment
4. Developing diverse human resources who will link technologies and the future

Words passed down from our founding

Our corporate philosophy, "Contribution to society and the public, and sound management," has been passed down since our founding and represents the timeless values of the YBHD Group.

Furthermore, a phrase attributed to our founder, Dr. Tamisuke Yokogawa, that he is said to have taught and preached to engineers is, "Embody integrity! Create outstanding things!" These words are known to all our employees and carefully passed down. This has kept the founder's DNA alive, inspiring our uncompromising commitment to excellence and quality in manufacturing.

With its advanced technical capabilities, extensive track record, and diverse talent pool, the YBHD Group is known for Yokogawa Technology, which we continue to draw on every day to create safe, secure, and comfortable social infrastructure. Based on this corporate culture, we always prioritize providing high-quality products and services and contributing to society.



Sustainability Policy

Basic Approach

Under the corporate philosophy of "Contribution to society and the public, and sound management," the YBHD Group has laid down its management vision of, "We will contribute to safe, secure and prosperous lives by integrating our craftspersonship and digital technologies to provide high-quality social infrastructure." Based on this vision, our basic sustainability policy is to contribute to the development of society by creating and protecting high-quality products and passing them on to future generations.

We will actively and proactively work to resolve social, environmental, and other sustainability issues with a view to not only reducing risk but also increasing corporate value over the medium to long term, based on our recognition that this will lead to new revenue opportunities.

Sustainability Promotion Structure

(1) Among the various sustainability issues, we will identify those that the YBHD Group should give priority to as materiality (key issues) and reflect them in our medium-term management plan. Each materiality will be reviewed as necessary.
(2) Materiality identification will be discussed by the Sustainability Committee and approved and monitored by the Board of Directors.
(3) The Board of Directors will monitor the progress of goals and initiatives with respect to individual sustainability issues.

Disclosure of Information

We will strive to disclose information to stakeholders in a timely and appropriate manner and ensure transparency.

Materiality (Key Issues) in the Sixth Medium-Term Management Plan

E Consideration for the environment
- Responding to the material risk associated with climate change and natural disasters
- Responding to demand for the development of disaster-resistant products
- Responding to demand for retrofitting services and maintenance associated with National Resilience Promotion

S Social contribution
- Ensuring the stable supply of products
- Quality assurance
- Support for disaster recovery
- Safeguarding occupational health and safety
- Responding to global health issues
- Securing talent and promoting diversity and inclusion
- Strengthening of talent management
- Labor productivity enhancement
- Respecting the human rights of our employees, and the employees of partner companies and suppliers
- Prevention of overwork and promotion of Work-Life Balance, and realizing equivalent compensation for equivalent work

G Governance
- Fair transactions and prevention of corruption
- Information security management

Materiality (See P.31–32 for Review of Materiality)

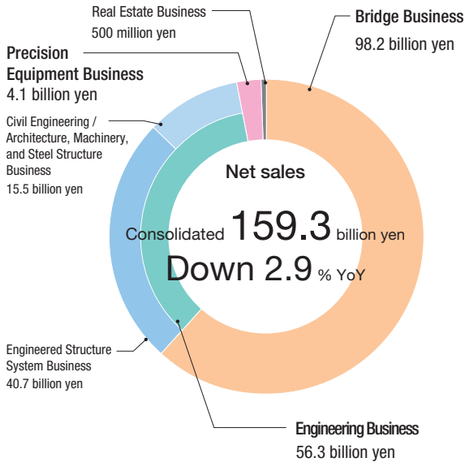
Code of Corporate Behavior

The YBHD Group has created a Code of Corporate Behavior to ensure all workers are always cognizant of their social responsibilities and public mission. It emphasizes maintaining high social credibility, complying with all relevant laws and regulations both in Japan and abroad, and respecting corporate ethics and social norms while conducting corporate activities with good judgment.

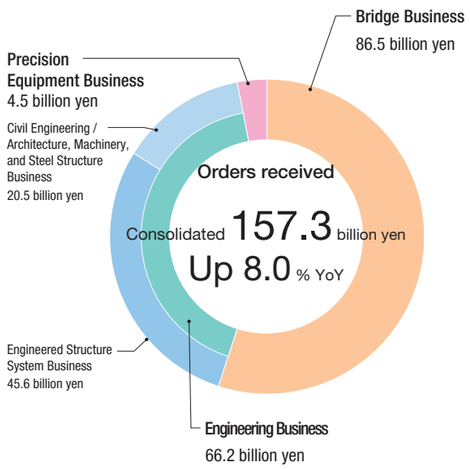
Reference Code of Corporate Behavior
→https://www.ybhd.co.jp/dcms_media/other/cr-charter.pdf

Services Provided

Net sales



Orders received



(As of March 31, 2025)

Number of bridges worked on: Over 5,000

Number of engineered structure systems worked on: 11,372

(As of March 31, 2025)

Group companies and their businesses

	Consolidated subsidiary	Equity method affiliate	Group management	Bridge Business	Engineered Structure System Business	Engineering Business	Precision Equipment Business	Other
Yokogawa Bridge Holdings			●					●
Yokogawa Bridge	○			●		●	●	
Yokogawa System Buildings	○				●			
Yokogawa NS Engineering	○			●		●		
Narasaki Seisakusyo	○			●		●		
Yokogawa Techno-Information Service	○						●	
YCE		○		●				
Yokogawa Techno Philippines				●	●	●		

YBHD Group's Businesses

The YBHD Group operates a wide range of businesses centered on the bridge business, which leverages our strength of comprehensive technical proposal capabilities encompassing the entire process from design and fabrication to erection, construction, maintenance, and diagnostics. These businesses include the engineered structure system business, engineering businesses such as steel segments, and the precision equipment business, which includes precision equipment manufacturing and information processing.

Bridge Business

As a leading company in the bridge industry, we are constantly engaged in the development of cutting-edge technologies and have been involved in the construction of many of Japan's leading bridges. In response to the aging of existing facilities and the need to develop infrastructure that is resilient to natural disasters, we have established a total maintenance business system that covers everything from inspections and surveys to design, fabrication, and on-site construction in maintenance and repair work, thus contributing to the maintenance of safe and high-quality social infrastructure along with new bridge construction.

New bridge construction business	● Design, fabrication, and on-site construction of new bridges
Maintenance business	● Design, fabrication, and on-site construction in maintenance and repair of existing bridges
Overseas business	● Design, fabrication, and on-site construction of bridges outside Japan

Engineered Structure System Business

Our "yess" buildings, which utilize Yokogawa's proprietary steel structural technology, are engineered structures with first-rate design and flexibility. They range from buildings with standard dimensional specifications to highly flexible custom-made specifications, depending on the purpose and use. With high quality, low cost, and quick delivery, our engineered structure system business has steadily increased its share in the industry and continues to grow as our second core business after the bridge business.

Engineered structure system business	● Design, fabrication, and on-site construction of system structures ("yess buildings")

Engineering Business

Our civil engineering business focuses on steel segments that can be used for underground space utilization and port and offshore structures for earthquake and tsunami protection. In our construction business, we handle the erection of steel frameworks for high-rise buildings and other structures and provide integrated design, fabrication, on-site construction, and maintenance for movable building systems (YMA), such as retractable roofs for swimming pools and stadiums. In our machinery steel business, we contribute to various fields, including the design, fabrication, and construction of ship-lifting equipment, and the design, fabrication, and maintenance of water treatment facilities.

Civil engineering business	● Design and fabrication of tunnel segments and other underground structures ● Design and fabrication of offshore and port structures
Construction and machinery steel business	● Construction of steel frameworks and forge work for high-rise buildings, etc. ● Design, fabrication, on-site construction, and maintenance of moveable building systems (YMA) ● Design, fabrication, and construction of ship-lifting equipment; design, fabrication, and maintenance of water treatment facilities

Precision Equipment Business

In the precision equipment manufacturing business, we provide a stable supply of high-precision products with excellent cost performance for use in the production of precision machinery manufacturing equipment for semiconductors, LCD panels, etc., through our integrated production management system from structural frame design to manufacturing. In the information processing business, our products, such as the total steel bridge design system APOLLO and the manufacturing simulation system CA* (Caster) Series, have captured the top market share in the steel bridge industry.

Precision equipment manufacturing business	● Production of high-precision frames for manufacturing equipment for LCD panels, OLED panels, and semiconductors
Information processing business	● Software development

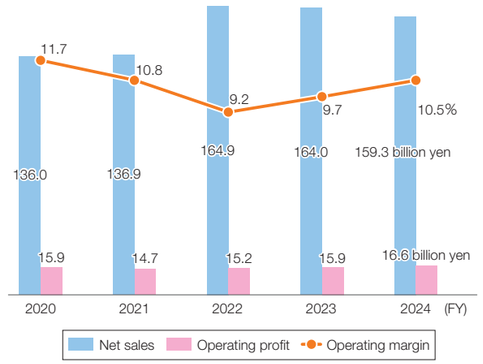
Other

In our real estate business, we lease some of our owned properties for use as logistics warehouses and other facilities.

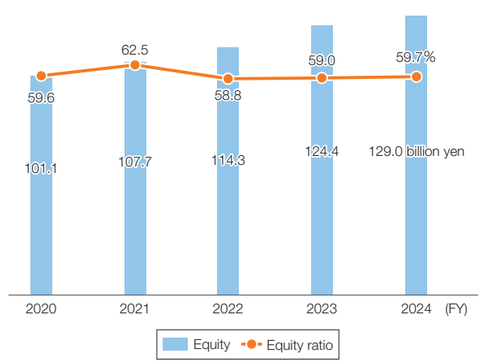
Financial and Non-Financial Highlights

(Items without notes are consolidated.)

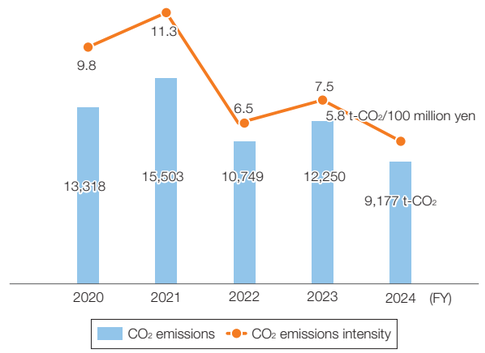
Net sales / Operating profit / Operating margin



Equity / Equity ratio

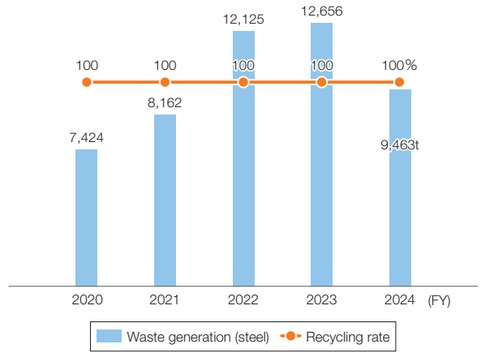


CO_2 emissions / CO_2 emissions intensity* (Scopes 1 and 2 for bases and construction sites in Japan)

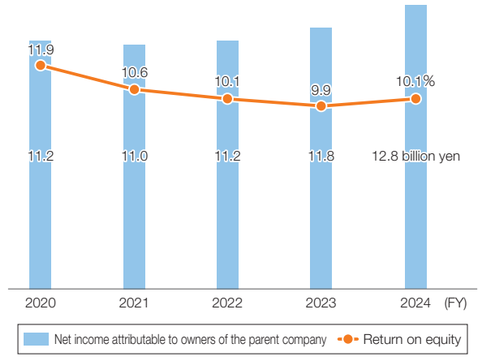


*CO_2 emissions per 100 million yen in sales

Waste generation (steel) / Recycling rate



Net income attributable to owners of the parent company / Return on equity



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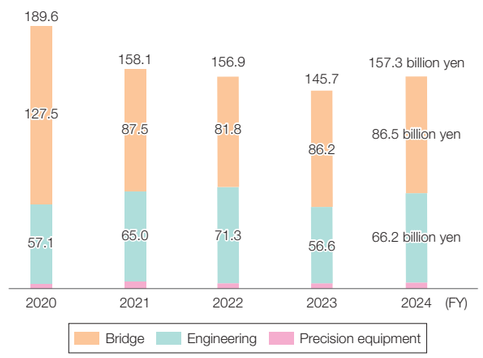
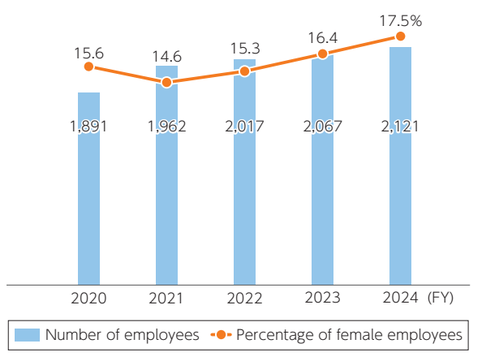
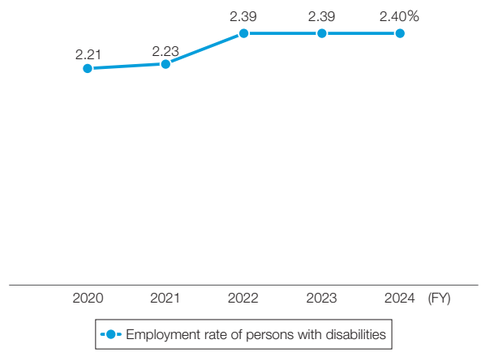


Number of employees / Percentage of female employees



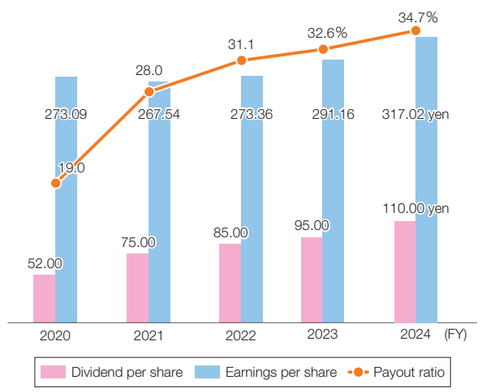
*Including equity method affiliates

Employment rate of persons with disabilities

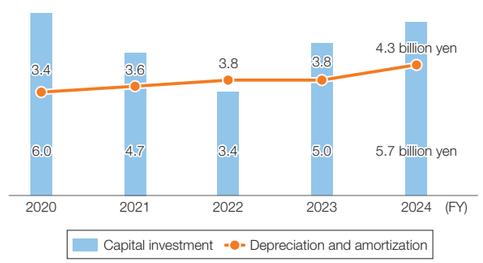


*Average for five operating companies

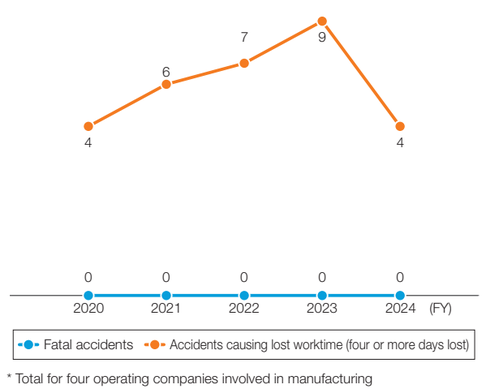
Dividend per share / Earnings per share / Payout ratio



Capital investment / Depreciation and amortization

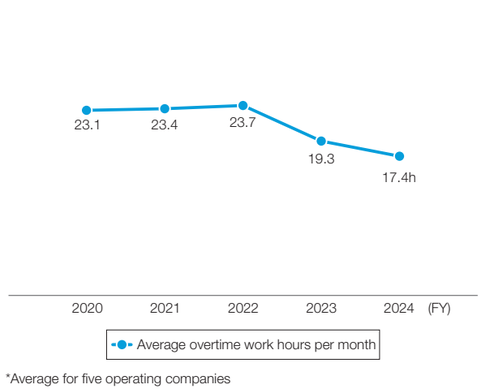


Fatal accidents / Accidents causing lost worktime (four or more days lost)



* Total for four operating companies involved in manufacturing

Average overtime work hours per month



*Average for five operating companies

History of the YBHD Group

1907
Founding, through the war years, to post-war recovery

1907
Dr. Tamisuke Yokogawa founded Yokogawa Bridge Works Ltd., the forerunner of Yokogawa Bridge Corp.

1913
The Yatsuyama Bridge, then the largest overpass bridge ever built in Japan

1938
The company was responsible for producing the steel frame used in the Dai-Ichi Life Insurance head office building, which was the most imposing building of its kind in Japan at the time. In the immediate post-war period, the General Headquarters (GHQ) of the Supreme Commander for the Allied Powers (SCAP) was located in this building.

1955
The Saikai Bridge, which heralded the trend towards larger, longer bridges.

1960
An era of rapid growth Yokogawa builds skyscrapers

1968
As a trailblazing manufacturer of steel structures, the company provided the structural framework for the Kasumigaseki Mitsui Building (now the Kasumigaseki Building), Japan's first skyscraper.

1970
World Trade Center Building (Tokyo)
Also in 1970: Keio Plaza Hotel

1974
Supporting skyscraper construction as a manufacturer of steel structures
Shinjuku Mitsui Building

1990
Linking Japan's transportation arteries

1993
A new Tokyo landmark: The Rainbow Bridge

1998
The world's longest suspension bridge at the time: the Akashi Kaikyo Bridge

1999
The world's first triple suspension bridge, consisting of three long successive suspension bridges: Kurushima Kaikyo Bridge

2000
Advanced technology

2001
Toyota Stadium, which uses our moveable building system (YMA)

2003
The Rokujizo section of the Kyoto Municipal Subway Tozai Line used composite segments supplied by Yokogawa NS Engineering Corp.

2009
Stonecutters Bridge in Hong Kong, the world's largest composite cable-stayed bridge

2010
Linking and connecting large spaces

2011
Spacious, beautiful, and comfortable – the new, completely transformed Osaka Station

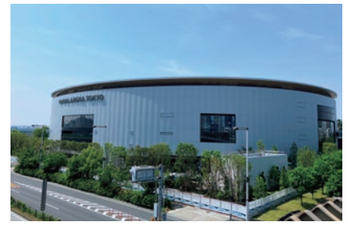
2016
An engineered structure carefully tailored to suit its purpose and usage – Nasu no Megumi Mekke!

2018
Japan's largest solid-rib arch bridge: Tenjo Bridge

2020
Expanding into the future

2024
Bridge with a maximum span length of 85.5 meters and downward gradient of 1.96%, erected in a single night using the launching method: San-En Road Bridge No. 9

2024
Engineered structure system building with a partial second floor:
Taiheiyo Cement Sales Corporation Kashiwa Logistics Center



2025
Next-generation space adorned with a truss roof: Toyota Arena Tokyo

The background photo shows the Kototoi Bridge, the furthest upstream of the six main bridges over the Sumida River, in 1928. At the time, it was the largest bridge in Japan.

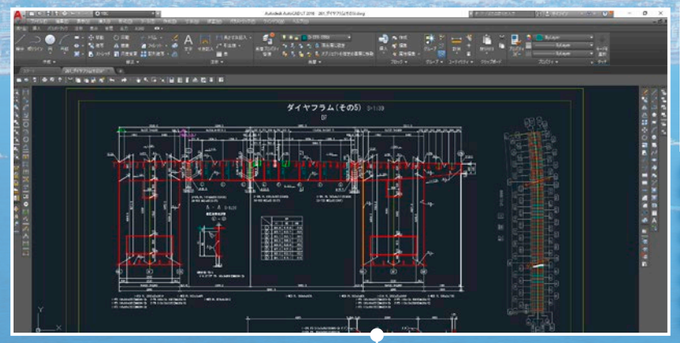
1907 Dr. Tamisuke Yokogawa founded Yokogawa Bridge Works in Nishi-ku, Osaka City.
1963 Yokogawa Construction Co., Ltd. was founded.
1984 Yokogawa Techno-Information Service Inc. was founded.
1991 Yokogawa Bridge Works Ltd. was renamed Yokogawa Bridge Corp.
1991 Yokogawa New Life Corp. Established
2000 YCE Corp. was founded.
2001 Yokogawa System Buildings Corp. was founded.
2003 Yokogawa acquired a controlling share in Narasaki Seisakusyo Co., Ltd., which became a Group company.
2007 Yokogawa Bridge Holdings Corp. was founded.
2009 Yokogawa acquired a controlling share in Yokogawa Sumikin Bridge Corp., which became a Group company.
2015 Yokogawa Construction Co., Ltd. was merged into Yokogawa Bridge Corp. (with Yokogawa Bridge Corp. as the surviving company).
2019 Yokogawa Sumikin Bridge Corp. was renamed Yokogawa NS Engineering Corp.
2024 Absorbed through merger into Yokogawa Bridge Holdings

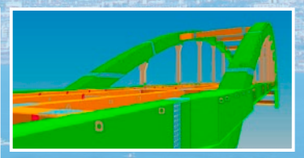
Building Strong Bridges Bridge Building Process

The YBHD Group precisely meets diverse requests and contributes to the development of social infrastructure by exercising its comprehensive technical and management capabilities in all processes of bridge design, fabrication, and on-site construction.

Order

Design





After creating comparative designs to select the form of the bridge most suited to the road plan and conditions, a detailed design is made, including the creation of detailed drawings. In addition, a design review is conducted to verify the validity of the design.

Arranging materials

Materials are procured based on the design. The primary material is steel plate.

Cutting / Machining

The procured steel plate is cut into the designed shape. Steel bridges are fabricated in blocks that can be transported from the plant to the construction site. When bolts are used as the method of joining the blocks that make up a bridge, bolt holes are drilled at the joints of the cut steel plates.

Welding / Assembly

Individual steel plates that have been machined, such as by drilling holes, are assembled by welding to create the shape of the blocks that will make up the finished bridge.

Temporary assembly

Assembled blocks are then fully or partially assembled temporarily into the bridge's finished shape to check that there are no errors in shape and dimensions, thus making sure that there will be no problems in on-site construction. There are two kinds of temporary assembly: actual temporary assembly, in which the blocks are actually assembled, and simulated temporary assembly, in which the dimensions of individual blocks are measured using a 3D measurement system and the assembly is performed using a computer system.

Painting

After temporary assembly, the blocks are dismantled and painted. Some bridges use weather-resistant steel materials that do not require painting.

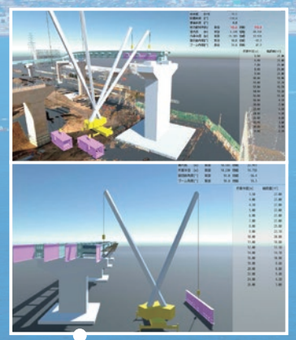
Transportation

Bridge blocks painted in the plant are transported to the construction site.

Building Strong Bridges Bridge Building Process

Plan

Before starting on-site construction, we develop, review, and discuss erection plans that ensure safety and adherence to the construction schedule, taking into account the type of bridge being erected and site conditions, such as topography, environment, and constraints.
We also utilize 3D models and point cloud data to plan crane placement and identify temporary storage and ground assembly locations for materials.



Const. Erection

Construction site experts gather to build the bridge with great care for safety. Depending on the type of bridge, topography, environment, and other conditions on site, the way the bridge is supported during construction, the block transportation method, and the equipment used for these will change. Moreover, there are about 20 methods to erect bridges. In order to stick to the schedule for completion while ensuring safety as the top priority, it is necessary to respond quickly to daily changes in circumstances. Every time someone has a question, no matter how small, we stop the work and check and discuss it as many times as needed until everyone is satisfied.

Temporary facilities

Temporary facilities are set up to support the bridge during construction. The temporary facilities are dismantled after all erection work is completed.

Ground assembly

Individual blocks are assembled on the ground or on temporary facilities into a size suitable for erection. The blocks are joined by welding and bolting.

Girder construction

Using cranes, etc., the assembled blocks are lifted into place one by one in the order in which they are to be installed and built into a bridge.

Const. Deck

During deck concrete pouring, compaction workers can identify locations needing compaction and determine appropriate compaction times using AR grids projected onto the concrete surface through their mobile devices (smartphones). Meanwhile, pouring supervisors can check the quality of compaction work in real-time on tablets, point out any issues on the spot, and record them on their devices.

A deck is built on top of the erected steel girders so that vehicles can travel on it. The material is mainly reinforced concrete, but there are also steel decks fabricated from steel plate in plants.

Const. Painting

The joints between the blocks are painted.

Completion

Oizumi Section of Tokyo Outer Ring Road

Once completed, the bridge will provide a route over which people, goods, hearts, and cultures pass. It will continue to support safe and secure lives by connecting people and communities.

Building Large Spaces Factory and Warehouse Building Process

Engineered structure system

Yokogawa Engineered Structure System (“yess”) is an architectural brand that specializes in buildings with large, pillarless spaces that are manufactured and constructed by applying Yokogawa’s own structural specifications to the engineering of engineered structures. This enables the construction of high-quality buildings, mainly plants and warehouses, with short delivery times at low cost by standardizing parts such as beams, pillars, roofs, exterior walls, fittings, etc.

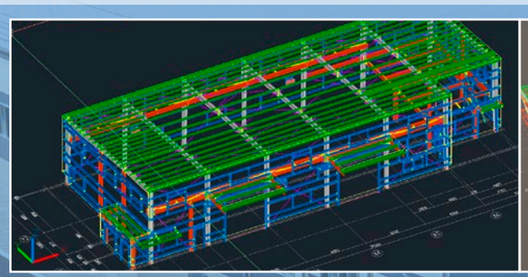
Client

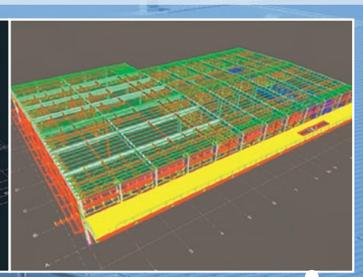
Affiliated builder
(contact point)
Everything from estimates to construction

Yokogawa System Buildings
(manufacturer)
Design and production

In addition to direct sales activities,
we are developing this business by leveraging our network of more than 1,300 affiliated builders nationwide.

What are “yess” building sales and construction partners (affiliated builders)?
Affiliated builders are agents that serve as direct contacts for clients. The YBHD Group’s Yokogawa System Buildings supports the builders. To facilitate clients’ business expansion and ensure that their capital investment goes smoothly, we provide support together with affiliated builders, from consultation to construction and maintenance.





The design and production system for “yess” buildings is based on the steel bridge structure technology we have cultivated in the bridge business. This is achieved through the Scapy3D & YMD System, which is a structural design and production design system exclusively for “yess” buildings that has been independently developed by Yokogawa System Buildings. Furthermore, we are advancing the use of AI and AR technologies for quality control by utilizing digital data from the YMD System.

Mito Plant, AIRMATIK Co., Ltd.

LaLa arena TOKYO-BAY Sub arena

Rational construction methods that standardize members and joints enable construction in a short period. Moreover, since “yess” buildings can have pillarless spaces of up to 60 meters, they can be used in various fields, such as sports facilities and stores, in addition to factories and warehouses.

Distribution warehouse, Kyoei Sangyo Co., Ltd.

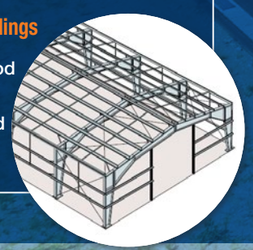
We have established a system to produce “yess” buildings in the only plant in Japan dedicated to engineered structures. This allows us to provide a stable supply of high-quality materials in a short time and at a low cost.

Order-taking → Design → Production → Construction → Completion

Four systems to create “yess” buildings

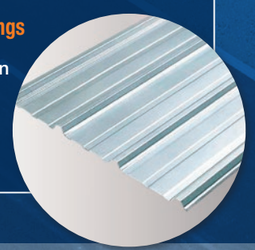
Frame system for “yess” buildings

Our proprietary design method enables weight savings and large spans in the frame used for pillars and beams.



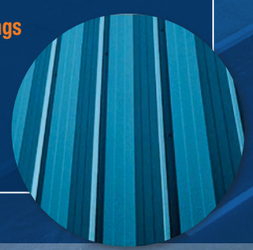
Roof system for “yess” buildings

Metal roofs set with insulation ensure high insulation at a low cost.



Wall system for “yess” buildings

We have a large lineup from which selections can be made according to the application and design.



Accessories system for “yess” buildings

We provide a full range of accessories, such as shutters, doors, cranes, etc.

Feature

Harborside Road Hatsukaichi-Kusatsu Line Development Project

Parallel Bridge Supports More Efficient Port Logistics and Enhanced Disaster Prevention Through Conversion to Four Lanes

Bridge girders were assembled into large blocks at the plant and shipped by sea.
Six blocks of bridge girders shipped from the plant were erected in three weeks.

Planning Diagram

Provided by: Hiroshima Prefecture Government

Overall view after all blocks were erected

Photo provided by: Hiroshima Prefecture Government

Bridge Planning and Design Overview

Bridge Name	Hiroshima Hatsukaichi Bridge (Outbound Lanes)
Route Name	Harborside Road Hatsukaichi-Kusatsu Line
Number of Lanes	2 lanes
Width	Total width: Marine section 9.2 meters / Land section 9.0 meters Effective width: 8.0 meters
Skew Angle	90°
Gradient	Longitudinal: ↗ 5.433% to ↘ 5.000% Cross-sectional: 2.000%

Marine Section Bridge Specifications

Bridge Length	660.0 meters
Span Lengths	112.5 m + 112.5 m + 150.0 m + 95.0 m + 95.0 m + 95.0 m
Superstructure Type	Steel six-span continuous steel deck box girder bridge (rigid-frame bridge)
Substructure Type	Column type piers (hollow)
Foundation Type	Steel pipe sheet pile foundation Φ900
Support Conditions	Rigid-frame (rigid connection)

Project Overview

The Hiroshima Hatsukaichi Bridge spans Hiroshima Bay, linking Hatsukaichi in Hiroshima Prefecture with Saeki Ward in Hiroshima City. As part of the Hiroshima Minami Road that runs along Hiroshima Bay, it has played a key role in enhancing port logistics efficiency, primarily between Hiroshima's international hub port of the Itsukaichi and Hatsukaichi districts, since opening in 2001, provisionally as a two-lane road. To ensure smooth logistics amid expected future traffic increases, a project is underway to convert a roughly 1.3 km section, including the Hiroshima Hatsukaichi Bridge, from two lanes to four. Yokogawa Bridge collaborated in a joint venture with Kawada Industries, Inc., and Sumitomo Mitsui Construction Steel Structures Engineering Co., Ltd. (Kawada, Yokogawa, Sumitomo Mitsui Construction Steel Structures - Hiroshima Port Hiroshima Hatsukaichi Bridge Marine Section Superstructure Construction (Section 11)), handling the fabrication and erection work for the bridge.

Project Features

The Hiroshima Hatsukaichi Bridge is a composite rigid-frame bridge, a type of bridge that rigidly connects the steel superstructure with concrete piers. The combination of lightweight steel girders and concrete piers, which provide high rigidity and vibration damping, is a structural type with excellent seismic performance that rationally leverages the characteristics of different materials. Additionally, since bridge bearings and expansion joints—potential weak points—can be eliminated, it also performs well in terms of maintainability.

In this project, the 660-meter-long bridge was divided into six large blocks, and steel girders were fabricated at the manufacturing plants of the three joint venture companies (Yokogawa Bridge was responsible for fabricating Blocks 1 and 2).

The large block steel girders assembled at our manufacturing plant in Sakai City, Osaka Prefecture, were loaded onto a massive barge using a 2,050-ton floating crane and transported by sea across the Seto Inland Sea to the erection site in Hiroshima Prefecture.

On-site erection was carried out with a 2,200-ton floating crane using the cantilever method from Block 1 to Block 6, and was successfully finished in just about three weeks, from July 9 to July 31, 2024.

High-precision steel girder fabrication and on-site erection were essential to rigidly connect the concrete piers and steel girders. In this project, a 3D scanner was used to analyze the substructure shape, which was then integrated into the fabrication products, and erection simulations were conducted. This method ensured precise and high-quality fabrication and construction.

Feature

Harborside Road Hatsukaichi-Kusatsu Line Development Project

Parallel Bridge Supports More Efficient Port Logistics and Enhanced Disaster Prevention Through Conversion to Four Lanes

Plant Fabrication

Ground Assembly Work (Ground Assembly Yard)

Steel Girder Plant Fabrication

Bridge girders are fabricated at plants far away from the construction site.

After being assembled into erection block units at the plant, they are loaded onto transport barges with a floating crane and shipped by sea to the site.

Lateral transport from the ground assembly yard to the quay using a floating crane

Connection with column members on the quay

Launching work (loading onto barge)

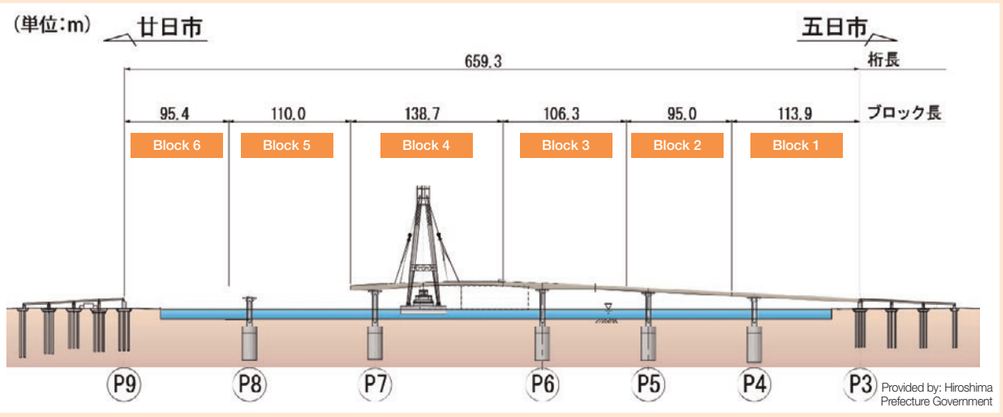
Bridge Girder Erection Work

Superstructure erection is carried out using a 2,200-ton floating crane to erect the blocks for each span.

The bridge girders, fabricated by dividing the entire bridge into six blocks, are erected one after another, starting from Block 1 on the Itsukaichi side.

Block 1 / July 9, 2024

Block 2 / July 12, 2024

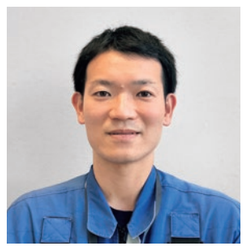


Provided by: Hiroshima Prefecture Government

Voice of Plant Fabrication Staff

Deeply Moved by the Successful Completion up to the Launching Work!

Koki Kurama, Manufacturing Section 1, Osaka Plant, Production Headquarters, Yokogawa Bridge



In this project, we adopted an unprecedented construction method of integrating the main girders with the pier columns of the rigidly connected structure at the plant before launching.

Initially, the plan was to assemble temporary supports on the quay and connect one block at a time. However, concerns arose regarding increased costs due to the use of temporary support equipment and larger scaffolding, safety issues related to working at heights, and the insufficient load capacity of the quay when lifting the fulcrum girder (80 tons). Therefore, we adopted a construction method in which the main girder was prefabricated into a large block at the ground assembly yard, then transported laterally to the quay using a 2,050-ton floating crane, and integrated with the pier columns on the quay. Although this method requires the use of a large floating crane, it offered significant advantages in terms of safety and cost, as tasks such as bolt connections, welding, painting, and attachment installation at the ground assembly yard could be performed at lower positions than initially planned. This reduced work at heights and simplified the use of temporary support equipment and scaffolding. However, such large-scale lateral transport operations were unprecedented at our plant and construction sites, presenting many challenges.

When laterally transporting the main girder, which was over 100 meters long, after ground assembly to the quay, coordination of the entire plant schedule and traffic control were necessary because it crossed multiple yards within the plant. Additionally, since roughly 1,200 tons would ultimately be loaded onto the quay, we conducted reaction force studies using grid analysis modeling the quay and carefully proceeded with girder lowering while monitoring reaction forces, as there were concerns about load imbalance due to tidal levels and errors during lateral transport. As a result, when the ground assembly and launching were successfully completed, we felt a great sense of accomplishment.

Message from the President

New Management Vision

We will contribute to safe, secure, and prosperous lives by integrating our craftspersonship and digital technologies to provide high-quality social infrastructure.

Kazuhiko Takata
President and Representative Director
Yokogawa Bridge Holdings Corp.

A Company Responsible for Building Infrastructure that Supports the Future

We reaffirm our mission and purpose and will fulfill our commitment to serving society and the public.

In January 2025, a road cave-in accident in Saitama Prefecture served as a stark reminder of the vulnerability of our social infrastructure. This incident underscored the critical importance of maintaining infrastructure across all sectors, not just water and sewage systems. For YBHD, which has grown with the principle of "Contribution to society and the public, and sound management" as our corporate philosophy and with the provision of social infrastructure at the core of our business, this event prompted deep and profound reflection on our role, mission, and purpose.

The SDG goals of "Sustainable Cities and Communities" and "Industry, Innovation, and Infrastructure" are not ideals for some distant future. These are precisely the social challenges that the YBHD Group should address, and they show that there is a very broad range of areas where we can make a meaningful difference.

As the social environment surrounding infrastructure continues to evolve, our core bridge business is transforming into a comprehensive bridge engineering business, aiming to be No. 1 not just in steel but in all aspects of bridges. We are expanding our business scope both spatially and over time—covering design, fabrication, and on-site construction of both steel and concrete structures, as well as maintenance, renewal, and LCA (Life Cycle Assessment). Our goal is to establish ourselves as the leading company that supports future bridge infrastructure, and we are actively exploring corporate partnerships and M&A strategies to this end. Beyond traditional public infrastructure, like steel bridges, our engineered structure system business is developing a long-term growth strategy to serve the private industrial infrastructure sector, which is expected to see increased investment in semiconductor and biotech plants, logistics warehouses, hazardous materials storage, and data centers. Additionally, in emerging infrastructure areas such as underground rivers, defense facilities, and offshore wind power, our civil engineering business will boldly push into new frontiers, leveraging the craftspersonship and products we have developed, unbound by traditional business limits.

Message from the President

Opening the Future by Combining Craftspersonship and Digital Technology

We updated our management vision and materiality to bring all employees together as we move forward.

Alongside the development of our Seventh Medium-Term Management Plan (hereinafter "Seventh Plan"), which began in fiscal 2025, we revised our management vision and materiality. We did this because we believe that for YBHD to achieve sustainable growth in today's rapidly changing external environment, with its increasing uncertainties, we need to foster a mindset that can adapt flexibly to shifting social conditions at any given time. This reflects my strong desire to reorganize the principles and vision that form the foundation for all YBHD Group employees so we can move forward united.

What I was most particular about in this revision was the phrase "integrating our craftspersonship and digital technologies" in our management vision. Our manufacturing craftspersonship is our greatest strength, cultivated over our long history. We also have a history of pioneering the use of digital technology, creating industry standards through innovations like automated design, automated drafting, and temporary assembly simulation. Our new vision embodies our determination to elevate our strengths to a new level by combining these two elements and establishing a strong competitive advantage. Since becoming president, I have believed that "there can be no future growth without the fusion of craftspersonship and digital technology," and I wanted to powerfully express this in our philosophy framework. As an industry leader, we will stay one step ahead not only in human skills but also in digitalization. I am convinced this will secure our competitive edge today and lead to long-term growth.

Results and Challenges of the Sixth Medium-Term Management Plan

Our achievements were in building and strengthening internal systems, while our challenges lay in our ability to respond to external environmental changes.

Under the Sixth Medium-Term Management Plan (hereinafter "Sixth Plan"), we carried out various measures based on three basic policies. The enhancement of the maintenance sector in the bridge business, the development of various management systems in the engineered structure system business, and the company-wide promotion of DX generally progressed as planned. However, I must sincerely reflect on our failure to achieve some numerical targets, including the net sales target of 187.0 billion yen and the operating income target of 18.3 billion yen.

Regarding results and challenges by policy, under "Further reinforce core businesses," while internally we steadily strengthened our systems to achieve growth, in the external environment, market contraction advanced more than expected. My analysis is that the main reason for this was the difficulties faced by the engineered structure system business, in which we had expected significant growth in net sales. Under "Create and develop diverse businesses," we were heavily impacted by high resource prices, yen depreciation, and rising interest rates. In the offshore wind power business, cost increases have become a challenge to commercialization. While we will continue to face these challenges, we need to be more cautious with major investments. Under "Establish a robust business base for the next 100 years," company-wide DX progressed as planned. However, challenges include a shortage of personnel skilled in digital technologies, and growing risks such as system failures and cybersecurity threats as DX advances. Recently, more companies have experienced performance impacts due to cyberattacks and system failures; therefore, these risks cannot be overlooked by YBHD, and we will further strengthen our risk management accordingly.

Based on the results of the Sixth Plan, I strongly believe that achieving sustainable growth is challenging in today's corporate management, especially when a "business as usual" mindset dominates. YBHD cannot expect to grow without constantly being aware of changing times and proactively pursuing transformation. If asked, "What is the most important transformation for the Yokogawa Bridge Holdings Group?" I would immediately answer "digitalization." I recognize digitalization as the most effective way to address company-wide challenges such as workforce shortages, technology transfer, and work style reform, and it is essential for future growth. I see it as my mission as CEO to turn digitalization into the YBHD Group's greatest strength and to make it a core part of our corporate culture.

Toward Achieving the "Future Vision" Set Forth in Our Long-Term Vision

Here is our long-term growth story and the objectives of the Seventh Plan.

The Seventh Plan, launched in April 2025, specifically defines our long-term future vision and illustrates a growth story through backcasting from that vision. While the detailed goals and measures of the Seventh Plan are covered elsewhere, its basic policy is "Aggressive investment of the Group's management resources in growth fields and reinforcement of earnings structure." We are committed to achieving the YBHD Group's long-term future vision for sales to reach 300 billion yen.

To achieve the milestones in our growth story, I believe it is essential, above all, for all employees to share the Future Vision and generate synergistic power through unity. If individuals head in different directions, it becomes difficult to focus our strength at the organizational level. What I repeatedly tell employees is that I want us to all align our directions and demonstrate greater collective strength. Without this unity, I believe it will be difficult for the YBHD Group to overcome the various challenges that are sure to confront it in the future.

This belief that achieving our vision and goals requires *the power of unity* is stronger than ever, as reflected in the Seventh Plan's slogan "BRIDGE: Building links to the future." The word "bridge" means not only a physical bridge but also connecting two things or mediating between people. "Building links" represents our desire for all Group members to work together to create social value, contribute to society, and open up the future. As for myself, I intend to fulfill the role of the *linchpin* that unites everyone's power and efforts.

Strengthening Governance and Risk Management

We will enhance corporate governance by upgrading our organizational structure and systems.

In June 2024, Yokogawa Bridge Holdings transitioned to a "company with an audit and supervisory committee" structure, and we have been working to organize and strengthen the audit function through collaboration between the Audit Office and the Audit and Supervisory Committee. Additionally, those who were previously outside auditors now have voting rights as outside directors, increasing their presence on the Board of Directors and providing more opportunities for them to make recommendations from an independent perspective, making discussions more dynamic. Our outside directors are highly motivated to contribute to the YBHD Group and actively participate in discussions on growth strategies, including medium-term plans. During the Seventh Plan formulation process, we disclosed information to outside directors in a timely manner and were able to deepen discussions by receiving opinions based on their extensive experience and insights.

To strengthen risk management, in April 2024, we

Message from the President

established the Integrated Risk Management Committee as an advisory body to the Board of Directors, meeting quarterly to comprehensively identify and manage various risks and implement effective responses. This committee specifically discusses how to address risks surrounding YBHD. The opinions and insights of outside directors are also used in this effort to strengthen risk management.

As mentioned earlier, adopting DX and digitalization to gain competitive advantages comes with the challenge of increasing information security risks as these efforts progress. To address this, we established a Computer Security Incident Response Team (CSIRT), a specialized organization dedicated to strengthening information security, which began operations in April 2025. Our CSIRT is mainly staffed with registered information security specialists drawn from personnel skilled in digital technology that we have cultivated internally over the past two years. We are also building a risk management system capable of responding to the rapid changes driven by digitalization, including 24/7 monitoring through outsourcing to a Security Operation Center (SOC) and a new support contract with a security consultant.

Commitment to Improving Management Metrics and Carrying Out Bold Investment Strategies

We will continue to increase dividends under the new policy of "DOE (Dividend on Equity) of 3.5% or higher."

We recognize that "management that is conscious of the cost of capital and stock price," as communicated by the Tokyo Stock Exchange to listed companies in March 2023, is an important management issue. To achieve a PBR above 1, we have set a target ROE of 10% or higher for the final year of the Seventh Plan and will implement various measures to reach it. We have already achieved a dividend payout ratio of 30% or higher and have continued to increase dividends, as outlined in the Sixth Plan. In fiscal 2023, we introduced *graduated dividends* to more clearly demonstrate our policy of not reducing dividends. In the Seventh Plan, we have shown our commitment to increasing dividends continually, including by paying graduated dividends and by establishing a new policy of "DOE (Dividend on Equity) of 3.5% or higher" to ensure stable dividends that minimize the impact of performance fluctuations.

In our investment strategy, I will uphold my basic principle in corporate management that "capital should be invested in growth areas." In the Seventh Plan, we will actively increase investments in digitalization, including DX, and in equipment upgrades to boost production efficiency. Investment in human resources is, needless to say, essential and will be continuously expanded, including wage increases, as a key measure for YBHD's growth.

I recognize that increasing engagement with stakeholders is vital to further boost our corporate value. To ensure that shareholders and investors accurately assess our growth potential, we will enhance IR and SR dialogue opportunities and information disclosure efforts to maximize YBHD's corporate value.

Promoting Sustainability Management

We will continue to lead the industry in enhancing corporate value through ESG.

In fiscal 2021, we set a goal to achieve carbon neutrality by fiscal 2050 and have been transitioning our electricity usage to renewable energy. We successfully met our fiscal 2024 target of reducing Scope 1 and 2 emissions by 20% compared to fiscal 2020.

Specific initiatives include: For Scope 1, we began a verification project using biofuel for energy at construction sites. For Scope 2, we introduced renewable energy-derived electricity at our Osaka Plant, Muroran Plant, and Shukutsu Plant in fiscal 2024, and switched the electricity used at the YBHD Group's major business locations (head office, plants, etc.). For Scope 3, in fiscal 2023, we became the first in Japan's bridge industry to propose "green steel," a steel material that generates significantly lower CO_2 emissions during production, and successfully secured a construction order using it. Additionally, as a member of the Japan Bridge Association's Greening Promotion Working Group, which focuses on climate change, we compiled the association's policy and actively promoted the use of green steel to project owners at annual opinion exchange meetings.

In the Seventh Plan, we have set a new goal to reduce Scope 1 and 2 emissions by 35% from fiscal 2020 levels by fiscal 2027, the plan's final year. We will communicate our roadmap toward carbon neutrality and our path to lowering CO_2 emissions, including Scope 3, as our Transition Plan.

On the social front, we focus on initiatives to protect human rights throughout the supply chain and implement work style reforms across the Group. In fiscal 2024, we set up new harassment consultation desks at each Group company, improving systems to be more accessible and considerate of each employee. We also performed risk assessments on human rights in the supply chain by distributing questionnaires to assess the status of human rights initiatives. Additionally, in April 2025, we launched the YBHD Hotline on our website as a channel for receiving complaints and grievances related to the YBHD Group's human rights situation, allowing organizations and individuals connected to YBHD to seek remedies in line with the UN Guiding Principles on Business and Human Rights.

In work style reforms, we established a Job Return System to encourage the rehiring of retirees as a way to address the industry-wide challenge of *workforce shortages*. We also strengthened compensation for mid-career hires, providing appropriate evaluations based on external experience and capabilities. We are also increasing talent mobility across the Group to enable each employee to work in their preferred workplace, promoting optimal talent allocation. Furthermore, recognizing that maintaining physical and mental health is essential for employees to continually perform at their best, we focus on health management through our Health Promotion Committee, which meets quarterly to support the health of employees and their families. These initiatives have been recognized by external organizations, and YBHD has received certification as a Health & Productivity Management Outstanding Organization (Large Enterprise Category) for three consecutive years since fiscal 2023.

Regarding sustainability, the Sustainability Standards Board of Japan (SSBJ), established within the Financial Accounting Standards Foundation, published the "SSBJ Standards" in March 2025. These standards set principles and content requirements for disclosing corporate sustainability information. These are expected to be gradually implemented for Prime Market-listed companies starting in 2027. We believe it is crucial to respond appropriately and quickly to these developments, and we have started reviewing whether our current information disclosures meet assurance requirements in preparation for the SSBJ Standards' third-party assurance system.

To Our Stakeholders

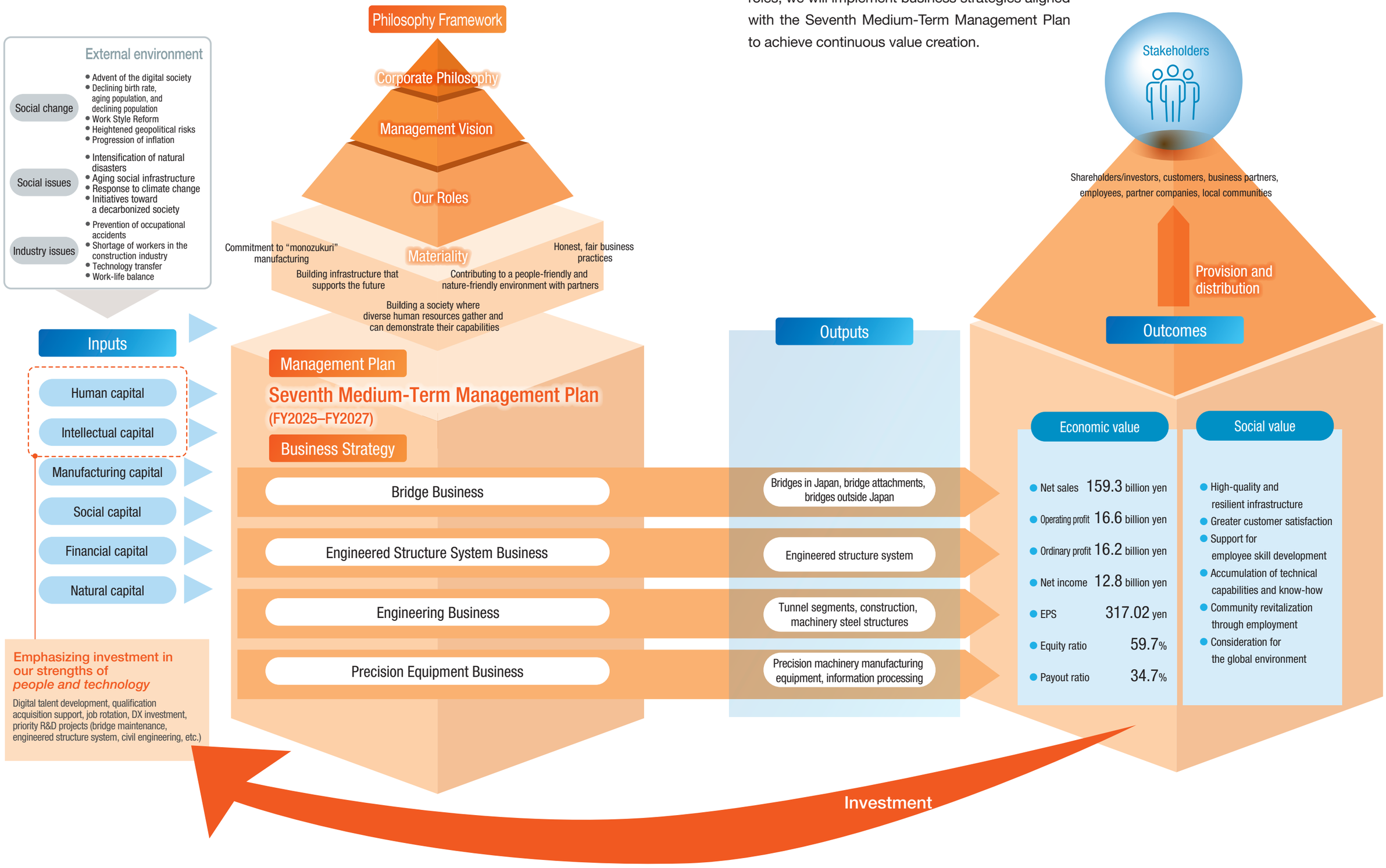
We will continue our unwavering efforts to tackle challenges and realize our future vision.

The real challenge for the Yokogawa Bridge Holdings Group in achieving our future vision is just beginning. We will maximize the strengths that have supported our company so far—people and technology—while adding the new strength of their combination with digitalization, thereby accelerating our growth, with all employees working together. I promise to lead and guide this path of transformation and growth as CEO, and I look forward to the continued support and encouragement of all our stakeholders.

Corporate Value Enhancement Strategy

Value Creation Process

To realize our new management vision and fulfill our roles, we will implement business strategies aligned with the Seventh Medium-Term Management Plan to achieve continuous value creation.



Updated Materiality

As uncertainties grow in the business environment, the YBHD Group has updated its materiality to prepare for the development of the Seventh Medium-Term Management Plan. We first categorized the external environment based on politics and economics (internationalization and geopolitical fluctuations), society (demographic shifts and social change), technology (technological innovation and digitalization), and the environment (environmental changes and sustainability). Through this analysis, we identified social change, social issues, and industry issues that are closely related to the YBHD Group's business, management resources, and value chain.

Materiality Determination Process

Our materiality was determined and updated in fiscal 2024 through the process outlined below, in parallel with the development of the Seventh Medium-Term Management Plan.

1. Listing candidate materiality items for consideration

In addition to conducting a new external environmental analysis, we thoroughly examined our corporate philosophy, the SDGs (Sustainable Development Goals), investor evaluation criteria, and peer company analysis to identify candidate materiality items. Then, we organized and applied the needs of key stakeholders regarding the identified items, to refine and expand their content. As a result of this process, we compiled a list of 21 items that represent social and environmental issues for the YBHD Group to address from a long-term perspective, as well as ESG issues that should be prioritized.

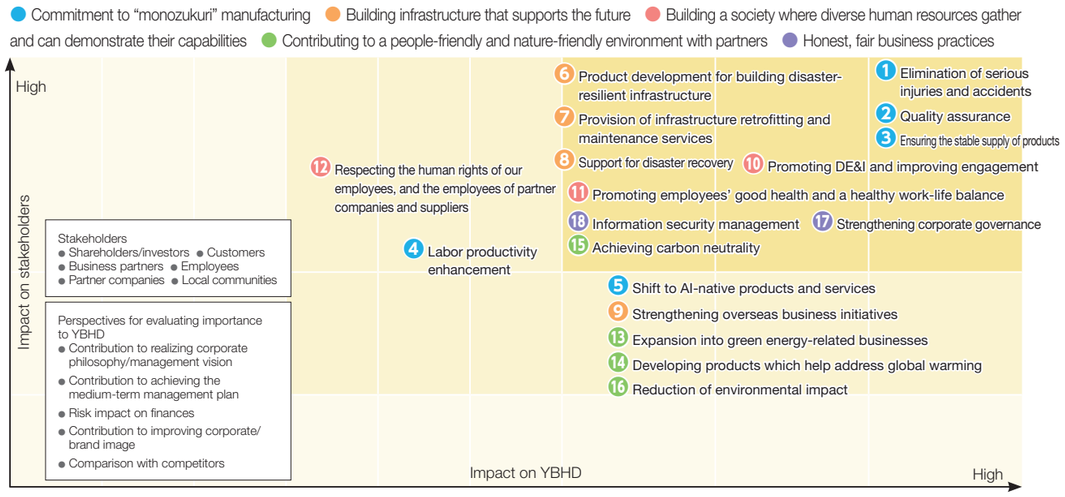
2. Prioritizing and assigning weights to candidate materiality items

We prioritized the listed candidate materiality items based on their medium- to long-term contribution to creating corporate value. Specifically, we developed a materiality matrix by mapping them along two axes: impact on stakeholders and impact on YBHD.

3. Determining materiality through Sustainability Committee deliberation and management review

Items positioned as highly important and impactful on the materiality matrix were carefully reviewed by the Sustainability Committee. During this process, governance-related issues were also considered, and the final candidate items were evaluated with input from the management planning department. As a result, all items were grouped into five materiality categories along with 18 specific measures to address them. Finally, after a management review, these items were confirmed as the YBHD Group's materiality.

Prioritizing and Assigning Weight to Measures for Addressing Materiality



Commitment to "monozukuri" manufacturing

At the heart of the YBHD Group's corporate value creation is our long-standing *commitment to "monozukuri" manufacturing*. We aim to help build a sustainable society by consistently delivering high-quality, resilient infrastructure and products that society needs.

1. Elimination of serious injuries and accidents
2. Quality assurance
3. Ensuring the stable supply of products
4. Labor productivity enhancement
5. Shift to AI-native products and services

Building infrastructure that supports the future

The YBHD Group regards *building infrastructure that supports the future*, which is essential for creating a safe and prosperous society, as a vital materiality. We will contribute to establishing sustainable social foundations by maximizing the use of our technology and knowledge to address societal challenges such as intensifying natural disasters and aging infrastructure.

6. Product development for building disaster-resilient infrastructure
7. Provision of infrastructure retrofitting and maintenance services
8. Support for disaster recovery
9. Strengthening overseas business initiatives

Building a society where diverse human resources gather and can demonstrate their capabilities

The YBHD Group believes that people are the driving force for sustainable growth and sees *building a society where diverse human resources gather and can demonstrate their capabilities* as a key materiality. We will promote innovation and increase corporate value by creating an environment in which employees from diverse backgrounds can each fully demonstrate their potential.

10. Promoting DE&I and improving engagement
11. Promoting employees' good health and a healthy work-life balance
12. Respecting the human rights of our employees, and the employees of partner companies and suppliers

Contributing to a people-friendly and nature-friendly environment with partners

The YBHD Group believes that we have a responsibility not only to reduce the environmental impact of our corporate activities but also to contribute to addressing environmental issues throughout society through our business, aiming to create a sustainable society. We view this—*contributing to a people-friendly and nature-friendly environment with partners*—as a critical materiality and will collaborate across the entire supply chain to build a better future for the global environment.

13. Expansion into green energy-related businesses
14. Developing products which help address global warming
15. Achieving carbon neutrality
16. Reduction of environmental impact

Honest, fair business practices

The YBHD Group views *honest, fair business practices* as the foundation of everything it does, vital for earning society's trust and sustainably growing our business. We will foster a sound corporate culture and meet societal expectations by thoroughly implementing corporate management based on high ethical standards and transparency.

17. Strengthening corporate governance
18. Information security management

Medium- to Long-Term Vision

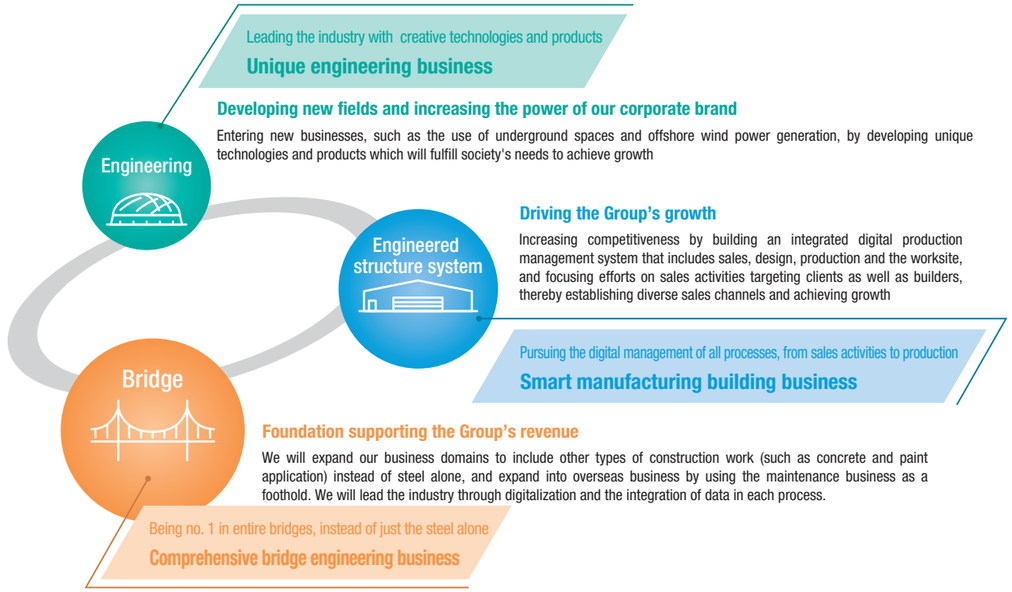
The external environment surrounding YBHD is changing rapidly, and uncertainties are growing. Given this situation, we believe that transforming into a corporate group capable of responding flexibly to environmental changes is essential for achieving sustainable growth, so we have revised our management vision accordingly. Under our new management vision, “We will contribute to safe, secure and prosperous lives by integrating our craftspersonship and digital technologies to provide high-quality social infrastructure,” we have established a medium- to long-term vision based on the business environment outlook, in order to fulfill our roles.

Medium- to Long-term Business Outlook by Segment

In pursuit of our medium- to long-term vision, we analyzed our business environment. Demand for bridges is expected to remain generally flat, while the market for non-residential steel construction, the target of engineered structure systems, is anticipated to recover. In engineering, we forecast that demand for civil engineering steel structures, in particular, will continue over the medium to long term.

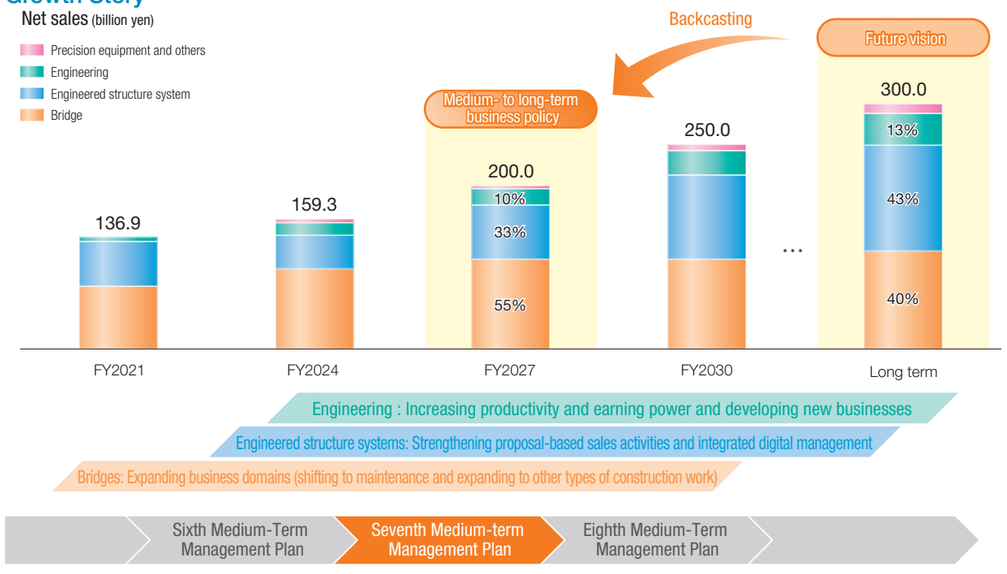
Business		Medium term (up to FY2027)	Long term
Bridge	New construction	Temporary recovery reflecting the order received for the construction of a cable-stayed bridge on the Seishin-bu (western extension) of Osaka Wangan Road	Total quantity of orders placed in Japan will remain at the baseline level of approx. 120,000 tons/year due to the stock of designs and projects to increase lanes to four.
	Maintenance	Orders for large-scale retrofitting/repair and earthquake-proofing work will remain at a certain level (approx. ¥300.0 billion/year), but competition with general contractors and companies specialized in precast concrete will be fierce.	The market size will be maintained at a level of around ¥300.0 billion/year until 2030, supported by large-scale renewal and repair projects.
Engineered structure system		Steady recovery is expected because the appetite for capital expenditures remains alive and well. ● National and local governments will continue to support domestic companies’ reshoring of production sites by providing subsidies. ● Increase in demand for logistics warehouses (2024 problem), hazardous material warehouses, and refrigerated/frozen warehouses, etc. ● Expectations for investments related to e-com-merce, semiconductors, EVs and consumption by inbound tourists ● Attracting increasing attention due to benefits for quick delivery, labor reduction, and the environment	Demand for engineered structure systems as a labor-saving method will increase in warehouse and factory construction. ● Measures to support the reinforcement of supply chains will continue. ● Increase in demand for the replacement of the many buildings that were built during the economic bubble (e.g., approx. 50% of refrigerated/frozen warehouses will be more than 30 years old.) ● Logistics networks will expand nationwide with the development of arterial high-standard highways and multimode transportation, resulting in an increase in demand in local regions. ● Continuation of the enhancement of the e-com-merce and logistics real estate business
Engineering	Tunnel segments	Demand will remain strong mainly due to progress in a new railway line project (approx. 150,000 tons) in an urban area in addition to the Tokyo Gaikan Expressway Chuo Junction and the Linear Chuo Shinkansen.	Progress in plans to extend the Hokuriku Shinkansen and the Linear Chuo Shinkansen to Osaka and plans to effectively use underground spaces (approx. 250,000 tons), such as underground rivers in urban areas
	Offshore wind power generation	Preparations are underway for construction work for a demonstration experiment of a floating structure in an offshore area, and it is expected that a new market will be created. Regarding bottom-mounted structures, orders will be placed for equipment related to offshore wind power generation in the preparation phase in Muroran.	It is expected that demand for civil engineering steel structures will increase due to the expansion of the floating offshore wind turbine market, etc. The order for bottom-mounted structures, secondary materials and related equipment will increase.
	Construction	The market will boom due to large-scale redevelopment projects, plans regarding stadiums and other projects.	The order environment is forecast to remain brisk.
	Machinery steel structure	It is expected that orders for the maintenance of hydropower generation equipment and for nuclear power generation equipment and the replacement of environmental machinery and industrial machinery products will continue.	The business environment will remain as stated at left during the period of the medium-term forecast, and it is also expected that biomass power generation will expand.
Precision equipment	Precision equipment	Flat panel displays are expected to recover to a certain level due to full-scale investments in organic EL panels. The semiconductor market is expected to grow due to the recovery of investments in products for memory combined with products for AI, which are strong.	The size of the flat panel display market will reach a ceiling and remain flat while replacement with newly manufactured devices continues. Semiconductors are expected to continue growing due to the prevalence of AI technologies and growth fields such as AR/VR, EVs and autonomous driving.
	Information processing	IT investments to improve the efficiency of business will be increasing to compensate for the shortage of workers due to the declining birthrate and the aging of the population. It is expected that new technologies, such as AI and cloud computing, will be utilized.	The shortage of workers due to the declining birthrate and the aging of the population will be even more remarkable, and IT investments will continue to increase. It is anticipated that there will be progress in digital transformation using new technologies, such as sophisticated AI and cloud computing technologies.

Roles of and Future Vision for the Core Businesses



We aim for net sales of 300 billion yen in the future by establishing medium- to long-term business policies through backcasting from our future vision and promoting business strategies aligned with these policies. Under the Seventh Medium-Term Management Plan starting from fiscal 2025, we will develop mechanisms to achieve our goals.

Growth Story



Management Resources

	Human capital	Intellectual capital	Manufacturing capital	Social capital	Financial capital	Natural capital
Inputs	Employees group-wide 2,121 Qualified personnel 1,321 *Including equity method affiliates	Patents held 190 R&D spending 700 million yen	Production bases 8 Production capacity Osaka Plant 60,000 t/year Chiba & Mobara Plants 90,000 t/year	Order value 157.3 billion yen Sales and construction agents (Engineered structures affiliated builders) Over 1,300 Interest-bearing debt 34.5 billion yen	Stockholders' equity 124.8 billion yen	Power usage 24.51 million kWh Steel consumption 92,000 tons
Strengths	● A company that has grown with people and technology as the two wheels driving it forward ● Corporate philosophy and the founder's DNA inherited by employees ● Numerous experienced, qualified personnel essential for public works projects ● Numerous engineers with advanced expertise ● Advanced technical capabilities across the organization, built from individual expertise depth	● Track record of achieving numerous "Japan's first" and "world's first" achievements as a leading bridge company ● Advanced technical capabilities gained through plentiful achievements and experience ● Ability to embrace challenges and continuously develop innovative technologies ● Strong connections with universities and research institutions ● Industry's largest-scale R&D facilities ● Intellectual property related to bridges and other steel structures	● Eight production bases covering all of Japan ● Over 100 years of manufacturing experience and the ability to manufacture diverse steel structures ● Over a century of advanced welding technology ● In-house plants and a large team of skilled workers with extensive experience ● High productivity through state-of-the-art manufacturing equipment and ICT ● VE proposal capability for optimal structures based on extensive manufacturing experience	● Orders from diverse clients based on long-term relationships of trust ● Collaboration with over 1,300 sales and construction agents (builders) nationwide in the engineered structure system business	● Strong financial foundation accumulated through profitability improvement centered on core businesses	● Efficient use of resources and energy ● Promotion of renewable energy use ● Focus on developing environmentally friendly products and construction methods
Challenges	● Shortage of workers in the construction industry ● Shortage of mid-level employees and management personnel ● Optimal allocation of human resources ● Expansion of employee career development support ● Enhancement of systems and environment in which employees can confidently demonstrate their abilities ● Employee health promotion	● Maintenance and transfer of industry-leading technical capabilities ● Strengthening competitiveness in existing markets ● Entry into new markets ● Promotion of construction DX ● Intellectual property strategy linked with business and technology strategies	● Future labor shortage for manufacturing work ● Securing plant utilization rates at each Group production base ● Diversification of manufactured products beyond bridges and civil engineering steel structures ● Further improvement of safety and QCD ● Optimization of product mix at each Group production base ● Digitalization of production processes for smart manufacturing	● Maintenance and strengthening of relationships ● Response to new markets and business models ● Further improvement of brand power and differentiation from competitors	● Improvement of valuation ● Maintenance and improvement of capital efficiency	● Fluctuation and soaring of resource and energy costs ● Demands for corporate environmental initiatives ● Impact of climate change and natural disasters ● Response to transition to renewable energy
Policies	● Human Resources Development Policy ● Workplace Environment Development Policy ● Health and Safety Policy ● Group Health Declaration	● Information Security Basic Policy ● Intellectual Property Policy	● Quality Policy ● Sustainable Procurement Basic Policy ● Sustainable Procurement Guidelines	● Human Rights Policy ● Bribery and Corruption Prevention Policy	● Shareholder Return Policy	● Environmental Policy ● Biodiversity Policy
Seventh Plan Initiatives	● Recruitment, development, and retention of talent; strengthening of human capital ● Strengthening initiatives for talent mobility and career development support ● Diversity promotion ● Improvement of employee engagement	● Promoting R&D centered on four priority areas (bridge maintenance, engineered structure system, civil engineering, digital technology/decarbonization/environment)	● Optimization of production systems within the Group ● Further promotion of digital technology utilization ● Consideration of the construction of a production base for the offshore wind business ● Active expansion from existing fields to new fields ● Preparation for evaluating further automation of production equipment	● Initiatives for corporate value enhancement ● Improvement of technical proposal evaluation ● Strengthening collaboration with excellent builders ● Building relationships with new business partners	● Balancing financial soundness and capital efficiency ● Focused investment in growth areas and digital infrastructure development ● Dividends with a DOE of 3.5% or higher and flexible share buybacks ● Final year target of ROE of 10% or higher	● Waste reduction ● Consideration for biodiversity
Measures to Address Materiality Issues	10 Promoting DE&I and improving engagement 11 Promoting employees' good health and a healthy work-life balance 12 Respecting the human rights of our employees, and the employees of partner companies and suppliers 17 Strengthening corporate governance	1 Elimination of serious injuries and accidents 4 Labor productivity enhancement 5 Shift to AI-native products and services 6 Product development for building disaster-resilient infrastructure 7 Provision of infrastructure retrofitting and maintenance services 14 Developing products which help address global warming 18 Information security management	2 Quality assurance 3 Ensuring the stable supply of products 13 Expansion into green energy-related businesses	9 Strengthening overseas business initiatives		8 Support for disaster recovery 15 Achieving carbon neutrality 16 Reduction of environmental impact

Feature

Seventh Medium-Term Management Plan

Review of the Sixth Medium-Term Management Plan

The Sixth Medium-Term Management Plan (fiscal 2022–2024; hereinafter "Sixth Medium-Term Plan") was designed to lay the foundation for achieving our management vision. During this time, we concentrated on further strengthening our core businesses, particularly the bridge business, which is expected to maintain steady volumes, and the engineered structure system business, a key driver of growth. We also developed a highly resilient business base capable of flexibly responding to drastically changing social conditions.

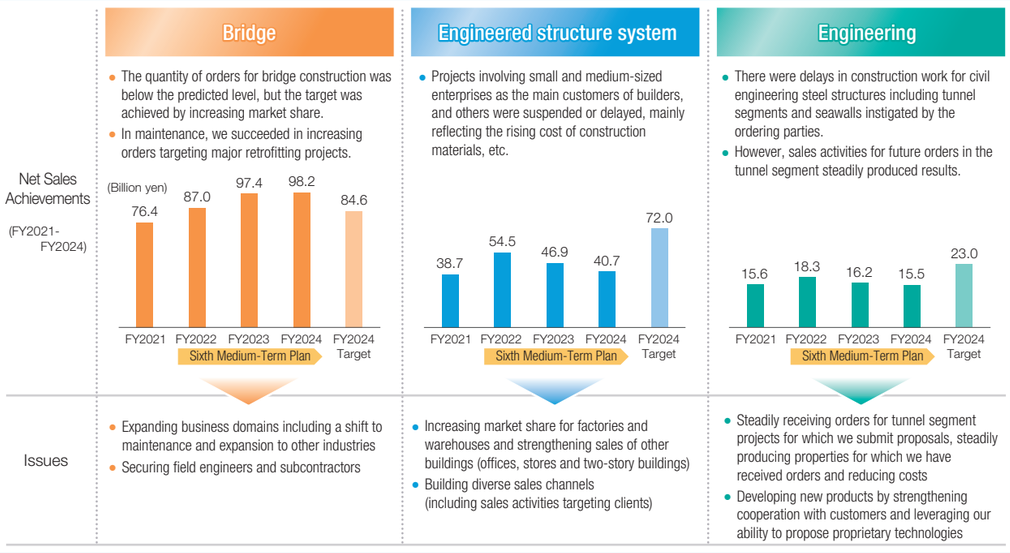
As a result of these efforts, we achieved steady results, including the enhancement of maintenance services in the bridge business, the construction of various management systems in the engineered structure system business, and the company-wide acceleration of digital transformation (DX).

The external environment surrounding us is changing remarkably, and uncertainty is increasing more than ever. We believe that, in this environment, it is necessary to transform into a business which is able to respond flexibly to changes in the environment to achieve sustainable growth.

Achievements and Issues of Basic Policies

Basic Policies under the Sixth Medium-Term Business Plan	Achievements	Issues
① Further reinforce core business	● Bridge : Established a department dedicated to deck replacement to reinforce the maintenance business. Increased the ratio of maintenance projects and won the right of first negotiation and design contract for a cable-stayed bridge on the Seishin-bu (western extension) of Osaka Wangan Road. ● Engineered structure system : There was steady progress in the development of various management system and operations were started.	● It has grown even more difficult to predict market changes, mainly reflecting the shrinking of the new bridge market and delays in plans attributed to rising material and labor costs. ● Sustainable growth is difficult in the existing business.
② Create and develop diverse businesses	● Offshore wind power generation business: Participation in the NEDO Green Innovation Fund Project and the Muroran Offshore Wind Industry Promotion Association (MOPA).	● The offshore wind power generation business environment in Japan is growing increasingly difficult due to various factors including inflation, the weak yen, and rising interest rates. There is the possibility that there will be setbacks in plans. ● We need to disperse the risk by making investment decisions carefully and considering other businesses widely.
③ Establish a robust business base for the next 100 years	● Developed and studied technologies for reducing environmental impact, such as new materials and new construction methods. ● Implemented a plan for using renewable energy ahead of schedule. ● IT-related investments were made as planned. Introduced a new mission-critical system and acquired DX certification.	● Purchased steel accounts for the majority of CO_2 emissions, and it is necessary to reduce Scope 3 emissions to achieve carbon neutrality. ● Information Security risks and costs have been increasing due to the rapid progress in the utilization of digital technologies. ● Securing and developing necessary human resources and developing an organizational culture are also urgent tasks.

Achievements and Tasks of Core Businesses



In the bridge business, despite a larger-than-expected drop in orders, we met our sales target by increasing market share.

In the engineered structure system business, soaring material prices led to plan suspensions and delays in the target market, resulting in failure to meet targets.

In the engineering business, targets were not met due to factors like delays in client construction progress for large projects such as tunnels and seawalls.

Our analysis is that the sluggish growth of the engineered structure system business, which was a key driver of growth in the Sixth Medium-Term Plan, was the primary factor in not achieving the numerical performance targets.

Achievement Status of Performance Targets

Net sales reached 160.0 billion yen in fiscal 2022, surpassing the final year target of the Fifth Medium-Term Management Plan, but then gradually declined, failing to meet the final year target of 187.0 billion yen. Although operating income did not meet the target of 18.3 billion yen, we achieved a record high of 16.6 billion yen. Additionally, we met our targets for EPS (earnings per share) and ROE (return on equity). However, we recognize that further improvement in profit margins is necessary to maintain and enhance ROE.

	FY2022	FY2023	FY2024	Sixth Medium-Term Plan (FY2024) Target
Net sales	164.9 billion yen	164.0 billion yen	159.3 billion yen	187.0 billion yen
Operating income	15.2 billion yen	15.9 billion yen	16.6 billion yen	18.3 billion yen
EPS	273 yen	291 yen	317 yen	290 yen
ROE	10.1%	9.9%	10.1%	9% or higher
Payout ratio	31.1%	32.6%	34.7%	30% or higher

Response to Issues

While continuing to address the issues faced in the Sixth Medium-Term Plan, the YBHD Group will also promote more advanced initiatives under the Seventh Medium-Term Management Plan, which was developed by backcasting from our long-term future vision.

By reliably implementing this new plan and achieving our targets, we will advance both the sustainable growth of corporate value and the delivery of social value through contributions to a sustainable society.

Summary of the Sixth Medium-Term Plan (Achievements and Issues) → **Seventh Medium-Term Management Plan** Strengthening responsiveness to times of rapid environmental change and improving the profitability of each business ← **Clarifying the long-term vision based on the medium- to long-term business environment**

Feature

Seventh Medium-Term Management Plan

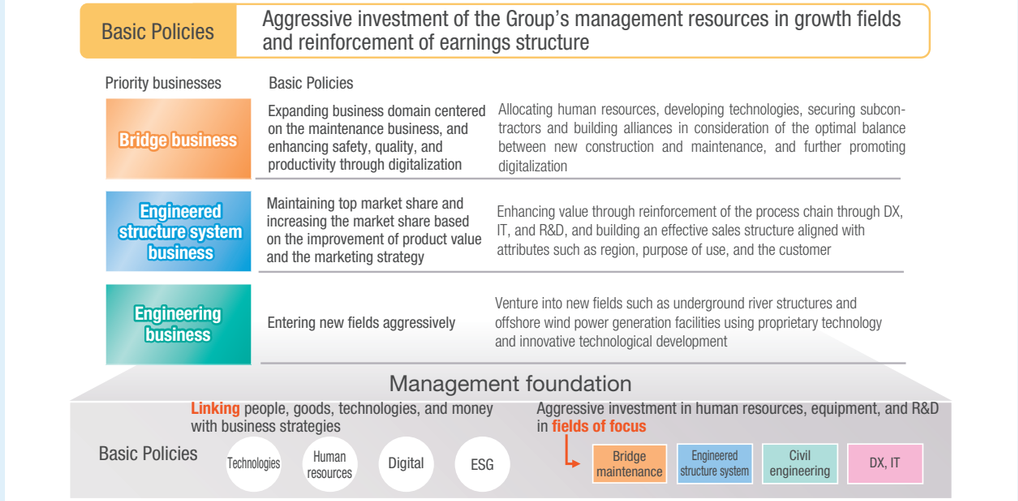
Seventh Medium-Term Management Plan

The Seventh Medium-Term Management Plan (fiscal 2025–2027; hereinafter “Seventh Medium-Term Plan”) is designed to establish mechanisms for growth to achieve our future vision for 2030.

The basic policy is “Aggressive investment of the Group’s management resources in growth fields and reinforcement of earnings structure.”

We will aim to achieve our targets by actively investing management resources in four focus areas: bridge maintenance, engineered structure system, civil engineering within engineering, and company-wide digitalization efforts.

Basic Policies under the Seventh Plan Basic Policies



Reorganization of Business Segments

Under the Seventh Plan, we will reorganize our business segments. We will separate the engineered structure system business, which is increasingly contributing to sales, from the engineering business to enhance information dissemination and emphasize its role as a driver of the Group’s growth.

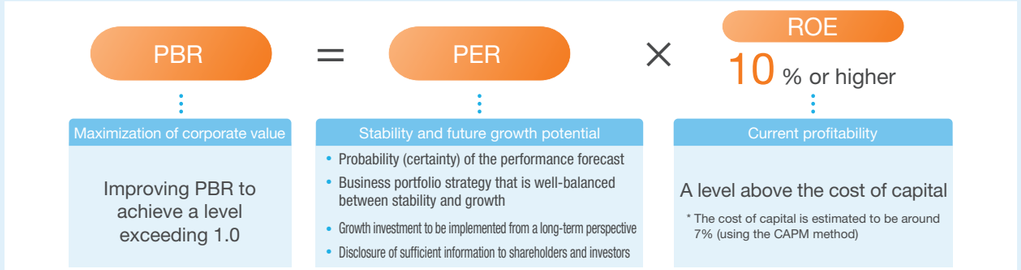
Segment	Business
Bridge	New bridge construction
	Maintenance
	Overseas
Engineering business	Engineered structure system
	Civil engineering
	Architecture, machinery, and steel structure
Precision equipment	Precision equipment manufacturing
	Information processing
Real estate business	Real estate

Segment	Business	Details
Bridge	New bridge construction	● Design, production and onsite construction of new bridges
	Maintenance	● Design, production and onsite construction in maintenance and repair of existing bridges
	Overseas	● Design, production and onsite construction of bridges in overseas countries
Engineered structure system	Engineered structure system	● Design, manufacture, and on-site construction of system structures (“yess” buildings)
Engineering	Civil engineering	● Design and manufacture of underground structures, such as tunnel segments ● Design and manufacture of offshore and port structures
	Architecture, machinery, and steel structure	● Construction of steel frameworks and forge work for high-rise buildings, etc. ● Design, production, and onsite construction, and maintenance of movable building systems (YMA) ● Design, production, and onsite construction of ship-lifting facilities; design, production, and maintenance of water treatment equipment
Precision equipment	Precision equipment manufacturing	● Production of high-precision frames for manufacturing equipment for LCD panels, OLED panels, and semiconductors
	Information processing	● Software development
Other	Real estate	● Leasing some real estate owned as logistics warehouses, etc.

Performance Targets

Our targets for the final year are net sales of 200.0 billion yen and operating income of 18.5 billion yen. For ROE, we aim for 10%, which sufficiently exceeds the cost of equity. We estimate our cost of equity at around 7%. Our goal for EPS is 350 yen. We will boost PER and PBR by improving current profitability and demonstrating business stability and growth potential.

	Sixth Plan Results (FY2024)	Seventh Plan Targets (FY2027)
Net sales	159.3 billion yen	200.0 billion yen
Operating income	16.6 billion yen	18.5 billion yen
ROE	10.1%	10% or higher
EPS	317 yen	350 yen



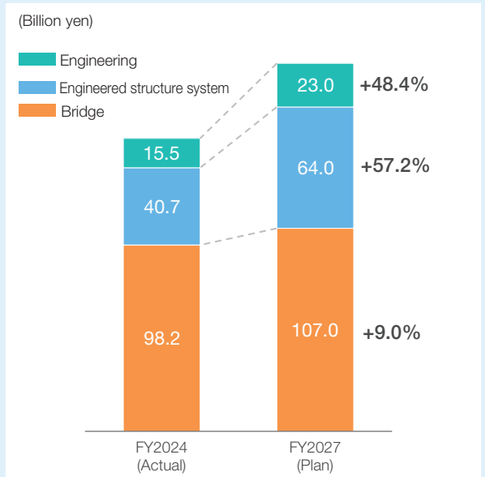
Business Portfolio Strategy

The bridge business, our largest business, is expected to show steady progress despite slower growth compared to the Sixth Medium-Term Plan period.

The engineered structure system business plans growth that surpasses the Sixth Medium-Term Plan in all areas—business size, growth potential, and profitability—and plays a role in driving the overall Group’s growth. To support this growth, we will build a competitive edge through a smarter process chain that leverages our in-house plant strengths, while also aiming to maintain and expand our market share with new product development that addresses customer needs and effective sales strategies tailored to regional and customer attributes.

The engineering business will utilize proprietary technology and innovative development capabilities to actively expand into new fields, including offshore wind power generation facilities, nuclear power generation, port facility upgrades, and defense facilities, in addition to its existing tunnel segments and underground structures, particularly in the civil engineering business.

Changes in business portfolio (net sales)



Feature

Seventh Medium-Term Management Plan

Capital Policy

The basic goal of our capital policy is to “achieve both financial soundness and capital efficiency.” We consider our financial soundness to be secure, with an equity ratio of 50% or higher.

As a measure of capital efficiency, we target an ROE of 10% or higher in fiscal 2027.

Shareholder Returns

For shareholder returns, we will continue paying graduated dividends and aim to keep increasing them, while establishing a DOE of 3.5% or higher as our basic dividend policy to minimize the impact of performance fluctuations. We will also flexibly implement share buybacks to steadily expand shareholder returns. Dividends are planned at 120 yen for fiscal 2025, 130 yen for fiscal 2026, and 140 yen for fiscal 2027.

Capital Policy

Basic Policies

Achieve both financial soundness and capital efficiency

Target

ROE of 10% or higher (FY2027)

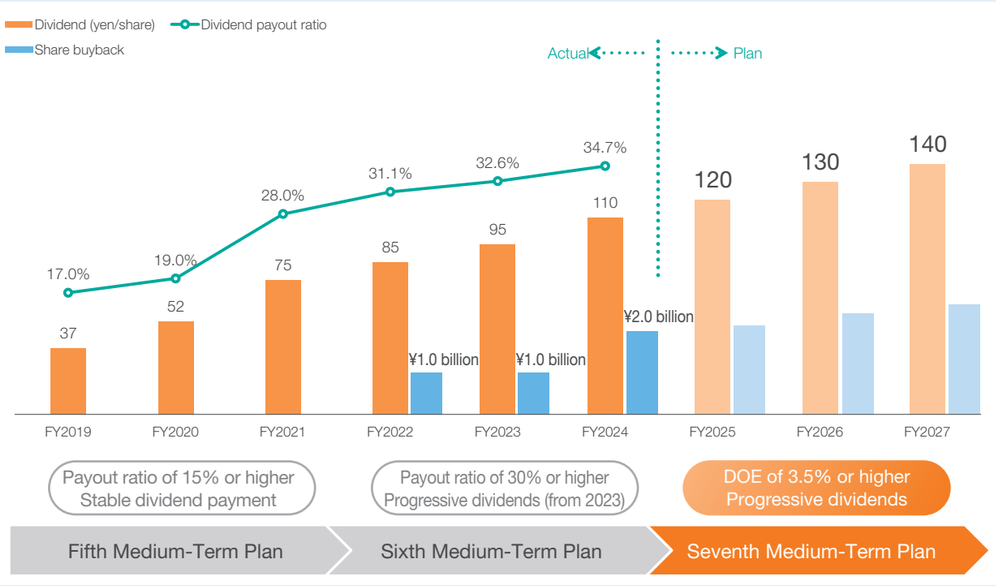
We will aim for an ROE of 10% or higher in the final year of the Seventh Plan, a level exceeding our cost of equity of around 7%.

Shareholder Returns

Basic Policies

To realize progressive dividends by limiting the impact of performance fluctuations, we will introduce dividend on equity ratio (DOE), aiming to maintain the trend of increasing dividends and buy back shares flexibly to steadily increase shareholder returns.

Dividend	DOE of 3.5% or higher	Continuing progressive dividends / Maintain the trend of increasing dividends
Share buyback	Buying back shares flexibly in comprehensive consideration of other investments that can be implemented, cash on hand, stock price trends, performance trends, ROE, and other conditions	

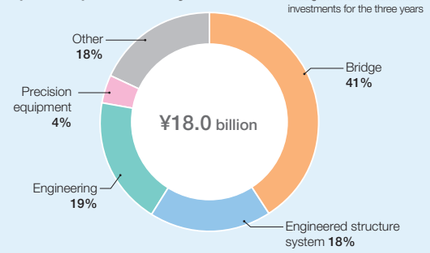


Investment Plan

For cash allocation, we assume cash inflows of 40.0 billion yen over a three-year period. Growth investment will account for 25% of cash outflows, with investment totaling 18.0 billion yen, including infrastructure investment, over the three years. This investment will be allocated to each business according to its scale.

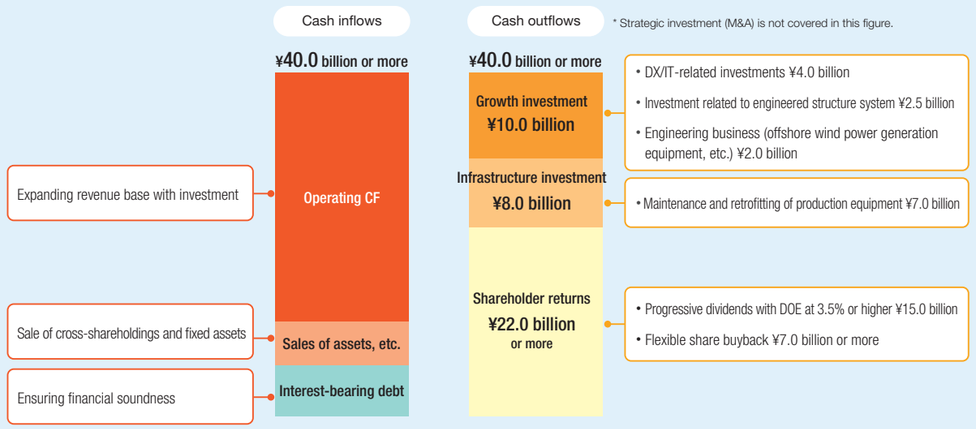
Shareholder returns, including dividends and share buybacks, will total at least 22.0 billion yen.

Capital expenditure by business *Total growth and infrastructure investments for the three years



Growth / Infrastructure Investment

Cash allocation



We will actively consider M&As that contribute to the Group’s growth. The purposes and target areas for M&A consideration are outlined in the figure below. The necessary investment amounts will be considered separately from the allocations shown here, assuming the use of interest-bearing debt.

Strategic investment (M&A)

Purposes Improving competitive advantages / Expanding business domains / Acquiring new technologies

Domains to be considered

Bridge	● Concrete-related companies ● Painting companies ● Overseas subcontractors
Engineered structure system	● Construction companies ● Design offices
Other	● IT and digital companies ● Other steel structure manufacturers

Message from the Financial Officer

Launch of the Seventh Medium-Term Management Plan: Pursuing Sustainable Enhancement of Corporate Value While Looking to the Future

Director & Managing Executive Officer,
in charge of Finance & IR Office and Accounting Department
Hidenori Miyamoto

1. Review of Fiscal 2024 Performance and the Sixth Medium-Term Management Plan

Fiscal 2024, the final year of the Sixth Medium-Term Management Plan (hereinafter “Sixth Plan”) that started in fiscal 2022, ended with net sales of 159.3 billion yen and operating income of 16.6 billion yen. Although net sales and operating income fell short of the targets set in the Sixth Plan, ROE reached 10.1%, surpassing our target of 9.0%.

Looking back, the Sixth Plan period was far from smooth sailing. In particular, fiscal 2024 started with a significant shortfall against target figures. However, with accumulated measures and on-site responses, we saw steady improvements, especially in the bridge business, and I am relieved that we ultimately secured an ROE in the 10% range.

By business segment, in the bridge business, the smooth settlement of accounts upon project completion contributed to performance amid a trend toward large-scale projects lasting longer than expected. Meanwhile, in the engineering business, delays in civil engineering projects, including tunnel segments, led to net sales falling short of targets. The engineered structure system business has struggled as the construction floor area for warehouses and factories, its main market, has remained low due to sharp price increases and other factors. However, various initiatives, such as strengthening face-to-face sales and developing sales approaches tailored to project owners, are starting to show results, and we expect the business to grow from fiscal 2025 onward.

2. Development of the Seventh Medium-Term Management Plan

We launched the Seventh Medium-Term Management Plan for fiscal years 2025 to 2027 (hereinafter “Seventh Plan”) in April 2025. Our numerical targets are net sales of 200 billion yen, operating income of 18.5 billion yen, and ROE of 10% or higher.

Net sales of 200 billion yen would represent record performance for the YBHD Group. However, we view this figure as a milestone, considering the Seventh Plan period as a foundation-building phase for further growth. We set our targets by backcasting from a long-term growth story that aims for net sales of 300 billion yen.

So, how will we reach these targets? Our main business strategy focuses on the full recovery and growth of the engineered structure system business. Orders in fiscal 2024 totaled around 400 projects, representing a significant decline from the previous annual average of 600 projects. We aim to increase this to 700 projects during the Seventh Plan period by strengthening our approach to both small- to medium-scale and large-scale projects.

For the bridge business, as it is a public works business that relies on the government and highway companies for order volumes, we anticipate challenging conditions in the first two years of the Seventh Plan due to a reactionary decline following fiscal 2024. However, large-scale projects are planned for the third year, and we will adapt accordingly. We also view expanding our business areas through M&As as a key growth strategy. We are considering broad alliance possibilities, including with concrete-related companies, coating companies, and overseas construction firms.

3. Investment Strategy and DX Promotion

Our cash allocation for the Seventh Plan period includes a total of 18 billion yen in capital investments, consisting

Message from the Financial Officer

of 10 billion yen in growth initiatives and 8 billion yen in infrastructure over three years. We see DX-related investments as particularly vital to the Group's competitiveness and are prioritizing this area. We will actively pursue forward-looking investments, such as using AI to improve production efficiency and deploying robots to mechanize hazardous tasks.

As a unique initiative, we have secured an annual budget of 100 million yen as an "Innovation Budget." This system enables the rapid introduction of new technologies and proof-of-concept experiments by prioritizing rapid decision-making and bypassing detailed cost-benefit analysis, with the goal of accelerating DX internally.

However, even the best technology and equipment cannot show their true value without people who can use them effectively. The YBHD Group's greatest strength is our people, and I am convinced this human capability is the source of our sustainable competitive advantage. With this in mind, we view human capital investment as extremely important and, accordingly, introduced the Digital Leader Program in April 2024. This program allows selected employees to gain digital skills during work hours while encouraging cross-departmental personnel exchange. By framing this as work rather than relying solely on traditional self-development, we make human resource development more effective. Study sessions among digital leaders are also active, and the improvement in problem-solving skills through horizontal connections is exceeding expectations.

M&A investment is separate from the aforementioned growth investment, and our goal is to achieve results within three years to grow the bridge business domain and related areas. We have formed a specialized team and are currently evaluating potential candidates.

4. Path to Improving Capital Efficiency and PBR

To improve capital efficiency, we aim for a continuous ROE of 10% or higher. Although we reached 10.1% in fiscal 2024, we anticipate a temporary dip in fiscal 2025 due to a reactionary decrease in the bridge business. We will persist in efforts to boost profitability, aiming for medium- to long-term corporate value growth without overreacting to single-year performance fluctuations.

Our PBR currently remains at around 0.8, still below 1.0. During the Seventh Plan period, we aim to surpass 1.0. Improving PBR requires not only maintaining and improving ROE but also tackling the important challenge of improving PER. We recognize that ongoing underperformance against targets in the engineered structure system business is the main reason for the decline in PER. By consistently meeting our established KPIs, we plan to regain investor confidence and improve valuation.

The YBHD Group's businesses are not suitable for evaluation over short periods like quarters or single years. The bridge business, in particular, involves larger and longer term projects, making a three-year medium-term period appropriate for performance assessment. By managing progress with KPIs, we will consistently show a clear path to increasing corporate value that goes beyond single-year performance fluctuations.

5. Shareholder returns

In the Seventh Plan, we have introduced a dividend on equity (DOE) of 3.5% or higher and will continue to pay graduated dividends while minimizing the impact of performance fluctuations. We plan to achieve stable shareholder returns by implementing systematic dividend increases of 120 yen in fiscal 2025, 130 yen in fiscal 2026, and 140 yen in fiscal 2027.

As mentioned earlier, the YBHD Group's performance inevitably fluctuates when viewed on a single-year basis, and performance-linked payout ratios make it hard to offer reassurance to long-term shareholders. To support stable shareholding despite these fluctuations, we selected DOE as an indicator with excellent predictive value.

We also intend to actively pursue share buybacks. Our target is at least 7 billion yen over three years, with flexible implementation based on a comprehensive review of ROE and stock price trends. Along with dividends, total shareholder returns are expected to surpass 22 billion yen over three years. Our goal is to maximize corporate value through improved capital efficiency.

Regarding financial soundness, we aim to maintain an equity ratio of 50% or higher as our guideline. We are currently just below 60%, ensuring sufficient capacity. While we will pursue M&A investments within a range that does not compromise our financial soundness as our basic policy, we also consider the appropriate use of leverage as needed.

6. To Our Stakeholders

The bridge business we undertake truly supports the foundation of social infrastructure. While Rainbow Bridge and Akashi Kaikyo Bridge will eventually need replacement, even if that is far in the future, we take pride in the fact that the YBHD Group will responsibly handle that task when the time comes.

To fulfill such long-term missions, sustainable growth is crucial. We will pursue various initiatives looking ahead toward the three-year period of the Seventh Plan, 2030, and beyond.

We will steadily implement the Seventh Plan with a strong determination to remain a company that society will continue to need 100 years from now, and we sincerely ask for your continued support of our ongoing efforts.

Business Strategy

Bridge Business

Future vision for the medium to long term

Not just steel, but No. 1 in all aspects of bridges: Comprehensive bridge engineering business

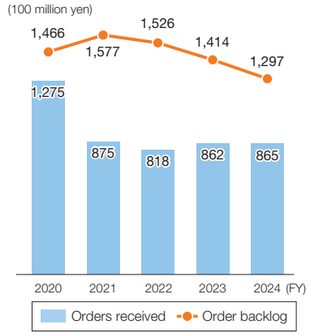
- Expanding business domains from steel to other construction types (concrete, painting, etc.) and overseas, using the maintenance business as a steppingstone
- Leading the industry through digitalization and data integration across all processes

Yuzuru Nakamura,
President and Representative Director, Executive Officer, Yokogawa Bridge

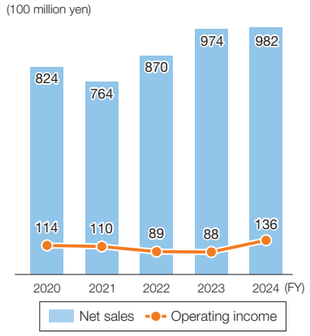
We expect the medium- to long-term bridge business market to remain flat. To adapt flexibly to the balance between new construction and maintenance businesses, we will enhance human capital, including staff development through job rotation.

In the maintenance business, we will focus on technology development and partnerships to ensure a steady flow of large-scale renewal projects and participation in different construction fields, such as repainting and spalling prevention work. For bridge-related products, such as permanent scaffolding, we will expand the market by developing value-added products and enhancing public relations. In overseas business, we aim to secure non-ODA projects in addition to ODA projects by establishing local bases, and will develop business models grounded in regional presence.

Orders received / Order backlog



Net sales / Operating income



Bridge maintenance order projections

Highway Companies' Large-scale Repair and Renewal Business Plans (Renewal Project) Estimated Remaining Project Costs
(Project Period: 2015–2030)

Our Business Domain	East Nippon Expressway Central Nippon Expressway West Nippon Expressway	Deck replacement	1,000 billion yen
		Girder replacement	160 billion yen
		Girder reinforcement	120 billion yen
	Metropolitan Expressway Hanshin Expressway	Large-scale renewal	430 billion yen
		Large-scale repair	280 billion yen

Expected annual orders of about 300 billion yen in our business domain

Strengths

- Workforce consisting of a large number of qualified personnel
- Advanced technical capabilities accumulated over many years
- Corporate culture of taking on challenges
- Active use of state-of-the-art technology
- Ability to respond to customer needs
- State-of-the-art production plant (Osaka Plant) with annual production capacity of 60,000 tons
- Possession of a full range of construction equipment
- Specialized departments aligned with business strategies, such as large-scale projects and construction DX
- Integrated management system from material procurement to design, production, and on-site construction
- Proposal sales capabilities that take advantage of synergies across the Group
- Industry's largest R&D facility (Technical Research Laboratory)

Risks

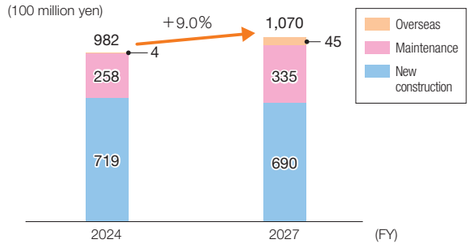
- Decrease in demand for new bridges
- Safety risks such as disasters and accidents
- Quality defects
- Shortage of field engineers
- Foreign exchange risks and geopolitical risks

Opportunities

- Increase in demand for bridge maintenance
- Progress on the Osaka Bay Road Western Extension project
- Expansion of BIM/CIM application
- Ongoing railway continuous grade-separation projects
- Demand for transportation infrastructure in emerging countries
- Increasing needs for maintenance and extended life spans

Strategy in the Seventh Plan

Growth in net sales by sub-segment



Plan's basic policy
Expanding business domain centered on the maintenance business, and enhancing safety, quality, and productivity through digitalization


Tokai-Kanjo Expressway Gifu IC


Jingubashi Bridge barge erection

New construction business

During the Sixth Plan, although supplementary budgets were allocated annually as measures to accelerate progress in boosting national resilience, public works-related expenses remained almost flat. Additionally, rising material and labor costs led to a climb in unit order prices, resulting in slow growth, with decreasing orders in terms of both quantity and weight. Competition with peers intensified, even for medium-scale projects at various procurement entities. Nevertheless, we secured a certain order volume through efforts to improve comprehensive evaluation scores and estimate accuracy.

We project order volumes will stay between 100,000 and 150,000 tons during the Seventh Plan. With fewer large-scale projects, securing the necessary order volume will require increasing bids for small- to medium-scale projects that we previously passed on, as well as further boosting our win rate. This involves expanding our team of bidding engineers and improving our company evaluation scores and technical proposal scores in comprehensive evaluation bidding methods for each procurement entity.

KPI	FY2024 result	FY2025 target	FY2027 target
Construction grades for bridge business	Average 85.2 points	Average 82 points or higher	Average 82 points or higher

See P.71 2

Overseas business

During the Sixth Plan period, although the COVID-19 pandemic subsided, orders remained slow as large-scale projects in Bangladesh and other locations continued to be delayed. However, design changes for existing contracts helped meet order goals. Production exceeded targets in fiscal 2023 as large-scale projects peaked, but was sluggish in fiscal 2024 due to the absence of other large-scale projects on hand. Under the Seventh Plan, we will increase order volume through the new Manila Branch and by establishing a branch in Bangladesh, while developing a system capable of handling multiple large-scale projects with the help of foreign personnel.

KPI	FY2024 result	FY2025 target	FY2027 target
Overseas business orders received	–0 billion yen	4.8 billion yen	4.5 billion yen

See P.71 9

Business Strategy

Bridge Business

Column

Development of “Backward-Turning Self-Propelled Launching Gantry Dismantling Device” Wins FY2024 Japan Society of Civil Engineers’ Tanaka Award (Technical Category)

Shin-Nobi Bridge during launching gantry dismantling using the Backward-Turning Self-Propelled Launching Gantry Dismantling Device

About the Tanaka Award

The Japan Society of Civil Engineers’ Tanaka Award has been presented since 1966 for outstanding achievements in bridge and structural engineering.

The award includes four categories: Practice, Research Paper, Works, and Technical. The Technical Category award we received this time was introduced in fiscal 2022 and is given for outstanding or innovative technologies used in bridges or similar structures. It recognizes distinctive features in planning, design, fabrication/construction, maintenance, renewal, restoration, dismantling, or removal that help advance bridge engineering.

At the JSCE Awards Ceremony (from left): Shuji Murakami (Site Manager), Takashi Konishi (Planning Manager), and Atsushi Kaji (Device Designer), who were all involved in the technology development and implementation

Technical features

The incremental launching method is commonly used for erecting steel bridge superstructures over rivers or railways. The Shin-Nobi Bridge’s superstructure employed this method, launching from both banks toward the river’s center. However, to protect the natural environment, the plan required avoiding the use of temporary platforms or barges for removing launching gantries, which would normally be necessary with conventional technology. To meet this requirement, we developed and used the Backward-Turning Self-Propelled Launching Gantry Dismantling Device (hereinafter “the Device”), which eliminates the need for environmentally disruptive facilities like temporary platforms or barges at the launching gantry dismantling point (the final launching arrival point).

The Device, installed on the launching gantry, disconnects a block at the tip of the launching gantry (hereinafter “removal block”) at the final arrival point, rotates it 180° backward, loads it onto self-propelled trolley equipment, and transports it in the launching start direction. The Device includes existing equipment such as self-propelled trolleys, rail clamp jacks, main jacks, sub-jacks, and winches, plus fabricated tower materials. By launching the removal block’s length (7.2 meters) and then using the Device for backward rotation and dismantling in cycles, the dismantling work is always completed on a dedicated work platform on a bridge pier, significantly enhancing construction safety.

The development of this Device allows for launching erections in situations where dismantling yards cannot be secured at the final launching arrival point, such as in urban areas or rivers. It is also expected to be used for girder replacement in confined construction environments during large-scale renewal projects.

Additionally, the Device also received the 26th Infrastructure Technology Development Award* in 2024.

*Infrastructure Technology Development Award: An award (Minister of Land, Infrastructure, Transport and Tourism Award) recognizing outstanding new technologies related to the construction industry. It aims to encourage research and development among technology developers and to raise construction technology standards.

Project overview

The Shin-Nobi Bridge comprises Bridge No. 1, spanning 759 meters from A1 to P5, and Bridge No. 2, from P5 to A2. It forms a continuous non-composite steel box girder bridge with a maximum span of 93 meters, which is relatively long.

In this project, Bridge No. 2 was launched from the A2 abutment toward the P5 pier at the river center, and the launching gantry was dismantled at the final arrival point of the P5 pier using the Device.

Shin-Nobi Bridge opened on May 24, 2025
In addition to alleviating chronic congestion on the upstream Nobi Bridge, it is expected to help revitalize logistics and serve as an emergency transportation route during disasters.

Bridge No. 1

Project Name	Bridge Development Project, Prefectural Road Hashima-Inazawa Line, Shin-Nobi Bridge Superstructure Construction (Workplace Environment Improvement Project for All Workers)
Client	Aichi Prefecture
Contractor	Yokogawa-JFE Specified Construction Work Joint Venture
Construction Period	December 18, 2020 – July 31, 2024
Type	5-span continuous non-composite steel box girder bridge + composite deck
Length/Width	423m × 12.5m–13.0m
Steel Weight	3,001 tons (Girders: 2,502t + Composite deck: 499t)
Erection Method	Incremental launching

Bridge No. 2

Project Name	Bridge Development Project, Prefectural Road Hashima-Inazawa Line, Shin-Nobi Bridge Superstructure Construction (Workplace Environment Improvement Project for All Workers)
Client	Aichi Prefecture
Contractor	Yokogawa-JFE Specified Construction Work Joint Venture
Construction Period	December 24, 2019 – March 20, 2023
Type	4-span continuous non-composite steel box girder bridge + composite deck
Length/Width	336m × 12.5m–16.5m
Steel Weight	2,658 tons (Girders: 2,175t + Composite deck: 483t)
Erection Method	Bent-assisted truck crane erection + incremental launching

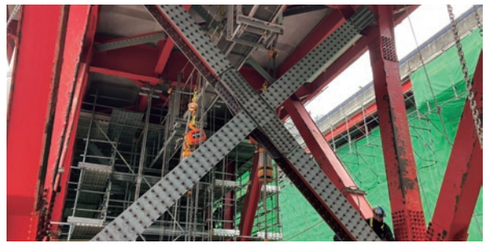
Maintenance Business

During the Sixth Plan, we anticipated rapid growth as large-scale renewal projects and earthquake-proofing work orders began in earnest. However, due to rising material and labor costs, unit construction prices increased, resulting in limited growth in the number of orders, with order values remaining flat. Despite this situation, we responded flexibly by establishing an order-receiving environment and implementing internal environmental improvements, systematically addressing large-scale renewals (deck replacements) and earthquake-proofing projects ordered by highway companies, with net sales progressing steadily.

We expect the challenging business environment to persist during the Seventh Plan, but we are confident that future market growth is assured. As part of our business strategy, we will build competitive advantages through proprietary products and methods by developing precast composite decks for renewal and deck replacement equipment. To expand our business opportunities, we will participate in projects such as repainting and spalling prevention work, establish business models, and advance various initiatives. Additionally, we will work on creating a comprehensive engineering system by promoting multi-skilling and developing partner companies.

KPI	FY2024 result	FY2025 target	FY2027 target
Bridge maintenance business net sales	25.8 billion yen	24.8 billion yen or more	33.5 billion yen or more

See P.71 7



Anogawa Bridge anti-leaning structure reinforcement

Anogawa Bridge bearing replacement completed

Business Strategy

Engineered Structure System Business

Future vision for the medium to long term

Pursuing integrated digital management from sales to construction sites: Smart manufacturing construction business

Boosting competitive advantage by developing an integrated digital production management system covering sales, design, production, and on-site construction, focusing not only on builders but also on direct client sales to establish diverse sales channels for growth

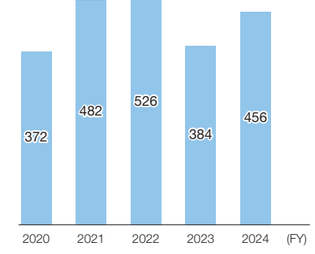
Hidenori Miyamoto
Representative Director, President and Executive Officer, Yokogawa System Buildings Corp.

During the Sixth Plan period, internal system improvements, including the development of management systems from sales to production, progressed largely as planned. However, amid uncertain economic outlooks, orders stalled because of revisions and delays in capital investment, leaving challenges in recovering and stabilizing performance.

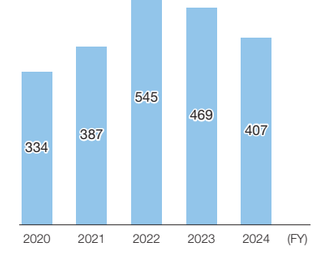
Examining Japan's construction industry, labor shortages and soaring material costs have become chronic issues. Therefore, we believe the advantages of yess buildings—short delivery times, low prices, and high quality—will increasingly benefit society. Under the Seventh Plan, we will continue to promote efforts to make these features known among more project owners.

This business forms a network of sales and construction agents (builder members) nationwide, working daily to improve services to encourage yess building adoption. We will digitize builder members' expectations and requests and reflect this data in product development to enhance it. Additionally, through further digitalization of sales and production management systems and stronger integration with various data sources, we aim to boost customer satisfaction by offering tailored, optimal plans. Under the Seventh Plan, we will establish these evolved activities as "smart operations" within the company and seek to increase the appeal of yess buildings.

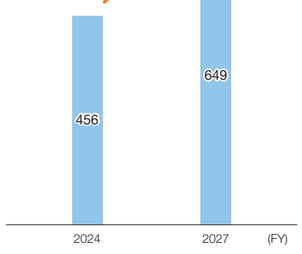
Orders received
(100 million yen)



Net sales
(100 million yen)



Growth in orders received
(100 million yen)



Strengths

- Workforce consisting of a large number of qualified personnel
- Corporate culture of taking on challenges
- Ability to respond to customer needs
- High productivity through robot utilization
- Advanced technical capabilities accumulated over many years
- Active use of state-of-the-art technology
- Collaboration with over 1,300 builder members nationwide
- Industry's only dedicated plant with an annual production capacity of 90,000 tons

Risks

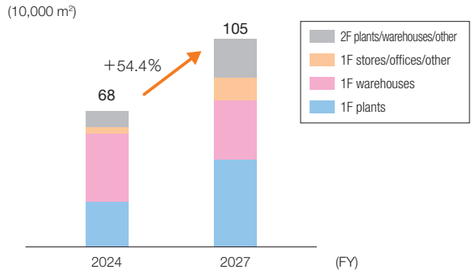
- Safety risks such as accidents
- Construction market trends
- Shortage of field engineers

Opportunities

- Demand for hazardous materials warehouses and refrigerated/frozen warehouses
- Rebuilding demand due to the aging of existing buildings
- Regional demand from the nationwide dispersion of logistics networks

Strategy in the Seventh Plan

Growth in order floor area by application



Plan's basic policy: Maintaining top market share and increasing the market share based on the improvement of product value and the marketing strategy

Strategy 1: Approach to large-scale projects (Strategic Sales Office)

During the Sixth Plan period, although we expected a market recovery following the COVID-19 pandemic, the market stagnated and orders declined due to a delayed recovery, compounded by rising construction material prices. Under the Seventh Plan, we will strengthen our approach to large-scale projects with stable investment conditions, aiming to increase orders through direct sales to project owners implementing capital investments, design firms, and direct outreach to companies with nationwide operations.

New warehouse building construction for Marui Sangyo Co., Ltd.

Strategy 2: Improving competitive advantage (3D estimation, etc.)

During the Sixth Plan period, project delays among small and medium enterprises (our main customers) and the impact of our sales strategy involving price pass-through caused us to lose our competitive advantages of "low price" and "short delivery time" against conventional construction methods and competing products, resulting in a decline in market share.

Under the Seventh Plan, we will broaden the scope and functionality of 3D estimation* to boost customer convenience, aiming for competitive products that reflect our labor savings in pricing. For after-sales service, we will advance smart operations to speed up responses from initial contact to construction, aiming for further service improvements and increased customer value.

*Our proprietary estimation system that quickly creates estimates, CG perspectives, drawings, and construction review materials. The system enables users to inspect not only exteriors but also interiors through a walkthrough experience with simple operations.

Strategy 3: Enhancing product value (R&D)

To further enrich products that meet customer needs, we will advance the development of new, high-value-added products, including those with two-story high load capacities, expanded column spacing, and environmentally friendly, high-insulation products.

New construction of South Kyushu Sales Office for Belltechne Co., Ltd.

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

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Strategy 4: Promoting DX (digital transformation)

We will improve the functionality of core systems to boost order productivity. We will strengthen strategic sales using a customer information system, enhance production efficiency through the development of a production management system, and develop systems that seamlessly transfer digital data from sales to after-sales service in the future.

Business Strategy

Engineering Business

Future vision for the medium to long term

Leading the industry with original technology and products:“Only One” engineering business

Growing by entering new businesses, such as underground space utilization and offshore wind power generation, through the development of unique technologies and products that meet social needs

Civil engineering business

Strengths

- Workforce consisting of a large number of qualified personnel
- Corporate culture of taking on challenges
- Ability to respond to customer needs
- Advanced technical capabilities accumulated over many years
- Development and design capabilities in new business fields, such as offshore wind power generation and port facility upgrades

Risks

- Safety risks such as accidents
- Quality defects
- Securing personnel capable of handling special structure design and construction

Opportunities

- Increased demand for segments for underground rivers
- Growing needs for port facility upgrades
- Growing needs for disaster prevention facilities and flood control technology due to intensifying natural disasters

Strategy in the Seventh Plan

Plan’s basic policy: Entering new fields aggressively

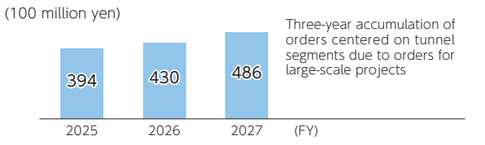
During the Sixth Plan, we received orders for large-scale projects including the Linear Chuo Shinkansen and Haneda Access Line, but we did not meet our targets. Production fell below targets for both volume and profit due to construction delays in ordered projects.

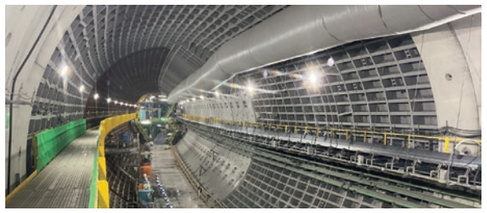
In the Seventh Plan, we have identified underground structures and civil engineering steel structures as key growth areas. For underground structures, we expect high demand for tunnel segments and tubular steel columns, with effective utilization of underground space expected primarily in major cities for improving convenience in transportation infrastructure development, enhancing functionality to avoid logistics crises, and flood control measures against typhoons and heavy rain caused by climate change. In civil engineering steel structures, we foresee demand in numerous sectors, including floating offshore wind power generation equipment construction for green energy utilization toward carbon neutrality and global warming countermeasures, facilities necessary for steel manufacturing technology using hydrogen energy, safety measures for restarting existing nuclear power plants, port enhancements to support modal shift, renewal of aging ports, renewal and reinforcement of defense facilities for emergencies, and underground shelter development. Leveraging the strengths of our original technology and products, we aim to grow our business and boost revenue by entering new fields as the “Only One Engineering Business” leading the industry.

Major project order forecasts

Naniwasuji Line Linear Chuo Shinkansen Tokyo Gaikan-Chuo JCT Metropolitan area new railway lines Hanshin/Metropolitan Expressway new lines Tokyo underground rivers	Order period **2024–2028** Total order weight **Approx. 150,000 tons** *Based on research by YBHD

Order backlog





Tunnel segments

Construction business

Strengths

- Extensive experience in steel framework erection and forge work management
- Planning and proposal capabilities for large-scale projects
- Provision of owned equipment (bents, etc.)
- Planning and proposal capabilities for PC structure and earthquake-proofing reinforcement construction
- Patented technology for base-isolating retrofit methods

Risks

- Safety risks such as accidents
- Labor shortage (securing partner companies)
- Shortage of field engineers
- Insufficient technical skill succession for special construction methods
- Lack of proprietary equipment and construction methods
- Soaring material costs
- Plan postponements, revisions, and prolongation

Opportunities

- Large-scale redevelopment projects in the metropolitan area
- Plans for large-space structures such as stadiums and arenas
- Plans for large-scale earthquake-proofing reinforcement projects

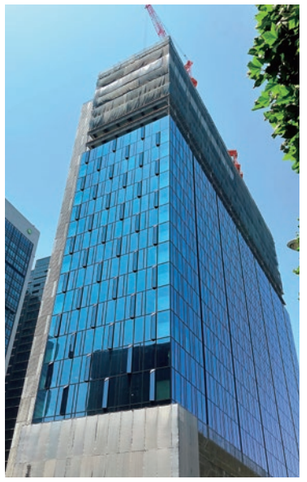
Strategy in the Seventh Plan

Plan’s basic policy: Improving the quality of the services we provide using distinctive technological capabilities

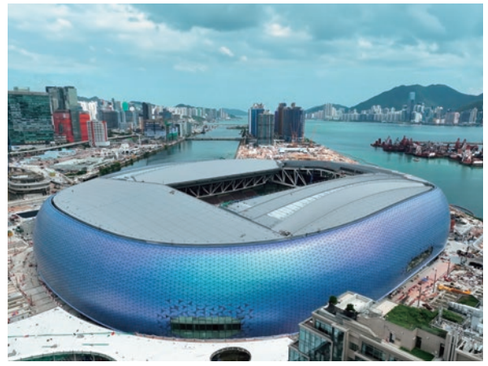
Although the Sixth Plan faced delays in large-scale projects in certain years, we generally met budget targets on a three-year average. During the three years of the Seventh Plan, large-scale redevelopment projects and stadium plans are beginning to progress, revitalizing our target market. We have received numerous inquiries from major general contractors for 2025 and beyond. As we expect a strong order environment, we will further enhance our sales efforts to promote business growth.

Under the Seventh Plan, we will stabilize the business through skyscrapers. We will also focus on earthquake-proofing reinforcement work and specialized structural fields where our technical capabilities are especially valuable, aiming to establish a stable production system. To support this, we will secure human resources through mid-career hiring and job rotation, while also working on technical skill succession and human resource development for the future.

The special structures division will use our website to generate more inquiries in the movable building market, highlighting our track record to a broad range of potential customers, including project owners and other stakeholders. For retractable roofs for schools (such as for pools and playgrounds) and parks, we will increase our visits to government offices and design firms to enhance brand recognition and create proposal opportunities. For industrial facility-related products, we will consider utilizing off-the-shelf products and adjusting design specifications to lower costs and increase competitiveness.



Otemachi Gate Building



Kai Tak Stadium

Kai Tak Stadium is a multipurpose facility with a retractable roof for which we designed and constructed the drive system (trolleys, winches, wire ropes, control panels, etc.).

It is gaining worldwide attention as Hong Kong’s new landmark for international sports events and concerts.

Business Strategy

Engineering Business

Machinery steel structure business

Strengths
- Track record in fabricating large steel structures
- Track record in fabricating penstocks
- Track record in disaster prevention/mitigation gates and turbid water treatment equipment
- Track record in ship unloading at Sakimori Wharf (public wharf) adjacent to Muroran Factory
- Ownership of Narasaki Wharf (private wharf)

Risks
- Safety risks such as accidents
- Quality defects
- Labor shortage (securing partner companies)
- Insufficient production facilities and capacity

Opportunities
- Growing demand for hydroelectric power generation and electricity storage facilities
- Growing needs for disaster prevention equipment

Strategy in the Seventh Plan

Plan's basic policy: Receiving more orders by expanding the business nationwide and tapping into demand for retrofitting

Achievements under the Sixth Plan include the development and delivery of large steel doors (floodwall gates; 5 m × 5 m) capable of both automatic and manual opening and closing, designed for high seismic intensity, serving as tsunami countermeasure equipment in our industrial machinery products. For ship-lifting equipment, we delivered a self-propelled marine carrier as new ship-lifting equipment that does not require rail facilities to Kitami City's Tokoro Fishing Port, expanding our ship-lifting equipment lineup. Additionally, by delivering wrap-type ship-lifting equipment to Ibaraki Prefecture's Oarai Fishing Port, we made significant progress in expanding sales to the Honshu region.

Starting from the Seventh Plan, we will expand sales of machinery steel products by strengthening our sales system in the Honshu region. For ship-lifting equipment, our main product, we will continue to make improvements to develop competitive products.

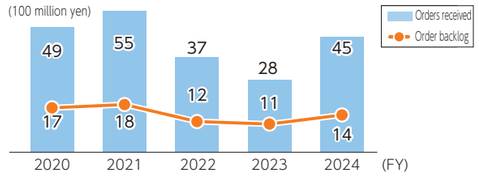
Ship-lifting equipment at Oarai Fishing Port

Marine carrier at Tokoro Fishing Port

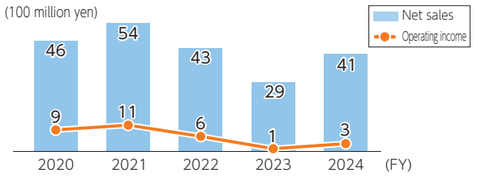
Business Strategy

Precision Equipment Business

Orders received / Order backlog



Net sales / Operating income



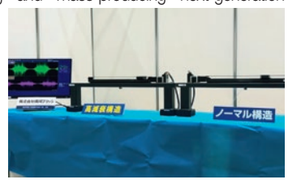
Strategy in the Seventh Plan

Precision Equipment Manufacturing Business

Plan's basic policy: Aiming to increase orders received and revenue by implementing strategies for individual product groups

During the Sixth Plan, amid global economic stagnation caused by the completion of post-COVID-19 demand, shrinking Chinese demand, and political instability from wars and conflicts, the FPD (Flat Panel Display) manufacturing equipment industry saw Chinese and Korean panel manufacturers postpone or revise capital investments, while the semiconductor manufacturing equipment industry experienced declining demand (except for AI-related demand). As a result, the market quickly declined and remained sluggish, with net sales and operating income falling short of plans.

During the Seventh Plan, despite remaining uncertainties such as Chinese economic opacity, rising prices and labor costs, and the impact of Trump administration policies, we anticipate the FPD market to sustain steady demand and the semiconductor market to recover and grow, driven by demand beyond AI-related applications. In addition to securing steady orders and profits for existing products, we will pursue business growth through targeted strategies for each product group, including participation in developing and mass-producing next-generation products centered on semiconductor products, expanding processes (equipment assembly), broadening materials (castings, etc.), and other initiatives to meet diverse customer needs, increase added value through technological development (differentiation), and boost production efficiency, such as through work automation.



High-damping frame→Added value enhancement

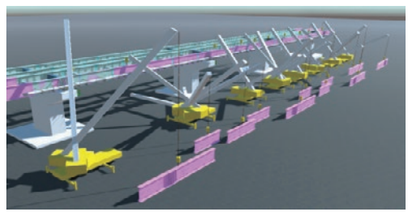
Work automation robot→Production efficiency improvement

Information Processing Business

Plan's basic policy: Maintaining and expanding the business by developing new products and services while supporting the digitalization of Group companies

During the Sixth Plan, we promoted DX for the YBHD Group by improving the Group's network environment, strengthening security protocols, and updating and improving the Group's core systems. We also pursued technology development, including AI and point cloud processing, to support the Group's businesses. In existing businesses, we maintained and grew our market share and promoted sales of new products such as VFORM despite declining orders for new bridges.

During the Seventh Plan, we will support the Group's digitalization by improving our information infrastructure, further strengthening security measures, increasing operational efficiency in administrative departments, and boosting productivity in production and technical departments. In existing businesses, we will prepare for revisions to road bridge specifications and data integration for steel bridges, continue research and development on topics such as AI technology utilization, and maintain and grow the business by developing new products and services, including products for steel bridge maintenance operations and the adoption of new measurement technologies.



Crane placement support system

Business Base Strategies

Technology Strategy

The YBHD Group has identified "Building infrastructure that supports the future" and "Contributing to a people-friendly and nature-friendly environment with partners" as materialities. Under the Seventh Plan, we will promote research and development centered on priority items tied to measures for addressing these material matters, following the basic policies outlined below.

R&D structure

The YBHD Group conducts R&D with the objective of "creating technologies that maintain and improve the Group's corporate value for social contribution, contribute to sustainable growth, and thereby lead to business expansion." In the Seventh Plan, we plan to nearly double R&D expenses and personnel from the Sixth Plan to accelerate research and development that contributes to society and the Group's sustainable growth.

The organizations responsible for conducting R&D are the Technical Research Laboratory and the development and engineering departments of each operating company. The Technical Research Laboratory carries out basic technology research focused on the future, as well as high-priority research, through independent or joint research with operating companies. Each operating company develops new construction methods for its own business and enhances or adds to the functionality of existing products. When needed, all organizations establish joint research systems with other companies that possess elemental technologies, as well as with universities and general contractors involved in projects. They also strategically participate in joint research initiatives solicited by the National Institute for Land and Infrastructure Management, the Public Works Research Institute, and highway companies.

The Engineering Management Office oversees all of these technology development efforts. To further improve the efficiency of technology development, we established the Technology Committee in fiscal 2024 to spearhead medium- to long-term technology strategy across the Group. We have established a system to accurately grasp social trends and needs, select high-priority research, and focus on short-term R&D efforts. Furthermore, we established an Intellectual Property Office in fiscal 2024 to create intellectual property that can contribute to society through our business and enhance the Group's competitiveness. This office will formulate an intellectual property strategy in coordination with our business and technology strategies, investigate and promote the conversion of technologies owned by and inherent to the Group into intellectual property, and actively publicize the utilization of intellectual property.

Basic R&D policies in the Seventh Plan

Under the Seventh Plan, we will conduct R&D to sustain our industry-leading technical capabilities, enhance our competitiveness in existing markets, enter new markets, and promote the DX of construction. The basic R&D policies for the Seventh Plan are as follows:

1. Aiming to position the Group's technologies as industry-leading and establish the new technologies we provide as industry standards
2. Accelerating the development of technologies supporting the growth of bridge maintenance, engineered structure systems, and civil engineering businesses to achieve the targets set in line with the business strategy
3. Continuing to aggressively promote the DX of construction to improve quality, productivity, and safety
4. Providing environmentally friendly technologies to help build a decarbonized society

Strengthening the bridge maintenance business

During the Sixth Plan period, we advanced the development of various technologies and products under the technology strategy of "Advancing technology development contributing to bridge maintenance and renewal." We created Rapid Guard Fence, which allows for quick replacement of existing wall balustrades, as a technology to contribute to the deck replacement work being conducted nationwide, primarily on highways. This was used on the Aramaki Viaduct on the Chugoku Expressway (West Nippon Expressway Company). We also developed the STEEL-C.A.P. Method for replacing existing RC decks with steel decks and tested it at Midorigawa Bridge in Kitakyushu City. Additionally, we developed NY Rapid Bridge, a technology for quickly replacing existing RC bridges with steel bridges, and applied it to Kohama Bridge on the Chugoku Expressway (West Nippon Expressway Company).

During the Seventh Plan period, we will continue from the Sixth Plan period with "Strengthening the bridge maintenance business" as one of our priorities and actively engage in R&D. We will progress the development of precast composite decks for renewal projects as both a technology and a product that is advantageous for securing deck replacement work orders. First utilized for the Chuo Expressway Inarizaka Bridge deck replacement project (Central Nippon Expressway Company), we are moving forward with construction and plan to develop and implement on-site joints, with an eye toward further construction efficiency. Additionally, we will work to expand the application range of the Rapid Guard Fence, the STEEL-C.A.P. Method, and the NY Rapid Bridge.

Furthermore, in the bridge business, we will promote development to expand our business domains into different construction types (concrete work, repainting) and overseas markets.

Making engineered structure systems more competitive

During the Sixth Plan period, we advanced the development of various technologies and products under the technology strategy of "Cost reduction and functionality expansion (design streamlining and multi-story buildings) for further sales of engineered structure systems."

As technology contributing to improving the competitiveness of yess buildings in heavy snow regions, we proposed formulas for evaluating web buckling resistance strength for uniform cross-section beams with large sections and validated them through full-scale loading tests. For multi-story engineered structure systems, targeting two-story structures, we improved the current estimation system and released "yess Estimation 3D-2F." To meet expectations for insulation performance, we developed high-insulation exterior wall products and added them to our lineup. We also concentrated on improving on-site construction efficiency by developing an exterior wall labor-saving construction method that can reduce work time by 20% and implementing it in on-site construction.

During the Seventh Plan period, we established a new department dedicated to R&D in fiscal 2025 to accelerate development related to engineered structure systems. We aim to expand it into a 20-person organization by fiscal 2027. Under this new organization, we will explore approaches to foundation design and construction for enhanced competitiveness, advance component development for single-story and two-story buildings, develop next-generation roofs and exterior walls to support the transition to a decarbonized society, and promote development to improve productivity through digitalization.

Growth of the engineering business

In the engineering business, we began developing "five-sided steel shell composite segments" for underground rivers, which are being developed as facilities to protect cities from intensifying heavy rain disasters, starting from the final year of the Sixth Plan period. We plan to finish development and implement them during the Seventh Plan period. For tunnel segments, we will also work on individual development according to each project owner's needs.

Achieving a decarbonized society

We will focus on reducing CO_2 emissions to reach carbon neutrality by 2050. During the Sixth Plan period, for bridge-related products, we developed FRP sandwich decks for pedestrian bridges using lightweight balsa wood and implemented them on actual bridges. We also actively promoted technology development to shorten on-site construction times, which helps reduce CO_2 emissions, including precast concrete products like Rapid Guard Fence precast wall balustrades and Precast Power Slab precast composite decks, as well as rapid construction techniques such as NY Rapid Bridge and STEEL-C.A.P. Method. For precast concrete products designed for quick construction, we will keep accelerating development during the Seventh Plan period, including creating precast composite decks for renewal projects, aiming to expand their application scope.

In the engineered structure system business, we will speed up the development of next-generation roofs and exterior walls that provide energy savings, as mentioned above.

During the Sixth Plan period, as part of the process for considering entry into the offshore wind power generation-related business, we conducted an investigation and research on the rational manufacturing of steel floating structures for floating offshore wind power equipment. During the Seventh Plan period, we will focus on examinations aimed at future commercialization in the floating offshore wind market, with the supply of jigs and various equipment necessary for offshore wind power generation facility construction in mind.

Business Base Strategies

Technology Strategy

Joint research

We conduct R&D by establishing joint research systems with universities that possess specialized knowledge and expertise, other companies involved in target projects, and road administrators as needed. Joint research with universities also aims to develop next-generation engineers essential for the sustainable development of the infrastructure industry. By promoting joint research, many products and technologies utilizing knowledge, technology, experience, and expertise from inside and outside the Group have been developed and commercialized, contributing to the construction and maintenance of high-quality social infrastructure.

Examples of joint research and outcomes

Period	Participants	Research topic	Outcome
2012–2025	Nippon Steel, Yokogawa Bridge Holdings, Yokogawa NS Engineering	Research on expansion devices used for bridges and other structures	“SEF Joint 100”
2014–2015	Hazama Ando, Yokogawa NS Engineering	Development of segments for deep underground road confluences	“TUF segment”
2016–2019	Nippon Steel Engineering, Yokogawa NS Engineering	Structure proposal for small- and medium-span bridges and research on replacement and renewal techniques	“NY Rapid Bridge”
2016–2021	Yokogawa Bridge, Oxjack	Research on power dampers with bridge collapse prevention function	“Power dampers with bridge collapse prevention function”
2018–2022	Nippon Steel, Yokogawa NS Engineering	Research on steel plate structure for rapid renewal of existing RC slab bridges	“STEEL-C.A.P. Method”
2019–2021	Yokogawa Bridge, Nikkei Engineering, Yokogawa Bridge Holdings	Research on a reverse-side sound absorption feature for “cusa” aluminum alloy permanent scaffolding	“Sound-absorbing cusa”
2019–2023	Tokyo Metro, Yokogawa NS Engineering	Development of new tubular steel columns with stacked steel bearing plates	“MY-ESTAS”
2020–2024	Kobe University, Toagosei, Yokogawa Bridge Holdings	Research on desalination methods for bare steel surfaces	“Desalination sheets”
2022–2024	Yokogawa Bridge, Sooki	Development of the Superstructure One-Man Survey System	“Auto-Repo”

Technology strategy KPIs

To ensure the reliable execution of R&D, we have established the KPIs shown in the table on the right and will continue with R&D while monitoring each metric.

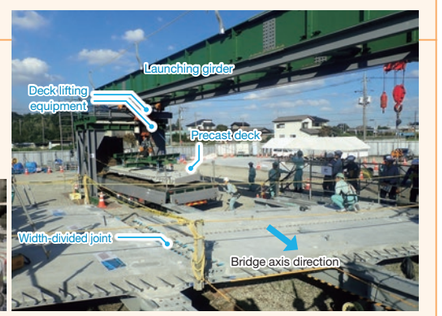
KPI	FY2024 result	FY2025 target	FY2027 target
R&D expenses	0.7 billion yen	1.5 billion yen	1.5 billion yen

See P.71 6

Topic1 Development of precast composite decks for renewal projects

To reduce the social impact of traffic restrictions, demand is rising for width-divided construction in replacement work for existing concrete decks. To meet this need, we are developing precast composite decks for renewal projects. Through various tests, including full-scale deck replacement construction tests, joint structure loading tests, and moving wheel load tests, this product was selected for the Chuo Expressway Inarizaka Bridge deck replacement project, which was ordered by Central Nippon Expressway Company from Yokogawa Bridge. We will continue to advance development to further streamline the construction process.

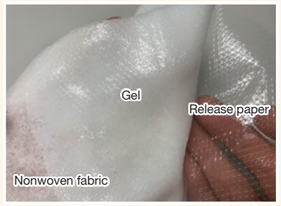
Moving wheel load test for rationalized joints



Full-scale construction test

Topic2 Development of “desalination sheets”

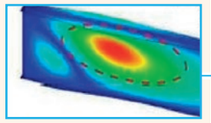
During repainting work for steel structures, there have been cases where coatings deteriorate prematurely due to inadequate removal of salt from severely corroded areas. To solve this issue, we developed “desalination sheets” to remove salt from prepared surfaces. When the desalination sheets are applied to the prepared surface after primary blasting, chloride ions remaining on the steel surface are absorbed into the sheets through ion exchange. After desalination, removing the sheets and performing finish blasting results in a clean substrate surface ready for painting. We will continue working to standardize these sheets for actual bridge construction.



Desalination sheets and their application

Topic3 Structural experiments for new design methods in engineered structure systems

We proposed formulas for evaluating web buckling resistance strength that can configure efficient cross-sections while ensuring the necessary performance for uniform cross-section beams with large sections in heavy snowfall regions. To validate these evaluation formulas, we conducted two-axis cyclic loading tests on full-scale column-beam rigid frame structures.



FEM analysis of the target area

Two-axis cyclic loading test

Topic4 Development of five-sided steel shell composite segments

We are developing “five-sided steel shell composite segments” as composite segments for underground river tunnels, which are being developed as a countermeasure against intensifying heavy rain disasters. In addition to testing the bending performance of individual segments, we conducted tests that applied axial force and bending simultaneously to segment joints, confirming their performance. We also completed tests on the shear performance of ring joints, which helped us determine the technology needed for segment design. Moving forward, we will work on streamlining fabrication for mass production and proceed with implementing these segments in real projects.

Bending performance confirmation test for five-sided steel shell composite segments

Business Base Strategies

Digital Technology Strategy

Initiatives in the Seventh Plan

Under our new management vision—"We will contribute to safe, secure, and prosperous lives by integrating our craftspersonship and digital technologies to provide high-quality social infrastructure"—the YBHD Group has adopted "Use digital technologies for change, improvement, and support" as the slogan for our digital strategy in the Seventh Plan. Based on the vision of "accelerating the utilization of digital technologies and data, building on the foundation of Sixth Plan initiatives," we will promote smart operations across all businesses.

Slogan

Use digital technologies for
Change • Improvement • Support

- Changing the ways people work
- Changing employees' mindsets
- Defying conventional wisdom and practices in the industry

- Improving productivity and safety
- Improving technological capabilities by sharing expertise
- Expanding data integration across departments and companies

- Supporting operations using AI
- Supporting safety and quality using digital technologies
- Supporting the utilization of data and expertise using DX and RAG platforms

Vision

Accelerating the utilization of digital technologies and data building on initiatives during the Six Medium-Term Management Plan

1. Increasing understanding of digital technologies and making digital technologies the partners we work with
   - Maximizing the use of business tools
   - Using generative AI as a work assistant
2. Building and using smart data infrastructure
   - Using data from the new mission-critical systems
   - Beneficial data environment that eliminates waste
3. Enhancing safety measures and quality control using digital technologies
   - Safety measures taken using AI cameras and monitoring
   - Using digital technologies in each production process
4. Pushing forward with the shift of mainstay businesses to smart operations to establish industry standards
   - Comprehensive production system for the bridge business
   - Improving sales capabilities in the engineered structure system business
5. Exploring new businesses through DX

KPI	FY2024 results	FY2025–2027 targets
Number of data integration systems developed between technical departments	—	Total of 3 or more
Number of technology developments using digital technologies for safety, quality, and productivity improvement	—	Total of 3 or more
Daily active users of generative AI tools	133	Increase by 60 from the previous year
Annual development of AI-related systems, including generative AI	2	2 or more

See P.71 4 5

Review of the Sixth Plan

Since the Sixth Plan, we adopted the slogan "Use digital technologies for change, improvement, and support," establishing a DX foundation through targeted management resource investment and building implementation systems to realize our vision.

DX vision in the Sixth Plan

a) Use DX to reform work practices, improve productivity, and deliver the new "3Ks" at worksites (*kyuryo* [wages], *kyuka* [time off], and *kibo* [prospects])
b) Use digital tools to reinforce safety measures
c) Use digital tools to preserve and utilize the skills of Yokogawa's master engineers
d) Use DX to support and accelerate growth in the engineered structure systems business
e) Use DX to explore new business opportunities

Specific initiatives

● Cultivation of DX specialists

First, we conducted DX assessments (visualizations of skills and knowledge) and provided IT literacy education via e-learning to approximately 1,000 administrative staff members.

Based on assessment results, we selected about 100 personnel with a certain level of DX skills and knowledge for specialized training in problem-solving, data science, AI and other cutting-edge technologies, practical skills for DX project planning/promotion/management, Python, databases, and no-code/low-code development.

Furthermore, to promote DX effectively across departments, we appointed 70 "Digital Leaders" who are familiar with operations and play central roles in DX promotion. We supported their learning to gain necessary skills and shared case studies through activity presentations.

● Strengthened safety measures

We actively use digital technologies for remote safety management and to improve safety awareness among construction personnel.

In plants, we used tablets and robots to make quick and efficient improvements during safety patrols.

At construction sites, we implemented safety management systems that monitor site conditions and worker status in real-time, and provided safety training using VR, among other initiatives.

● Labor saving at sites through new technology

We worked on labor saving and productivity improvements at sites using digital technology, including simulating full-scale implementation of slab rebar inspection with digital data, the "Auto-Repo" superstructure one-man survey system, which allows one person to handle everything from as-built measurements to report creation, and the use of quadruped robots.

● Digitalization of order processing operations

To comply with the Invoice System and the amended Electronic Bookkeeping Act, we digitized order-related processes, including purchase orders and invoices.

● Promoted paperless operations

We transitioned to paperless recording of safety and equipment inspections, among other processes, using tablets to electronically issue manufacturing documents and enable electronic input for inspection and management sheets.

● Utilizing generative AI

We introduced an internal generative AI system for all employees, establishing an environment in which they can utilize it to enhance operational efficiency.

● DX certification acquired

We were certified by the Ministry of Economy, Trade and Industry as a "DX Certified Operator" in August 2023, and are advancing DX in line with the Digital Governance Code.

● Introduced a bridge equipment management system

We digitized bridge equipment lending applications and inventory management, which were previously handled on paper, to improve efficiency for equipment requests, lending, and return procedures.

● Developed data utilization infrastructure

We introduced an integrated BI platform, allowing real-time data analysis and visualization through the integration of diverse data.

● Upgrade core IT systems

We worked on upgrading core IT systems to establish a foundation for highly resilient business operations, with the following goals: "standardization of business processing and management," "streamlining, digitalization, and visualization of information," and "succession of predecessors' knowledge and skills."

Business Base Strategies

Digital Technology Strategy

Fiscal 2025 initiatives

To realize the vision outlined in the Seventh Plan, we will work on the following:

- Optimize infrastructure, applications, and data environments to maximize business tool functionality
- Use generative AI as a business assistant to improve work quality and speed
- Begin operation of the new core information system
- Strengthen safety measures using AI cameras and monitoring
- Use digital technologies at each stage of the production process
- Conduct detailed research and analysis of external environments and technology trends to realize smart operations in the bridge and engineered structure system businesses, and proceed with formulating specific activity plans
- Implement ongoing education for all employees
- Develop Digital Leaders to drive departmental DX

Case Study 1 DX Experience 2024

Yokogawa Bridge held an experiential internal exhibition called “DX Experience 2024.” The event featured displays of DX technologies from various departments, giving employees the chance to deepen their understanding of DX across departmental boundaries.

Case Study 2 Digital Leader Case Sharing Meeting

As a review of fiscal 2024, Digital Leaders from each operating company gathered for a case sharing meeting.

The event aimed to enhance skills and motivation by showcasing business improvement cases from each company and department, sharing successes and challenges.

In the case presentations, 10 presenters shared their initiatives. In subsequent group work, participants divided into workshop sessions focused on programming and app creation, as well as discussion sessions where they shared their situations and thoughts on approaches to business improvement as Digital Leaders.

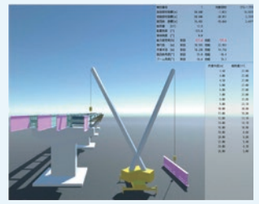
This became a highly meaningful venue for fostering deeper exchanges among Digital Leaders across departments and companies, as Digital Leaders who had mostly interacted online were able to meet in person.

We will keep working on activities to “transform corporate culture through digital tools.”

Case Study 3 Crane Placement Support System “CLOVER.SIM”

CLOVER.SIM is a system that uses 3D models and point cloud data to examine and determine crane placement plans and temporary placement/assembly positions for members. It enables 3D examination of crane placement (erection planning) that was previously done with 2D CAD and calculator calculations, supporting solutions to challenges such as reducing CAD drawing work, giving explanations to project owners, and facilitating technical succession to younger employees.

The system can simultaneously review placement plans for both ground assembly and erection, which were previously examined separately. It provides a real-time display of crane capacity utilization on screen—shown in red if it exceeds allowable limits—along with crane position changes in 3D space and appropriate selection when adjusting boom length and crane models. Results can be exported as 3D coordinate data and plan views, aiding labor savings for site placement instructions and the creation of construction plan drawings. Additionally, it can generate erection animations for use in CIM operations.

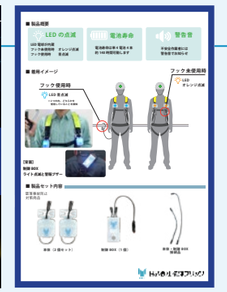


Case Study 4 Yokogawa Smart Safety Harness System “Y-SAS”

To prevent fall accidents and ensure worker safety during work at heights at construction sites, such as bridge erection and steel frame construction, we have developed and are introducing the Yokogawa Smart Safety Harness System, “Y-SAS,” at our construction sites.

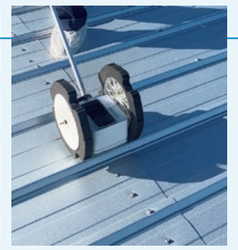
Y-SAS alerts nearby personnel about safety harness use during work at heights with blinking LED lights and a warning buzzer. When the safety harness hook is correctly used, the LED flashes blue; when not used, it flashes orange, and the buzzer sounds. This allows workers to warn each other and enables site managers at a distance to confirm safety harness use, helping to prevent unsafe practices on-site.

We will actively promote the development of safety management systems to eliminate fall accidents at construction sites.



Case Study 5 Introduction of an AI-based Screw Inspection Tool

Yokogawa System Buildings utilizes AI to assist in assessing the condition of roof screw installations. A machine learning program trained with pre-judged pass/fail photos is embedded in mobile devices. When a device’s camera is held over screws, it displays the judgment on the screen and emits a sound. For defect assessments, photos can be retaken with barcodes to link them with post-repair photos, enabling defect repair records. Additionally, by saving photos of the judged screw conditions, along with their categories and counts, the system visualizes defect ratios and trends by project. This helps reduce subjective judgment variation and enhances quality. This tool can be broadly applied to anything that can be judged from photos.



Business Base Strategies

Human Resources Strategy

Hiroshi Mitsuda
Executive Officer in charge of Legal Department, General Affairs and Personnel Department, Real Estate Management Office, and Compliance

For the YBHD Group's sustainable growth, it is essential to secure, develop, and retain top talent. Looking ahead at the growing severity of labor shortages in the construction industry, we will focus on leveraging digitalization to improve operational efficiency and labor savings, as well as strengthening our human capital by promoting diversity and increasing employee engagement.

Human Resources Development Policy

We have established "contributing to social development by creating, protecting, and passing on high-quality products to the next generation" as our basic sustainability policy, viewing "people" as the most vital element in our corporate management. To achieve sustainable growth and increase corporate value, we believe that developing human resources with broad experience and skills to meet diverse and sophisticated needs is essential. Therefore, our human resource development policy is to cultivate employees from a medium- to long-term perspective, ensuring that all our diverse employees can continue to grow and acquire advanced expertise.

Workplace Environment Development Policy

For companies engaged in manufacturing like ours, ensuring worker safety and security is crucial for sustainable business operations. It is also vital to create a corporate culture that fosters both psychological and physical safety by increasing safety awareness, which facilitates cooperation across departments. We believe that such a culture leads to the construction of high-quality structures and influences the delivery of safety and security for society. Therefore, our workplace environment development policy aims to protect workers' safety and physical and mental health, respect human rights, and maintain a healthy workplace environment free from discrimination.

Human Resources Strategy KPIs

	FY2024 results	FY2027 targets
Number of foreign personnel employed	67	90 or more
Percentage of females among new graduate hires	31.9%	30% or more
Employee engagement rating	BBB	A or higher
Specific health guidance implementation rate	29.0%	50% or more
Percentage of construction sites implementing 8 days off in a 4-week schedule	83%	100%

See P.71 10 11

Reference For employee engagement improvement → P.70

Our role

With the revision of our corporate philosophy and management vision, we have established "developing diverse human resources who will link technologies and the future" as our new role.

As uncertainty grows due to changes in the external environment around us, we must maintain and strengthen *people* and *technology*, the sources of the YBHD Group's competitiveness, into the future to ensure sustainable growth aligned with our corporate philosophy. We will link people and technology to the future through various initiatives, including acquiring and developing diverse human resources, improving capability development education, and creating the necessary environments for these efforts.

Materiality

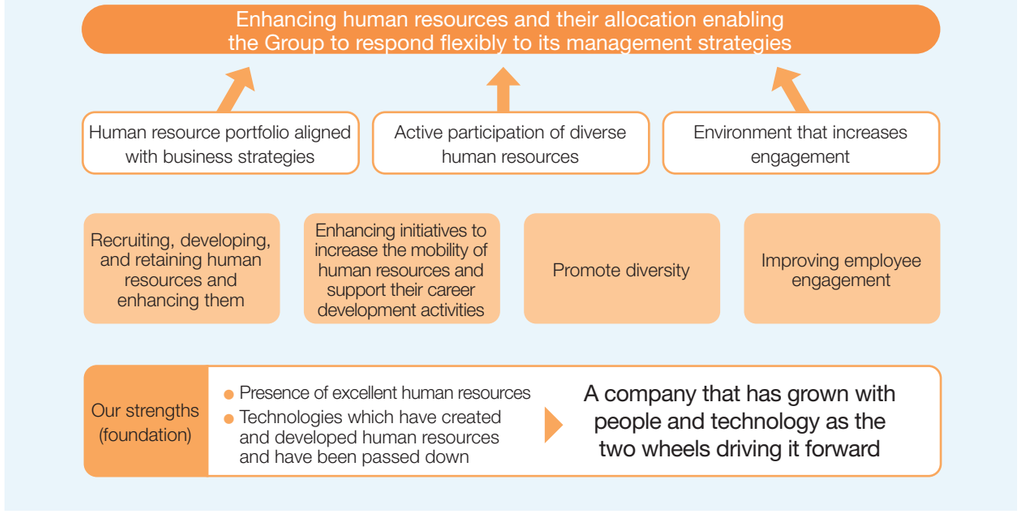
In reviewing materiality, we identified "Building a society where diverse human resources gather and can demonstrate their capabilities" as a new key issue.

Specific measures include "Promoting DE&I and improving engagement" and "Promoting employees' good health and a healthy work-life balance."

By integrating materiality into business strategy, we aim to increase corporate value and address social issues.

Human resource strategy in the Seventh Plan

Based on the materiality review, we developed a new human resource strategy for the Seventh Plan. As a company that has grown with people and technology as the two wheels driving it forward, we will continue to enhance and optimize our human resource portfolio to help achieve the Group's management strategies.



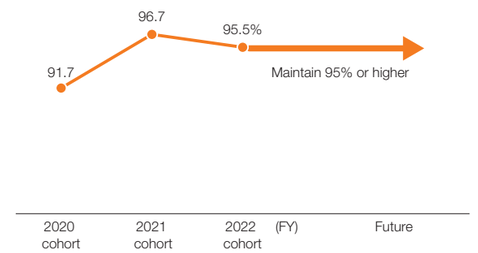
Recruitment, development, and retention of human resources, and strengthening human capital

Enhancing employee capabilities is essential for the YBHD Group to maintain its position as an industry leader. To further develop our education system, we will implement a systematic approach and strengthen human capital by developing digital human resources and increasing support for qualification attainment and reskilling.

Additionally, we will enable early appointments of top talent to higher positions, accelerate promotion timing, promote re-employment of former Group employees through a job return system, and actively employ foreign personnel through cooperation between operating companies and YTP* to effectively utilize the Group's human capital and fill generation gaps.

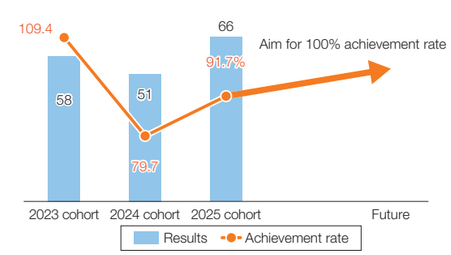
*Abbreviation for Yokogawa Techno Philippines

Retention rate (3rd year new graduates)



*Including equity method affiliates

New graduate hires and hiring plan achievement rate



*Including equity method affiliates

Business Base Strategies

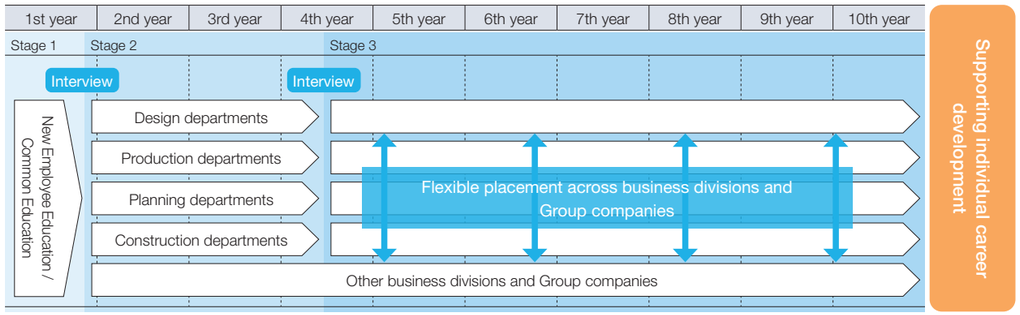
Human Resources Strategy

Strengthening initiatives for human resource mobility and career development support

To respond to changes in the business environment around the Group, we are promoting flexible personnel systems to optimize human capital across the Group. As part of this, we have established a cross-Group meeting to coordinate human resource allocation and introduced cross-Group job rotation and career interview systems to support employee growth and career development.

By dividing employees' first 10 or so years in the company into three stages and conducting individual interviews at transitions between stages, we support individual career development while achieving human capital enhancements and human resource allocation that can respond flexibly to the Group's management strategy.

Yokogawa Bridge Technical Young Employee Development Plan



*Annual interviews with supervisors (self-declaration and feedback) are conducted separately from stage transition interviews.

Education and Training System Chart

		Basic	Rank-based training	Management skill enhancement	Career development: Administrative	Career development: Technical	Career development: DX	Knowledge and skill enhancement: Qualification support	Knowledge and skill enhancement: Language	Knowledge and skill enhancement: Other than listed	Health management	Others
Management	Director	OJT	New General Manager Training	Career Interview Training	Administrative Personnel Development Plan	Technical Personnel Development Plan	DX Specialists Development Program	Support for Examination and Course Fees	Subsidies for Foreign Language Conversation Courses	e-Learning	Health Talks	Women's Managerial Track Training Session
	General manager		New Section Manager Training					Support for Doctoral Degree Acquisition		Practical Workplace Education	Mental Health Line Care Training	
	Section manager		New Management Training	Coaching Training / Profit and Loss Management Education						Technical Workshops		
	Acting manager		New Assistant Section Manager Training							Technical Skill Transfer		
Non-management	Assistant section manager		3rd Year Training							Intellectual Property Seminars		
	Chief		New Employee Education									
	General staff											

The YBHD Group's human resource development is based on OJT, where necessary knowledge and skills are acquired through actual work, in addition to knowledge acquisition and qualification attainment. We have also created an environment for sustainable growth by combining systematic job rotations based on aspirations and aptitude shown in career interviews, self-assessments, and feedback interviews with educational programs such as "rank-based training" to complement and expand the knowledge and skills broadened through the job rotations.

Column

My Career Path with Technology

Yoshimi Tanaka, Technology Section, Business Development Department, Yokogawa NS Engineering Corp.

Since joining the company, I have been transferred three times, including moves between Group companies, and I currently serve as the Technology Section Manager in the Business Development Department.

Initially assigned to Yokogawa Bridge's Technology Department, I started by gaining fundamental knowledge and skills related to steel bridges, as I had focused on concrete during my student years. Later, I moved to the Design Department, where I worked on designing various types of bridges, including cable-stayed, Langer, Lohse, Vierendeel, open-section box girder, and PC steel composite bridges. This experience helped me improve my communication skills with stakeholders as well as my design abilities.

In my 12th year, I transferred from Yokogawa Bridge to the Yokogawa Sumikin Bridge (now Yokogawa NS Engineering) Steel Structure Engineering Technology Department (now Business Development Department). I initially handled design and production management for bridge earthquake-proofing products (buckling restraining braces), then became responsible for civil engineering steel structures, handling proposal-based orders that applied my bridge expertise to civil engineering projects like new seawall construction. Working on the entire process—from technical proposals to general contractors to detailed design and production design—I served not only as a design engineer but also as a project manager, coordinating among customers, sites, factories, and sales teams. For safety measure work implemented at the Onagawa Nuclear Power Plant, in collaboration with colleagues from Yokogawa Bridge and Narasaki Seisakusyo, I received the President's Award from Maeda Corporation. This experience also helped me earn a Professional Engineer certification.

Buckling restraining braces installed on the Senjin Bridge

The Business Development Department constantly seeks to expand into new fields. I aim to continually improve my technical capabilities across various fields, leveraging my accumulated knowledge and skills.

Shin-Choshi Bridge

Business Base Strategies

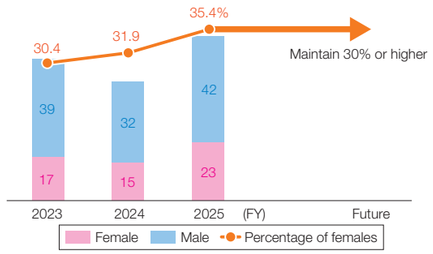
Human Resources Strategy

Diversity promotion

Our efforts to promote workforce diversification have led to a steady increase in female employees and foreign personnel, as shown in the figures. We will continue to foster diverse human resources and promote active collaboration between domestic operating companies and YTP*, while focusing on providing opportunities for people from various backgrounds to succeed.

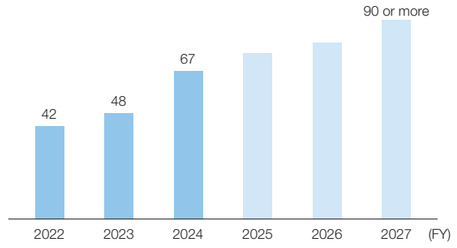
*Abbreviation for Yokogawa Techno Philippines

Percentage of females among new graduate hires



*Including equity method affiliates

Number of foreign employees



*Including equity method affiliates

Takako Yokoyama, Maintenance Section 1, Tokyo Construction Division 2, Tokyo Construction Department, Yokogawa Bridge Corp.

I am currently involved in construction management at the Suehiro Bridge superstructure widening project in Funabashi City, Chiba Prefecture. This site has a high female-to-male ratio, with five staff members, including the site manager, consisting of two men and three women. We carry out construction daily while considering safety, quality, and constructability when planning work procedures.

Although I'm in my third year and have limited knowledge and experience, I'm moved daily by seeing things come together through procedures I've worked hard to determine. I enjoy working while coordinating with various people, including staff, partner companies, clients, and nearby construction teams. Site work is interesting regardless of gender. Environmental improvements for comfortable working conditions, regardless of gender, are progressing, and I want to continue managing construction while learning many new things and developing my technical skills.

Alan Cachero Bautista, Design Section 2, Tokyo Design Division, Design Department, Yokogawa System Buildings Corp.

I was initially seconded from YTP but officially transferred to Yokogawa System Buildings in October 2023.

Communication can be difficult not only because of the language barrier but also due to the importance of non-verbal cues and indirect expressions in Japanese business culture. Engineered structure system design conditions vary by project, requiring new learning each time, making the work far from easy.

On the other hand, seeing buildings I designed actually completed gives me great satisfaction. Although I face many challenges, such as meetings with customers, I find it highly rewarding because I gain a deeper understanding of Japan's meticulous work ethic, respect for tradition, and focus on quality.

Improving employee engagement

We focus on creating systems and environments that allow each individual to fully showcase their abilities, thereby maximizing the value generated by human capital. We are also proceeding with establishing corporate branding and promoting education to pass on our ideal vision, developed over 110-plus years, to the next generation. Employee health is the foundation of business continuity, and we implement measures to support health management through "collabohealth" (collaboration between Health Insurance Society providers, companies, and employees) and to enhance work-life balance. Based on our Group Health Declaration, we are advancing health management initiatives, and as a result, have been recognized for three consecutive years as a "Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category)" for our excellent health management practices.

Group Health Declaration

In the midst of severe changes in its business environment, the YBHD Group views the health of employees as one of its most important management resources and promotes initiatives to support the health of employees and the families who support them. The Group aims to develop its business and contribute to society through workplaces where employees can work vigorously and reach their full potential.

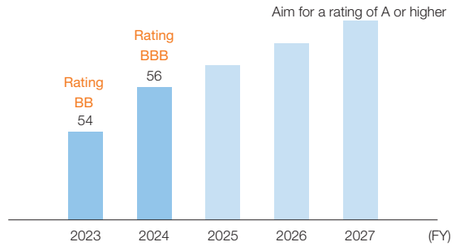
Engagement survey results

In the engagement survey measuring employee satisfaction, results surpassed those of the previous year, thanks to initiatives such as developing action plans by department. As a result, Yokogawa Bridge ranked 8th in the mid-sized company category of the Best Motivation Company Award 2025*.

While the high social contribution of our business is reflected as a strength in our score, challenges remain in company unity. Therefore, we will foster unity and mutual trust through information sharing by management and information coordination by managers, who act as a link between management and company members. We will continue to analyze our approach to develop and implement effective measures, aiming to improve our scores each year of the medium-term plan and surpass those of the previous year through ongoing improvement efforts.

*Awards given to the top 10 companies with high scores among companies that conducted employee engagement surveys by Link and Motivation Inc. in 2024

Employee Engagement Rating



*The score and rating are provided by Link and Motivation Inc.'s "Motivation Cloud" service.
The score is a deviation value with 50 as the average of other companies using the service, and ratings are assigned on an 11-level scale based on this score (BBB is 4th from top).

Promoting work-life balance

Since fiscal 2018, we have developed roadmaps and action plans to establish two-day weekends at our factory sites, gradually promoting reduced working hours and increased leave. As a result, the Group's 4-week, 8-day rest achievement reached 83% in fiscal 2024. We will continue working toward further improvements to reach 100% by fiscal 2027. We remain committed to enhancing the workplace environment, including exploring measures to improve work-life balance.

Business Base Strategies

ESG Initiatives

To realize our management vision, we have set KPIs for the Seventh Plan that concern our newly identified materialities (key issues) and the measures to address them. During the plan period, we will monitor these KPIs and assess the effectiveness of our measures, driving PDCA cycles, and strengthening our management foundation.

Five Materialities	Measures for Resolving Materiality	Reference Pages
Commitment to "monozukuri" manufacturing	1 Elimination of serious injuries and accidents	82
	2 Quality assurance	48, 82
	3 Ensuring the stable supply of products	83
	4 Labor productivity enhancement	61
	5 Shift to AI-native products and services	61
Building infrastructure that supports the future	6 Product development for building disaster-resilient infrastructure	59
	7 Provision of infrastructure retrofitting and maintenance services	50
	8 Support for disaster recovery	83
	9 Strengthening overseas business initiatives	48
Building a society where diverse human resources gather and can demonstrate their capabilities	10 Promoting DE&I and improving engagement	65
	11 Promoting employees' good health and a healthy work-life balance	65
	12 Respecting the human rights of our employees, and the employees of partner companies and suppliers	84
Contributing to a people-friendly and nature-friendly environment with partners	13 Expansion into green energy-related businesses	81
	14 Developing products which help address global warming	52, 81
	15 Achieving carbon neutrality	78
	16 Reduction of environmental impact	75
Honest, fair business practices	17 Strengthening corporate governance	103, 105
	18 Information security management	106

KPI (Key Performance Indicator)		FY2024 Results	FY2027 Targets
Fatal accidents		0	0
Number of accidents causing lost worktime (four or more days lost)		4	0
Frequency rate		0.5	0.9
Severity rate		0.03	0.05
Construction grades for bridge business		Average 85.2 points	Average 82 points or higher
Number of quality nonconformities (costing 1 million yen or more to address)		28	0
Implementation of BCP training		32 times	20 times or more
Capital investment (FY2025–2027 total: 18 billion yen)		5.7 billion yen	5.3 billion yen
Number of employees (including equity method affiliates)		2,121	2,340
New graduate hiring plan achievement rate		91.7%	100%
Qualification possession rate	*Possession rate in departments requiring the qualification		
	Professional Engineer: Bridge design departments	34%	50% or higher
	First-class Civil Engineering: Bridge planning/construction departments	71%	90% or higher
	First-class Architect: Architectural design departments	22%	40% or higher
	First-class Architectural Construction: Architectural planning/construction departments	38%	50% or higher
	First-class Construction Accountants: Accounting departments	38%	50% or higher
Number of data integration systems developed between technical departments (FY2025–2027 total: three or more)		—	3 or more
Number of technology developments using digital technologies for safety, quality, and productivity improvement (FY2025–2027 total: three or more)		—	3 or more
Daily active users of generative AI tools		133	Increase by 60 from the previous year
Annual development of AI-related systems, including generative AI		2	2 or more
R&D expenses		0.7 billion yen	1.5 billion yen
Bridge maintenance business net sales		25.8 billion yen	33.5 billion yen or more
Conducting disaster response training (support record)		1 time (2 times)	1 time
Overseas business orders received		–0 billion yen	4.5 billion yen
Number of foreign personnel employed		67	90 or more
Percentage of females among new graduate hires		31.9%	30% or higher
Employee engagement rating		BBB	A or higher
Specific health guidance implementation rate		29.0%	50% or higher
Percentage of construction sites implementing 8 days off in a 4-week schedule		83%	100%
Human rights risk survey		1 time	1 time or more
Number of inquiries and estimates for new business areas, such as offshore wind power		14	20 or more
Number of estimates for value-added products		4	70
CO_2 emissions reduction rate (Base year: FY2020, Scope 1 & 2)		31%	35%
Continuation of a 100% steel recycling rate		100%	100%
Integrated Risk Management Committee meetings		4 times	4 times
Compliance training participation rate		100%	100%
Number of serious noncompliance incidents		0	0
Implementation of business audits for Group companies		1 time	1 time
Information security education and training participation rate		96%	100%
Number of serious information security incidents		1	0
Implementation of training on data preservation in the event of a disaster		2 times	1 time

Striving to Help Realize a Sustainable Society

Environment

Environmental Initiatives

The intensification of earthquakes, massive typhoons, torrential rain, and other natural disasters has become a major social issue. As global warming, deforestation, and various forms of pollution become more serious, social infrastructure development is becoming increasingly necessary to protect our lives and businesses from such natural disasters. The YBHD Group must minimize impact on the natural environment in civil engineering and construction projects that involve nature while striving to build resilient infrastructure through its business activities.

Accordingly, in our Seventh Medium-Term Management Plan, we identified "contributing to a people-friendly and nature-friendly environment with partners" as a material issue (key issue). To resolve this issue, we will implement the following four measures.

Reduction of environmental impact

We recognize the impact of our business activities on the natural environment and are taking steps to reduce our environmental impact. By reducing waste and using resources sustainably, we contribute to conserving water resources and forests, and resolving other environmental issues.

Specifically, we are moving ahead with efforts to use renewable energy, increase recycling rates, develop products with lower environmental impact, reuse equipment and materials, and save electricity and energy at all of our locations.

Reference Environmental Policy and Biodiversity Policy
→ https://www.ybhd.co.jp/en/sustainability/policy/

KPI	FY2024 result	FY2025 target	FY2027 target
Continuation of a 100% steel recycling rate	100%	100%	100%

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Initiatives for biodiversity

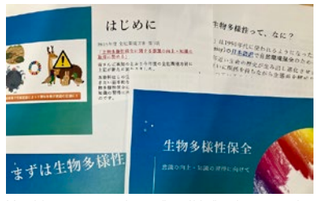
The YBHD Group strives to minimize the impact of its business activities on biodiversity.

Some construction requires biodiversity-conscious construction methods, and failure to implement such methods carries a risk of breach of contract. To address this risk, we gather information on and implement measures to protect and restore rare plants and animals in areas where we operate under our biodiversity policy.

For example, when constructing the Shin-Nobi Bridge, which opened in May 2025, we developed a proprietary construction method and specialized equipment to reduce the impact on the Itasenpara bitterling, a rare species in the Kiso River, as one form of natural environmental protection. These efforts were highly regarded, and because of them, we received the 2024 Tanaka Award from the Japan Society of Civil Engineers.

The safety and quality management departments of our operating companies have launched initiatives to raise awareness and acquire knowledge about biodiversity conservation. Specifically, ideas for conservation activities are identified among familiar matters at monthly meetings, and all participants discuss and further their understanding of these ideas.

Looking ahead, we intend to expand these activities throughout the Group and promote awareness and behavioral changes toward realizing a sustainable society by encouraging participation in activities that individuals can perform on their own as well as practical activities in collaboration with the Company and local communities.



Materials to promote understanding of biodiversity conservation

Reference Shin-Nobi Bridge initiatives
→ P.49–50

Materials flow (as of FY2024)

Inputs	
Energy	
Electric power	24.51 million kWh
Gasoline	534kL
Diesel	773kL
Kerosene	132kL
Gas	776,000 m³
Water	70,000 m³
Main construction materials (steel)	92,000 t

Yokogawa Bridge Holdings Corp.

Bridge Business
Engineered structure system
Engineering Business
Precision Equipment Business
Other businesses

Output	
CO_2 emissions	9,177t-CO_2
Construction waste	19,078t
Steel-related emissions Steel recycling rate	9,463t 100%

Achieving carbon neutrality

Disclosures in line with the Task Force on Climate-Related Financial Disclosures (TCFD)

The international community strongly advocates a transition to a decarbonized society as climate change causes more frequent abnormal weather events and more severe flood damage. As a group of companies responsible for social infrastructure development, we have been addressing various issues caused by climate change through our business, including developing disaster-resistant infrastructure, long-term bridge maintenance, and disaster recovery support.

The YBHD Group recognizes climate change as a critical management issue and, in 2020, identified "Responding to the material risk associated with climate change and natural disasters" as a materiality.

Furthermore, we publicly endorsed the TCFD Recommendations in December 2021, and five months later set a target for achieving carbon neutrality by eliminating CO_2 emissions (Scope 1 and 2) from our business activities by FY2050. To achieve this target, we set a mid-term target (50% reduction* of Scope 1 and 2 CO_2 emissions by FY2030) and a short-term target (20% reduction* of Scope 1 and 2 CO_2 emissions by FY2024).

In 2025, while formulating our Seventh Medium-Term Management Plan, we set a target of 35% reduction* of Scope 1 and 2 CO_2 emissions by FY2027 (the final year of the plan) and formulated a transition plan that outlines the path to achieve this target. Accordingly, the Group will continue to promote further initiatives to achieve carbon neutrality and disclose the results thereof and other information in line with the framework of the TCFD Recommendations. In addition to our own initiatives, we will contribute to the realization of a decarbonized society through dialogue and collaboration with investors and other stakeholders.

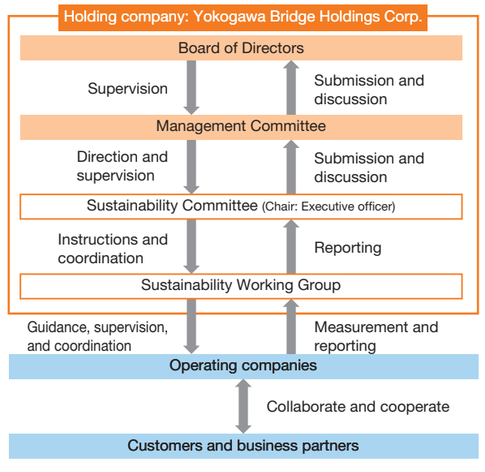
* Using fiscal 2020 as the base year

1. Governance

In its Sustainability Basic Policy, formulated in fiscal 2021, the YBHD Group declared its commitment to working actively and proactively to resolve social, environmental, and other sustainability issues. Climate change was deliberated as a materiality for the Group by the Sustainability Committee, a cross-group meeting body, and decided by the Board of Directors.

The Sustainability Committee examines proposals related to basic management policies on sustainability and ESG, including climate change response, and policies and strategies for business activities and corporate governance. The Management Committee deliberates on important policies and measures, which are then reported to, deliberated on, and decided by the Board of Directors. The Sustainability Committee is chaired by an executive officer of the Company and comprises senior staff and executive officers from each operating company. The Sustainability Working Group, a sub-organization of the Sustainability Committee, is responsible for promoting the implementation of policies and strategies decided by the Management Committee and the Board of Directors. The Sustainability Working Group comprises general affairs department heads from each operating company and carries out practical tasks such as promoting CO_2 emission reduction measures and monitoring progress in operating companies.

Matters deliberated and decided by the Management Committee and the Board of Directors are incorporated into the initiatives of each operating company's operational departments. We collaborate and cooperate with our customers and business partners in efforts to reduce CO_2 emissions in our supply chain (Scope 3 emissions). The Management Committee and Board of Directors monitor the status of initiatives to address climate-related issues and other material issues at least once a year, and provide direction and supervision.



Environment

Environmental Initiatives

2. Strategy

We conduct scenario analysis to clarify how climate change affects the YBHD Group's business and finances. The analysis covers the Group's main businesses (bridge, engineered structure system, engineering, and precision equipment) and considers present, short-term (2–3 years), medium-term (around 2030), and long-term (around 2050) time frames.

The process of identifying climate-related risks and opportunities starts with identifying risk and opportunity factors in the value chain for both transition and physical climate impacts for each target business. These are then organized into classifications (procurement, direct operations, and product/service demand). For each factor, we consider the specifics of the impact, the likelihood and magnitude of the impact, and when the impact may occur to identify the final business impact.

While the YBHD Group's direct CO_2 emissions (Scope 1 and 2) from business activities are not substantial, the bridges and engineered structures we provide use steel, cement, and other materials that involve substantial CO_2 emissions when they are manufactured. CO_2 emissions are also generated from the transportation of these raw materials and building materials, and from the operation of heavy machinery during construction. Additionally, as national and local governments and private sector companies—our main customers—increasingly call for environmental consideration, we are developing low-carbon construction methods, low maintenance products, and other technology, pursuing a 100% recycling rate for steel materials, and the like, throughout the Group.

Given these business characteristics, the main risks we have identified include increased construction and procurement costs due to tighter CO_2 emission regulations and new carbon taxes, damage to our facilities and supply chain disruptions due to more frequent and intense extreme weather events, and lower labor productivity at construction sites due to chronic temperature increases. We have also identified opportunities such as the expansion of markets for national resilience, disaster risk reduction and mitigation, and maintenance, as well as increased demand for environmentally friendly bridges and buildings.

Major climate change-related risks and opportunities identified as having a significant impact, and their countermeasures

Category	Description	Time frame*1	Impact on business*2	Measures
Risks	Increase in steel prices and shortages due to introduction of low-carbon technologies	Long term	Price increases due to the introduction of new technologies to achieve decarbonization in the steel manufacturing process, and domestic steel shortages due to the export of low-carbon steel	● Cooperation with steel manufacturers in the development of decarbonization technologies ● Application of new materials such as FRP-balsa materials, lumber, and low-carbon concrete to the Group's business fields
	Increased incidents of heatstroke and reduced work efficiency due to rising temperatures, and increased costs for heatstroke countermeasures	Present	Increased incidents of heatstroke due to rising temperatures, leading to lower productivity and difficulty securing personnel; Additional safety measures become necessary, incurring costs	● Achievement of CO_2 reduction targets ● Introduction and use of ICT for working environments and health management ● Promotion of labor savings through robotization of welding operations and use of ICT ● Provision of air-conditioned clothing, etc., in the workplace ● Strengthening BCP-related investment, facilities, and personnel ● BCP formulation and continued effective utilization and training ● Utilization of products and construction methods that facilitate early recovery in the event of an unanticipated disaster
	Extreme weather conditions impacting procurement networks, disrupting or delaying construction	Present	Frequent cases of supply chain disruption and operational restrictions, or factory/construction site shutdowns due to typhoons and heavy rains	
	Damage to own facilities due to extreme weather	Present	Damage to company facilities due to flooding and strong winds from abnormal weather	
Opportunities	Expansion of national resilience, disaster prevention, mitigation, and maintenance markets	Present	Increased construction demand for bridges with high durability and easy maintenance, and disaster-resistant civil engineering steel structures	● Responding to increased orders and production expansion by developing a DX-based production management system and sales management system ● Accurately identifying demand for bridge replacement and facility relocation, and strengthening technical proposal capabilities ● Promoting construction DX to contribute to improved safety and workability at disaster sites ● Provision of offshore, port, and harbor structures that limit damage from tsunamis and storm surges ● Provision of internal water pressure-compatible tunnel segments for underground rivers that are prepared for heavy rainfall disasters ● Provision of technology for replacing aging road bridge decks ● Provision of maintenance-related products made of aluminum and stainless steel ● Provision of hybrid steel and wood products ● Utilization of green steel ● Provision of engineered structures with excellent insulation performance ● Application of effective elemental technologies such as electric furnace steel, low-carbon concrete, and environmentally friendly paints ● Use of the new technology of decarbonized processing machinery (electric and hydrogen) ● Promotion of technological developments such as pre-casting and rapid construction methods to shorten construction periods on-site

*1: Time frames: present, short term (2–3 years), medium term (around 2030), long term (around 2050)
*2 The impacts on business listed here are those identified as having a significant impact based on a four-point scale according to the affected businesses' percentage of net sales.

3. Risk management

The Sustainability Committee identifies risks attributable to climate change and assesses their impact on business. The Sustainability Committee and the Sustainability Working Group, which handles practical matters, work together to consider countermeasures for identified risks, and report issues of particular importance to the Board of Directors for them to deliberate. Additionally, information on these risks is shared with the cooperation of the Integrated Risk Management Committee, an advisory body to the Board of Directors, and they are centrally managed as company-wide risks.

4. Indicators and targets

In May 2022, the YBHD Group announced the long-term goal of achieving carbon neutrality by 2050 and established short-term and medium-term CO_2 emission reduction targets as milestones toward realizing this goal that also serve as indicators and targets used to assess and manage climate-related risks and opportunities.

As part of our efforts to achieve the short-term target—a 20% reduction from FY2020 under the Sixth Medium-Term Management Plan (FY2022–FY2024)—we switched to electricity derived from renewable energy sources at our Osaka Plant (the Group's largest plant) in September 2024 and at our Muroran Plant in January 2025. Consequently, the Group's main locations (e.g., head office and plants) now run on renewable energy, and we have installed solar power generation facilities to the extent possible.

Category 1 (purchased goods and services) now accounts for a higher percentage of our Scope 3 emissions. The bridges and engineered structures provided by the Group often feature steel, concrete, and coating as the main raw materials. Reducing CO_2 emissions from purchasing these raw materials is a key issue for achieving carbon neutrality. Given our policy to reduce CO_2 emissions from raw materials by striving to utilize new technology through technological innovation by each of our suppliers, we have a shared understanding with our suppliers. One technology that will lead to future innovations in steel manufacturing is green steel, which steel manufacturers have begun to market. The YBHD Group became the first company in Japan to use green steel on bridges. We have discussed and confirmed our policy for using new technology to reduce CO_2 emissions with clients through an industry association. Current challenges include establishing methods for evaluating the benefits and costs of introducing new technology and reducing CO_2 emissions across the life cycles of our products. Accordingly, we will actively promote the use of new technology and work on resolving issues in collaboration with clients, business partners, and product users.

CO_2 emissions reduction target

Scope	Base year	Target year	Target
Scopes 1 & 2	FY2020	FY2024 (end of the Sixth Medium-Term Management Plan)	20% reduction
		FY2027 (end of the Seventh Medium-Term Management Plan)	35% reduction
		FY2030	50% reduction
		FY2050	Carbon neutrality
Scope 3	Collaborate and cooperate with customers and business partners to reduce		

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CO_2 emissions performance over time

	FY2020	FY2022	FY2023	FY2024	
	Emissions	Emissions	Emissions	Emissions	Percentage
Scope 1	2,539	4,508	5,406	5,190	1.7%
Scope 2	10,779	6,241*	6,844	3,987	1.3%
Scope 1 & 2 total	13,318	10,749	12,250	9,177	2.9%
Rate of change	Base year	-19%	-8%	-31%	
Scope 3	332,518	431,556	341,579	304,394	97.1%
Scope 1, 2 & 3 total	345,836	442,305	353,829	313,571	100%

*In FY2022, we switched part of our purchased electricity to a CO_2 reduction plan. We are also installing solar power generation equipment at our main locations, significantly reducing Scope 2 emissions

Environment

Roadmap (Transition Plan) to Carbon Neutrality

The YBHD Group has set a target of achieving carbon neutrality by eliminating CO_2 emissions from its business activities (Scope 1 and 2 emissions) by FY2050.

To serve as a roadmap, we set a short-term target to reduce Scope 1 and 2 emissions by 20% from FY2020 levels by FY2024, and have been promoting specific initiatives to achieve this goal. To reduce Scope 1 emissions, we promoted energy savings by increasing productivity, performing low-carbon construction, expediting construction schedules, and we used biofuel at one construction site. To reduce Scope 2 emissions, we switched to electricity derived from renewable energy sources and installed solar power generation equipment to the extent possible to begin generating and consuming electricity in-house at our main locations (e.g., head office and plants). Through these efforts, we successfully reduced Scope 1 and 2 emissions by 31% from FY2020 to FY2024. We are already engaging with suppliers to reduce Category 1 Scope 3 emissions, which account for the majority of the Group's CO_2 emissions, and became the first member of the bridge industry to use green steel in some bridge construction projects.

However, we expanded our social infrastructure development and other aspects of our business in an effort to enhance our corporate value, and the resulting higher operating rates at our construction sites and plants have increased our Scope 1 emissions. Our Sustainability Committee has been working on a transition plan to address both climate change and business expansion, and the plan was approved by the Board of Directors in May 2025. We will continue to progress with our stakeholders along the path toward reducing our environmental impact.

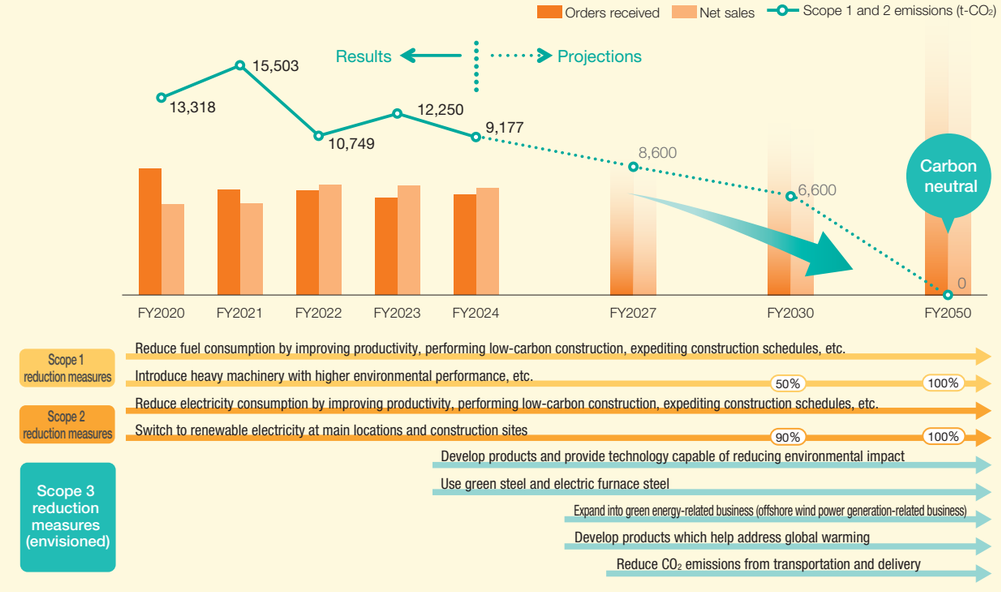
Initiatives through FY2024

Scope 1
- Saved energy by improving productivity, performing low-carbon construction, expediting construction schedules, etc.
- Used biofuel at one site

Scope 2
- Switched to renewable electricity at main locations
- Installed solar power generation equipment on plant roofs to the extent possible to begin generating and consuming electricity in-house

Scope 3
- Became the first member of the bridge industry to use green steel

Roadmap to carbon neutrality

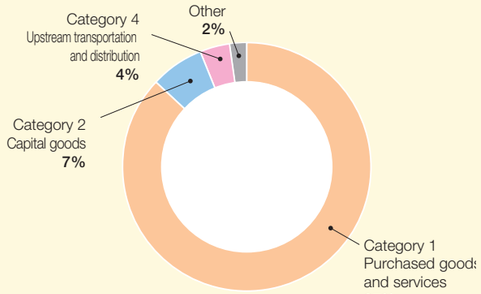


Most of our Scope 1 emissions are derived from fuel consumption at our plants and construction sites. Since we lease most of the heavy machinery we use, we will switch to heavy machinery with higher environmental performance in due order. In FY2024, we used biofuel at one construction site. We expect more technological innovations in the future, for example heavy machinery powered by low-carbon fuel and green electricity. We will continue to introduce such innovations as soon as the availability and economic efficiency of low-carbon fuel and green electricity improve so that conditions for using them are in place.

To reduce Scope 2 emissions, we must switch to renewable electricity at all locations. Securing renewable electricity economically is a challenge, especially at construction sites.

Category 1 accounts for roughly 90% of our Scope 3 emissions. This is due to our use of the key material of steel. In FY2023, as one of our efforts to reduce CO_2 emissions, we became the first member of the Japanese bridge industry to propose and make a successful bid to use green steel, which eliminates CO_2 emissions during manufacturing with the mass balance approach. As a member of the Japan Bridge Association's Green Promotion Working Group for addressing climate change, we organize the association's policies and actively encourage clients to use green steel at annual discussion meetings. Future emission reductions will depend largely on technological innovation by suppliers and demand for and penetration of low-carbon steel. Accordingly, we will strive to reduce emissions in collaboration and cooperation with our suppliers.

Category percentages of Scope 3 emissions



Specific measures to reduce Scope 1, 2, and 3 emissions and estimated cost

		by FY2024	by FY2027	by FY2030	by FY2050
Scope 1 and 2 reduction target (from FY2020 levels)		Achieved 31% reduction compared to target (20% reduction)	35% reduction	50% reduction	Carbon neutrality
Scope 1 (20% of actual Scope 1 and 2 emissions in FY2020)	Measures and targets	● Emissions are increasing due to higher plant operating rates, improved accuracy of onsite emissions calculations, etc. ● Used biofuel at one site in FY2024	● Reduce fuel consumption by improving productivity, performing low-carbon construction, expediting construction schedules, etc. ● Introduce heavy equipment with higher environmental performance (e.g., biofuel, hydrogen fuel, electric, hybrid)	● Reduce fuel consumption by improving productivity, performing low-carbon construction, expediting construction schedules, etc. ● 50% introduction of heavy machinery with higher environmental performance, etc.	● Reduce fuel consumption by improving productivity, performing low-carbon construction, expediting construction schedules, etc. ● 100% introduction of heavy machinery with higher environmental performance, etc.
	Assumptions Uncertainty Issues		● Need for heavy machinery with higher environmental performance and other technological innovations, improvement of availability and economic efficiency of low-carbon fuel and green electricity, and establishment of conditions for using innovations ● Biofuel unit price: Diesel oil price + 25–30 yen/liter		
	Estimated cost		● Utilize latest technology: Roughly +30 million yen/year	● Utilize latest technology: Roughly +60 million yen/year	● Utilize latest technology: Roughly +50 million yen/year
Scope 2 (80% of actual Scope 1 and 2 emissions in FY2020)	Measures and targets	● Switch to renewable electricity at main locations by FY2024 ● Installed solar power generation equipment to the extent possible to begin generating and consuming electricity in-house ● Action at construction sites is a challenge	● Reduce electricity consumption by improving productivity, performing low-carbon construction, expediting construction schedules, etc. ● Switch to renewable electricity at all locations and construction sites to the extent possible	● Reduce electricity consumption by improving productivity, performing low-carbon construction, expediting construction schedules, etc. ● 90% introduction of renewable electricity	● Reduce electricity consumption by improving productivity, performing low-carbon construction, expediting construction schedules, etc. ● 100% introduction of renewable electricity
	Assumptions Uncertainty Issues		● Obstacles against using renewable electricity at construction sites ● Secure renewable electricity		
	Estimated cost		● Roughly +10 million yen/year		
Scope 3	Measures and targets	First uses of green steel in the bridge industry	● Use green steel ● Use electric furnace steel ● Reduce CO_2 emissions from transportation and delivery		
	Assumptions Uncertainty Issues		● Depends largely on technological innovation by suppliers and demand for and penetration of low-carbon steel ● Obstacles in transportation and delivery		
	Estimated cost		● Purchase roughly 2,000 tons of green steel over 3 years: Roughly +200 million yen	● Purchase roughly 20,000 tons of green steel per year: Roughly +2 billion yen	
Contribution through business		● Develop products and provide technology capable of reducing environmental impact	● Develop products and provide technology capable of reducing environmental impact ● Expand into green energy-related business (offshore wind power generation-related business) ● Develop products which help address global warming (reduce energy consumption by increasing insulation performance and introducing shading materials on buildings in the engineered structure business)		

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

Kimitoshi 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 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.

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

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.

Elimination of serious injuries and accidents

The Seventh Medium-Term Management Plan includes the business base strategy to "Elimination of serious injuries and accidents." The Group's manufacturing and construction departments did not experience any of these accidents or incidents during the three-year period from FY2022 to FY2024; thus, we achieved our goal. Additionally, we experienced the fewest incidents involving four or more days lost from work in FY2024, the final year of the plan.

The Seventh Medium-Term Management Plan includes the following targets for the three-year period from FY2025 to FY2027 to sustain our progress on elimination of serious injuries and accidents.

- Fatal accidents: 0
- Number of accidents causing lost worktime (four or more days lost): 0
- Frequency rate: 0.9, Severity rate: 0.05

To achieve these targets, we will use DX to further strengthen safety management in addition to continuing to provide safety education and training and conduct safety patrols.

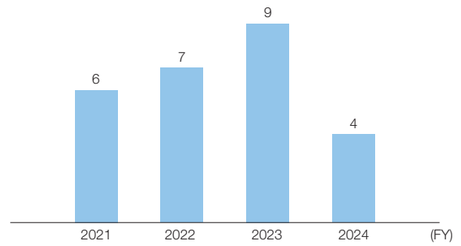
FY2024 industrial accident statistics and Seventh Medium-Term Management Plan KPIs

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

See P.71 1

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

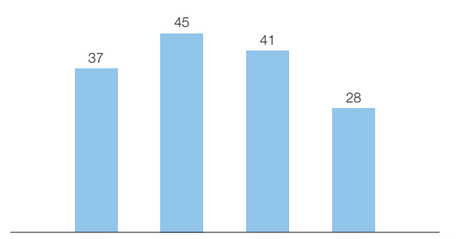


Quality assurance

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)



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

See P.71 2

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.

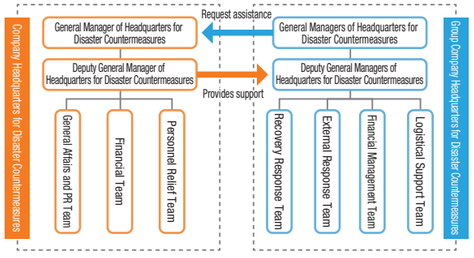
The YBHD Group has formulated a business continuity plan (for major earthquakes and floods) and promotes education and training to institutionalize BCP initiatives. We are also updating our production facilities to better withstand these natural disasters. Additionally, disaster risk reduction measures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



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

See P.71 8

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.


感謝状

株式会社横河ブリッジ 殿

貴社は 令和六年九月十一日の局地的豪雨により発生した岐大トンネル西坑口土砂流出事象に際し 迅速な資機材や人員手配などの応援対応により第三者被害防止や市道の早期通行止め解除に大きく貢献されました これは弊社企業理念の実現に大きく寄与するものであり ここに深甚なる感謝の意を表します

令和七年四月一日

中日本高速道路株式会社
名古屋支社長 前川利聡

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

See P.71 3

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

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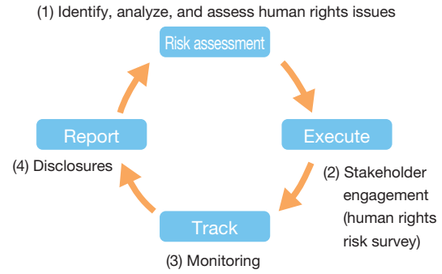
Human rights DD risk management cycle



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
(2) Prohibition of discrimination and harassment
(3) Prohibition of forced labor and child labor
(4) Respect for freedom of association and the right to collective bargaining
(5) Promotion of health and safety
(6) Reduction of environmental impact
(7) Establishment of management systems

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/

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 Tsujii. 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 Tsujii, 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 Tsujii 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.

Governance

1 Kazuhiko Takata
President and Representative Director

2 Yuzuru Nakamura
Senior Managing Executive Officer and Representative Director

3 Hidenori Miyamoto
Director & Managing Executive Officer

4 Haruko Shibumura
Outside Director (Audit and Supervisory Committee Member)

5 Hidema Jinno
Outside Director

6 Kazunori Kuromoto
Outside Director

7 Masayuki Yukawa
Director & Executive Officer

8 Ryogo Hirokawa
Director (Full-time Audit and Supervisory Committee Member)

9 Reiko Amano
Outside Director

10 Shoji Osaki
Outside Director (Audit and Supervisory Committee Member)

11 Sonoko Kajiyama
Outside Director (Audit and Supervisory Committee Member)

12 Toshihiro Kasugai
Executive Officer

13 Hiroshi Mitsuda
Executive Officer

14 Akira Kobayashi
Managing Executive Officer

15 Toshiaki Ogoshi
Executive Officer

16 Hirohito Kaji
Executive Officer

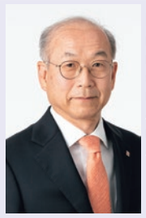
17 Shinji Takafuji
Executive Officer

18 Koji Nakaoka
Executive Officer

19 Hironori Ishii
Chief Engineer

Governance

Career Summary of Directors



Kazuhiko Takata

President and Representative Director
Chair of the Board of Directors
Member of the Nomination Advisory Committee
Member of the Remuneration Advisory Committee

Apr. 1985	Joined the Company
June 2011	Director in charge of General Technology Research Laboratory of the Company
	Director, Head of Design Center, Senior General Manager of Technology Headquarters, and in charge of Safety and Quality Control Office of Yokogawa Bridge Corp.
Oct. 2015	Director, Senior General Manager of Technology Headquarters, Head of Safety and Quality Control Office, and Senior General Manager of Design Headquarters of Yokogawa Bridge Corp.
June 2016	Managing Director, Senior General Manager of Operations Headquarters, General Manager of General Affairs Division I, Senior General Manager of Technology Headquarters, and Head of Safety and Quality Control Office of Yokogawa Bridge Corp.
Oct. 2017	Managing Director, Senior General Manager of Operations Headquarters, and Senior General Manager of Technology Headquarters of Yokogawa Bridge Corp.
June 2018	President and Representative Director of Yokogawa Bridge Corp.
June 2020	President and Representative Director of the Company (current position)
	President and Representative Director, and Executive Officer of Yokogawa Bridge Corp.
June 2022	Director of Yokogawa Bridge Corp.

Yuzuru Nakamura

Representative Director
Senior Managing Executive Officer
Overall safety and quality management
President and Representative Director, Executive Officer of Yokogawa Bridge Corp.

Apr. 1984	Joined Yokogawa Construction Co., Ltd. (currently Yokogawa Bridge Corp.)
Oct. 2007	General Manager of Sales Division II, Bridge Sales Headquarters of Yokogawa Construction Co., Ltd.
June 2012	Director, Deputy General Manager of Tokyo Construction Headquarters and General Manager of Civil Engineering Department of Yokogawa Construction Co., Ltd.
Oct. 2012	Director, in charge of Design Department, Planning and Estimation Department, and Construction Department, Tokyo Branch of Yokogawa Construction Co., Ltd.
Oct. 2015	Director and Deputy General Manager, Bridge Construction Headquarters of Yokogawa Construction Co., Ltd.
June 2019	Managing Director and General Manager of Tokyo Construction Division of Yokogawa Bridge Corp.
June 2020	Director, Managing Executive Officer, and General Manager of Tokyo Construction Division of Yokogawa Bridge Corp.
Apr. 2022	Executive Officer of the Company in charge of Procurement Office and overall safety and quality control of the Company
	Director, Executive Vice President, General Manager of Tokyo Construction Division and General Manager of Overseas Business Department of Yokogawa Bridge Corp.
June 2023	Director and Executive Officer in charge of Procurement Office and overall safety and quality management of the Company
Apr. 2024	Director and Executive Officer in charge of overall safety and quality control of the Company
	Director and President, Executive Officer of Yokogawa Bridge Corp.
June 2024	President and Representative Director, and Executive Officer of Yokogawa Bridge Corp. (current position)
Apr. 2025	Director and Senior Managing Executive Officer in charge of overall safety and quality management of the Company
June 2025	Representative Director and Senior Managing Executive Officer in charge of overall safety and quality management of the Company (current position)

[Significant concurrent positions outside the Company]
President and Representative Director, and Executive Officer of Yokogawa Bridge Corp.

Hidenori Miyamoto

Director
Managing Executive Officer
In charge of Finance and IR Office and Accounting Division
Yokogawa System Buildings Corp.
President and Representative Director, and Executive Officer

Apr. 1984	Joined the Company
June 2016	Director and General Manager of Accounting Division of the Company
Oct. 2018	Director, General Manager of Finance and IR Office, in charge of Accounting Division of the Company
June 2020	Managing Director in charge of Finance and IR Office and Accounting Division of the Company
Apr. 2021	Managing Director, General Manager of DX Promotion Office, in charge of Finance and IR Office and Accounting Division of the Company
Apr. 2022	Director, Managing Executive Officer, General Manager of DX Promotion Office of the Company, in charge of Finance and IR Office and Accounting Division
Apr. 2025	Director, Managing Executive Officer of the Company, in charge of Finance and IR Office and Accounting Division of the Company (current position)
	President and Representative Director, Executive Officer of Yokogawa System Buildings Corp. (current position)

[Significant concurrent positions outside the Company]
President and Representative Director, Executive Officer of Yokogawa System Buildings Corp.

Masayuki Yukawa

Director
Executive Officer
In charge of Planning Office
Yokogawa NS Engineering Corp.
President and Representative Director, and Executive Officer

Apr. 1989	Joined Sumitomo Metal Industries, Ltd. (currently Nippon Steel Corporation)
July 2009	General Manager, Engineering Division, Sumikin Bridge Co., Ltd. (currently Yokogawa NS Engineering Corp.)
June 2018	Director, in charge of Tokyo Sales Department, Osaka Sales Department, Steel Structure Engineering Department, and Segment Engineering Department of Yokogawa NS Engineering Corp.
June 2020	Executive Officer, General Manager of Audit Office, in charge of General Affairs Department, Design Department, Steel Structure Engineering Department, and Segment Engineering Department of Yokogawa NS Engineering Corp.
Oct. 2021	Executive Officer, in charge of Audit Office, General Affairs Department, Planning Management Department, and Underground Space Technology Department of Yokogawa NS Engineering Corp.
June 2022	Director, Managing Executive Officer, in charge of Audit Office, General Affairs Department, Planning Management Department, and Underground Space Technology Department of Yokogawa NS Engineering Corp.
Apr. 2023	Executive Officer, General Manager of Planning Office of the Company
Oct. 2024	Executive Officer, in charge of Planning Office of the Company
	Director, Managing Executive Officer, in charge of Audit Office of Yokogawa NS Engineering Corp.
Apr. 2025	President and Representative Director, Executive Officer of Yokogawa NS Engineering Corp. (current position)
June 2025	Director, Executive Officer, in charge of Planning Office of the Company (current position)

[Significant concurrent positions outside the Company]
President and Representative Director, Executive Officer of Yokogawa NS Engineering Corp.

Kazunori Kuromoto

Outside Director
Chair of Remuneration Advisory Committee
Member of Nomination Advisory Committee

Apr. 1980	Joined Komatsu Ltd.
Apr. 2008	Executive Officer, and President of Construction Equipment Marketing Division, AHS Business Unit of Komatsu Ltd.
Apr. 2009	Executive Officer, and President of Construction Equipment Marketing Division, IT Construction Business Unit of Komatsu Ltd.
Apr. 2012	Senior Executive Officer (Jomu) and President of ICT Business Unit of Komatsu Ltd.
Apr. 2013	Senior Executive Officer (Jomu), and President of Mining Business Unit and ICT Business Unit of Komatsu Ltd.
June 2013	Director, Senior Executive Officer (Jomu), and President of Mining Business Unit and ICT Business Unit of Komatsu Ltd.
Apr. 2016	Director and Senior Executive Officer (Senmu) of Komatsu Ltd.
June 2018	Advisor of Komatsu Ltd. (current position)
Apr. 2020	Trustee, Kanazawa University, a national university corporation (part-time)
June 2020	Director of the Company (current position)

[Significant concurrent positions outside the Company]
Advisor of Komatsu Ltd.
Advisor of STANLEY ELECTRIC CO., LTD.

Reiko Amano

Outside Director
Member of Nomination Advisory Committee
Member of Remuneration Advisory Committee

Apr. 1980	Joined Kajima Corporation
Mar. 2004	Visiting Professor, International Center for Urban Safety Engineering, Institute of Industrial Science, The University of Tokyo
Apr. 2005	Senior Manager of Technology Development Department, Civil Engineering Management Division of Kajima Corporation
Apr. 2011	General Manager of the Intellectual Property and License Department of Kajima Corporation
Feb. 2014	Advisor of the Intellectual Property and License Department of Kajima Corporation
Sept. 2014	Retired from Kajima Corporation
Oct. 2014	Executive Director of Research Center for Reinforcement of Resilience Function, National Research Institute for Earth Science and Disaster Resilience (Independent Administrative Agency) (currently administered as National Research and Development Agency)
Apr. 2015	Auditor of the National Institute for Environmental Studies (National Research and Development Agency)
Apr. 2016	Executive Director of the National Research Institute for Earth Science and Disaster Resilience (National Research and Development Agency)
June 2016	Outside Director of East Japan Railway Company
Sept. 2019	Auditor of Japan Atomic Energy Agency (National Research and Development Agency)
June 2021	Outside Director of the Company (current position)
June 2023	Outside Director of JAPAN POST BANK Co., Ltd. (current position)

[Significant concurrent positions outside the Company]
Outside Director of JAPAN POST BANK Co., Ltd.

Hidema Jinno

Outside Director
Chair of Nomination Advisory Committee
Member of Remuneration Advisory Committee

Apr. 1985	Joined The Sumitomo Marine & Fire Insurance Co. (currently Mitsui Sumitomo Insurance Company, Limited)
Apr. 2015	Executive Officer, General Manager of Risk Management Department of MS&AD Insurance Group Holdings, Inc.
Apr. 2019	Executive Officer of MS&AD Insurance Group Holdings, Inc.
June 2019	Full-time Audit & Supervisory Board Member of MS&AD Insurance Group Holdings, Inc.
June 2023	Outside Director of the Company (current position)

Ryogo Hirokawa

Director
Full-time Audit and Supervisory Committee Member
Chair of Audit and Supervisory Committee

Apr. 1984	Joined the Company
Oct. 2009	General Manager of Sales Division I, Bridge Sales Headquarters of Yokogawa Bridge Corp.
Oct. 2010	Head (General Manager) of Quantity Survey Center, Bridge Sales Headquarters of Yokogawa Bridge Corp.
Oct. 2013	Administrative Officer and Head of Quantity Survey Center, Bridge Sales Headquarters of Yokogawa Bridge Corp.
Nov. 2014	Administrative Officer and Head of Steel Structures Maintenance Business Office of Yokogawa Bridge Corp.
Oct. 2015	Administrative Officer and General Manager of Sales Division, Maintenance Business Headquarters of Yokogawa Bridge Corp.
July 2016	Administrative Officer and General Manager of Tokyo Sales Division II, Bridge Sales Headquarters of Yokogawa Bridge Corp.
June 2018	Full-time Audit and Supervisory Committee Member of the Company
June 2024	Director (Full-time Audit and Supervisory Committee Member) of the Company (current position)

Shoji Osaki

Outside Director
Audit and Supervisory Committee Member

Apr. 1979	Joined Sapporo Breweries Ltd.
Mar. 2005	General Manager of Wine & Liquor Division of Sapporo Breweries Ltd. and Director of Sapporo Wine Co., Ltd.
Mar. 2006	General Manager of Wine & Liquor Division of Sapporo Breweries Ltd., Director of Sapporo Wine Co., Ltd. and President and Representative Director of YEBISU WINEMART CO., LTD.
Mar. 2010	Executive Officer and General Manager of Tokai Hokuriku Division of Sapporo Breweries Ltd.
Mar. 2012	Full-time Audit & Supervisory Board Member of Sapporo Beverage Co., Ltd. and Audit & Supervisory Board Member of Sapporo Breweries Ltd., Sapporo Group Management Ltd., and Sapporo International Inc.
Mar. 2013	Full-time Audit & Supervisory Board Member of Pokka Sapporo Food & Beverage Ltd.
Mar. 2015	Full-time Audit & Supervisory Board Member of Sapporo Holdings Ltd.
Mar. 2019	Outside Director of OYO Corporation (current position)
June 2020	Outside Audit & Supervisory Board Member of Haruna Beverage Inc. (current position)
June 2023	Audit & Supervisory Board Member of the Company
June 2024	Outside Director (Audit and Supervisory Committee Member) of the Company (current position)

[Significant concurrent positions outside the Company]
Outside Director of OYO Corporation
Outside Audit & Supervisory Board Member of Haruna Beverage Inc.

Haruko Shibumura

Outside Director
Audit and Supervisory Committee Member

Apr. 1994	Registered as an attorney at law (belonging to Dai-Ni Tokyo Bar Association)
	Joined Law Offices of Homma & Komatsu (currently Homma & Partners)
Apr. 1999	Partner, Attorney at law of Homma & Komatsu (current position)
June 2015	Outside Auditor of NICHIREKI CO., LTD.
June 2018	Outside Director of TAMURA CORPORATION
June 2019	Outside Director of NICHIREKI CO., LTD. (current position)
	Outside Director (Audit and Supervisory Committee Member) of Astellas Pharma Inc.
June 2023	Outside Director (Audit and Supervisory Committee Member) of TAMURA CORPORATION (current position)
June 2024	Outside Director (Audit and Supervisory Committee Member) of the Company (current position)

[Significant concurrent positions outside the Company]
Partner, Attorney at law of Homma & Partners
Outside Director of NICHIREKI CO., LTD.
Outside Director(Audit and Supervisory Committee Member) of TAMURA CORPORATION

Sonoko Kajiyama

Outside Director
Audit and Supervisory Committee Member

Apr. 1991	Joined Fujitsu Limited
Oct. 2002	Joined Asahi & Co. (currently KMPG AZSA LLC)
Mar. 2013	Joined LIXIL Corporation
Jan. 2018	General Manager, Quality Assurance Department, Internal Audit Supervisory Division of LIXIL Corporation
July 2019	Director, Audit Committee of the LIXIL Group
	Auditor, LIXIL TEPCO Smart Partners Incorporated
Apr. 2020	Global Vice President, Internal Audit Department Planning & Quality, Olympus Corporation
June 2020	Senior Director, Internal Audit Department Internal Audit China, Olympus Corporation
	Auditor, Sony Olympus Medical Solutions, Inc.
Dec. 2023	Senior Vice President, Deputy Chief Internal Audit Officer, Olympus Corporation
Mar. 2024	Outside Auditor, McDonald's Holdings Japan (current position)
	Auditor, McDonald's Japan (current position)
June 2024	Outside Auditor, Itochu Enex Co., Ltd. (current position)
June 2025	Outside Director (Audit and Supervisory Committee Member) of the Company (current position)
	Outside Director, Sony Financial Group Inc. (current position)

[Significant concurrent positions outside the Company]
Outside Auditor, McDonald's Holdings Japan
Outside Auditor, Itochu Enex Co., Ltd.
Outside Director, Sony Financial Group Inc.

Skills Matrix

Name	Position		Corporate Management	Finance & Accounting	Legal & Risk Management	Human Resources Strategy & Sustainability	Sales & Marketing	Digital, Research & Development	Safety, Quality & Production	Years in office	Attendance*
Kazuhiko Takata	President and Representative Director	●●●	○			○	○	○	○	14	(13 out of 13 meetings)
Yuzuru Nakamura	Representative Director Senior Managing Executive Officer Overall safety and quality management	●	○				○	○	○	2	(13 out of 13 meetings)
Hidenori Miyamoto	Director Managing Executive Officer In charge of Finance and IR Office and Accounting Division	●	○	○			○			9	(13 out of 13 meetings)
Masayuki Yukawa	Director & Executive Officer In charge of Planning Office Newly appointed	●	○		○	○	○	○		–	–
Kazunori Kuromoto	Outside Directors Chair of the Remuneration Advisory Committee Outside Independent	●●	○				○	○	○	5	(13 out of 13 meetings)
Reiko Amano	Outside Director Outside Independent	●●	○			○		○	○	4	(13 out of 13 meetings)
Hidema Jinno	Outside Director Chair of the Nomination Advisory Committee Outside Independent	●●	○	○	○					2	(13 out of 13 meetings)
Ryogo Hirokawa	Director Full-time Audit and Supervisory Committee Member Chair of the Audit and Supervisory Committee	●●		○	○	○	○			7	(13 out of 13 meetings)
Shoji Osaki	Outside Director Audit and Supervisory Committee Member Outside Independent	●	○		○		○			2	(13 out of 13 meetings)
Haruko Shibumura	Outside Director Audit and Supervisory Committee Member Outside Independent	●			○	○				1	(10 out of 10 meetings)
Sonoko Kajiyama	Outside Director Audit and Supervisory Committee Member Outside Independent Newly appointed	●	○	○	○				○	–	–

●Management Committee ●Nomination Advisory Committee ●Remuneration Advisory Committee ●Audit and Supervisory Committee

*Attendance at Board of Directors meetings during FYE March 31, 2025

Governance

Roles of the Board of Directors

Striving to further discussions that lead to the growth of the Group and enhance sustainable growth and corporate value

Kazuhiko Takata, President and Representative Director, Chair of the Board of Directors

In FY2024, we furthered discussions on medium- and long-term strategies for our core businesses to formulate the Seventh Medium-Term Management Plan and on how to maximize the Group's human capital, plants, digital technology, and other components of our business base to lead to the growth of the Group.

The Company also transitioned to a company with an audit and supervisory committee, following a resolution at the Annual General Meeting of Shareholders held in June 2024. Accordingly, the Board of Directors has focused its deliberations on management strategies and other important matters with the aim of making swift, responsive management decisions.

The members of the Company's Board of Directors are well balanced across a broad range of disciplines, with each having expertise in different fields and drawing upon previous involvement in corporate management. Each member uses their expertise in each business to advance discussions that span multiple businesses so that the Board of Directors can develop targeted policies and strategies, and the decision-making process is multilayered to reflect the wisdom of the outside directors.

As Board Chair, I will continue to create an environment where members can speak based on their insights and knowledge, engage in active discussions from various angles, and strive for the company's sustainable growth and increased corporate value.

We believe that adopting an audit and supervisory committee format for the company as our institutional design and granting voting rights to directors who are also Audit and Supervisory Committee members will strengthen our audit and supervisory functions and further enhance our discussions on management strategies and other matters aimed at enhancing our corporate value.

To enable the Board of Directors to effectively fulfill its roles and responsibilities, the Company appoints candidates for director and executive officer who have sufficient knowledge and experience in their respective fields of expertise, taking into consideration the balance in the skills matrix. Members of the Board of Directors appointed in June 2025 comprise six independent outside directors out of the total of 11 directors.

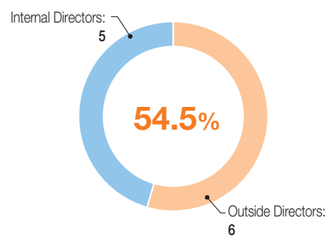
The Company has also established a Nomination Advisory Committee and Remuneration Advisory Committee—both of which are chaired by independent outside directors and comprise a majority of independent outside directors—in an effort to improve the objectivity and transparency of decision-making processes regarding nomination and remuneration of directors and executive officers.

Corporate governance system chart

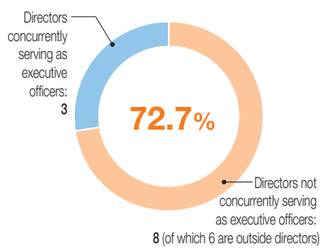
(as of June 26, 2025)

Formation	Company with an Audit and Supervisory Committee
Chair of the Board of Directors	President
Number of Directors	11
Of which, number of Outside Directors	6
Number of independent officers	6
Office term of Directors who are not Audit and Supervisory Committee members	1 year
Office term of Directors who are Audit and Supervisory Committee members	2 years

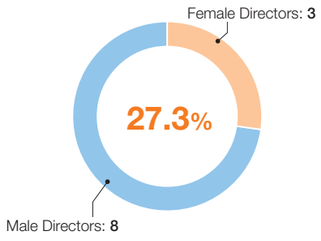
Percentage of Outside Directors



Percentage of non-executive Directors



Percentage of female Directors



Efforts to improve the effectiveness of the Board of Directors

We used the following processes to conduct an effectiveness evaluation in 2024, and found that the Board of Directors is effective. The results and the policy for future initiatives are as follows.

Process to confirm effectiveness

Once each year, the Company analyzes, evaluates, and discusses the overall effectiveness of the Board of Directors and undergoes the PDCA cycle with the aim of improving the functions of the Board of Directors.

In FY2024, we conducted a survey based on our current circumstances, and reported the responses and the results of analysis and evaluation by an external evaluation organization to the Board of Directors for them to discuss improvement measures.

Survey questions

(1) Functions, roles, size, composition, and operation of the Board of Directors
(2) Verification of the expected effects of the transition to a company with an audit and supervisory committee
(3) Operation of the Nomination Advisory Committee, Remuneration Advisory Committee, and Audit and Supervisory Committee
(4) Support system for outside directors
(5) Relations with investors and shareholders

Efforts in fiscal 2024

(1) Board of Directors
- Shared information about and discussed business strategies and the business base for the Seventh Medium-Term Management Plan
- Continued deliberations on Group-wide issues, including compliance and risk management, internal controls, R&D, procurement, safety and quality, and sustainability

(2) Outside the Board of Directors
- Enhanced information provided to outside officers to further their understanding of our businesses and stimulate discussion at Board of Directors meetings
- Promoted mutual understanding and information sharing through lunch meetings and site visits

Summary of effectiveness evaluation results

Based on the questionnaire responses, we found that the Board of Directors is effective overall in terms of discussions at their meetings, their composition, and the like. We also found that they are responding properly to the issues identified in last year's evaluation, although further action is expected.

Given that efforts to strengthen the audit function and improve the effectiveness of monitoring expected from the transition to a company with an audit and supervisory committee have just begun, we have decided to continue to strengthen collaboration and verify the effectiveness of the results.

The aforementioned circumstances are generally satisfactory. Therefore, we found that the Company's Board of Directors is effective in properly approving important management matters and supervising the execution of operations.

Looking ahead to future issues, we confirmed the need to continue and enhance discussions on medium- and long-term sustainable growth strategies and human resource development.

Issues for FY2025

- Further enhance discussions on medium- and long-term sustainable strategies and human resource development
- Strengthen IR activities, including business advantages in capital markets for investors, shareholders, and other stakeholders
- Use the internal control system from the transition to a company with an audit and supervisory committee to strengthen audit and monitoring functions

Future efforts

- Continue and enhance discussions on medium- and long-term sustainable strategies
- Continue deliberations on proposals for Group-wide issues, including compliance and risk management, internal controls, R&D, procurement, safety and quality, and sustainability
- Use KPIs, roadmaps, and the like to regularly monitor the progress of the Seventh Medium-Term Management Plan
- Continue providing information to outside officers to further their understanding of our businesses and stimulate discussion at Board of Directors meetings
- Use the PDCA cycle to review the internal control system and continue efforts to strengthen the internal audit department and collaborate with the Audit and Supervisory Committee

Governance

Round-Table Discussion

Strengthening Governance by Transitioning to a Company with an Audit and Supervisory Committee

The Company transitioned to a company with an audit and supervisory committee following the Annual General Meeting of Shareholders held in June 2024. How has the governance of the entire Group evolved as a result of this institutional change? On June 11, 2025, President and Representative Director Takata and three Audit and Supervisory Committee members discussed the effects of the transition and future prospects.

——Reasons for transitioning to a company with an audit and supervisory committee

Takata: As you might expect, the main objective was to strengthen governance. Auditing is the bedrock of corporate management, so our first priority was to strengthen this function. The second is that transitioning to an audit and supervisory committee allows Audit and Supervisory Committee members to have a vote on the Company's management in their capacity as directors. We hoped that this would strengthen the audit function while also stimulating discussion in Board of Directors meetings.

Shibumura: Yes, the most significant difference between a board of company auditors and an audit and supervisory committee is that the members of the latter are also directors. While conventional auditors mainly audit the legality of directors' business execution—that is, they perform negative checks—audit and supervisory committee members are also required to audit the appropriateness of the execution. Now, we are in a position to discuss and audit management efficiency, risk-taking, and medium- and long-term enhancement of corporate value.

Osaki: To be honest, I didn't think the board of company auditors was so bad (laughs). I think the Japanese company auditor system is brilliant, in part because there is systemic strength in the fact that each auditor can exercise their authority at their discretion. That said, once I experienced an organizational audit with an audit and supervisory committee, I found it to be more advantageous than I had imagined. It's a very sensible system for promoting three-way audits, and the meetings with the auditing firm are far and away more substantive than before given that they are held in close cooperation with the Internal Audit Department.

Hirokawa: The shift to organizational auditing was certainly a major change, one that we struggled with quite a bit, to be honest. Cooperation with the Internal Audit Department is essential for organizational auditing, but it was new to us because the audit departments of each Group company had always conducted audits according to their own circumstances. We knew we could not maintain consistent standards for the Group if we continued that way, so we took the bold step of consolidating all those audit offices under Yokogawa Bridge Holdings.

We also established a system that requires the head of the Internal Audit Department to attend every meeting of the Audit and Supervisory Committee and directly report the status of audits of the entire Group. We have substantially strengthened both traditional accounting audits and operational audits and put in place a mechanism for the Audit and Supervisory Committee to provide instruction.

Shibumura: Looking at recent corporate scandals, most of the time, problems at subsidiaries or in the field quickly led to a loss of trust in the entire Group. I think consolidating the previously dispersed audit departments was massive in that it gave Yokogawa Bridge Holdings a standard integrated with the Company's perspective with which to audit the entire Group.

Takata: Our corporate culture originally emphasized the autonomy of each operating company, and positioned the Company as the coordinator. In that respect, the transition to a company with an audit and supervisory committee and the consolidation of the Audit Department have had a substantial impact in terms of unlocking our functions as a holding company and strengthening the forces holding the Group together.

——Active efforts to strengthen governance

Hirokawa: The most important thing is visualizing information. We are devoting energy to redeveloping our internal control system and strengthening our risk management system to reflect the transition to organizational audits, and also ensuring thorough fulfillment of reporting obligations. We also established a new Legal Department and overhauled our internal whistleblowing system on the advice of Shibumura-san, who is an expert in handling cases of misconduct. We are building a system to ensure that we can hear even the smallest voices from the front lines.

Shibumura: What I consider important in terms of risk management is to foster an organizational culture that welcomes negative information. In the past, everyone seemed to believe that it took courage to report problems, but what we want now is to be an organization that is grateful when people point out problems as soon as possible. For example, in the past, when harassment occurred, it may have been treated like a problem for the people involved to solve. Now, we consider issues by asking why problems occur and what systems we need to prevent them. We are shifting to a mindset that treats

Governance

Round-Table Discussion

Strengthening Governance by Transitioning to a Company with an Audit and Supervisory Committee

every event as an opportunity to improve risk management throughout the Company.

To facilitate this shift, I have spoken up about the importance of properly connecting the new Legal Department with the internal whistleblowing system and other functions.

Takata: Changing our mindset is the most difficult part of the process. Although we are raising awareness at the higher levels, it will inevitably take time to take root on the front lines. That is why we believe the Company must take the lead in continuously developing environments and systems that facilitate reporting.

——Focus on auditing for growth

Osaki: Companies are now under pressure to strengthen what is known as “growth power.” The market has mounting expectations for sustainable growth and enhanced corporate value, as evidenced by developments such as the Japanese Ministry of Economy, Trade and Industry formulating “Five Principles for Board of Directors to Enhance ‘Growth Power’” in April 2025. I focus in particular on Principle 2, which is “promotion of appropriate risk-taking by the management team.” Sustainable corporate growth requires taking risks; we cannot make doubly sure that everything is absolutely safe before acting. Since growth entails risks, we must take appropriate risks (including M&As) while also appropriately hedging against them. I hope to see discussions like these at Board of Directors meetings.

Five Principles for Board of Directors to Enhance “Growth Power”

Principle 1: Development of a value creation story

Develop a value creation story that builds on the company’s competitive advantages.

Principle 2: Promotion of appropriate risk-taking by the management team

Promote appropriate risk-taking by the management team (e.g., business portfolio reclassification, growth investments) aimed at realizing the value creation story.

Principle 3: Promotion of medium- and long-term oriented management

While being mindful not to fall into short-term thinking, the Board of Directors will encourage the management team to execute growth-oriented management from medium- and long-term perspectives.

Principle 4: Ensuring an appropriate decision-making process and structure

While being mindful to avoid micromanagement, encourage the management team to ensure that its decision-making process and structure expedite and reinforce its decision-making.

Principle 5: Ensuring effectiveness in nomination and compensation

Appoint the most suitable CEO, establish an optimal remuneration policy, and conduct annual evaluations based on Principles 1 through 4 to determine whether to reappoint the CEO.

Source: Corporate Governance Guidance for Enhancement of “Growth Power,” Japanese Ministry of Economy, Trade and Industry

Shibumura: I have the same view. Yokogawa Bridge Holdings has grown steadily over the years, and I see that stability as a tremendous strength. However, I think we will inevitably need M&As and other measures to achieve growth over the medium and long term. Naturally, there will be risks, but performance aside, there are immeasurable benefits to be gained from cross-cultural fusion. As I see it, the Board of Directors engages in constructive discussions while keeping this perspective in mind.

Osaki: If the Company can combine its strength in consistency with the courage to go a little faster, and be a bit more aggressive, we can expect even greater growth. I focus on another of the five principles: Principle 3, which is “promotion of medium- and long-term-oriented management.” We need medium- and long-term perspectives if we are to enhance the Company’s sustainable value; securing immediate profits means nothing if doing so interferes with profiting over the medium and long term. We published our Seventh Medium-Term Management Plan in May 2025, and we consider it our mission to approach the Board of Directors with the inclination to achieve the plan we have set out.

Takata: We are always grateful for the candid, valuable feedback we receive from people outside the Company, as we did with Shibumura-san when we set up the Legal Department. While we were formulating our mid-term management plan, Osaki-san and the other outside directors provided us with many opinions and pieces of advice based on their extensive knowledge and experience.

Osaki: What I offered was that, when formulating a medium-term management plan, you need a long-term vision to serve as a guide. You need to have a rosy vision of what you want the company to become, and then set milestones by backcasting from the future rather than forecasting from the present. I said it would be ideal to figure out what kind of company young people want to work for and then incorporate those views into the plan.

——Future issues for enhancing corporate value

Osaki: While evaluating the effectiveness of the Board of Directors, we mentioned human resource development as an issue. People say that one of a CEO’s most important roles is to properly train their successor. This requires a company to clarify the capabilities required of the CEO and all other positions and systematically design a training curriculum. We should shift our thinking from promoting people who happen to have developed to systematically developing people with the capabilities we need.

Shibumura: In developing the next generation, we must have both an emergency plan and a development plan for the medium and long term. The first is an emergency response, as in, “Here’s who would step in if something happens to this or that person.” The second looks more at the medium term, as in, “This person would be good in that position if they develop a bit more.” We should be able to routinely have strategic discussions at the management level to ascertain each candidate’s strengths and issues and where to assign them next so that they get the experience they need.

Hirokawa: The Company has quite actively taken the initiative in developing its human resources. We have taken purposeful steps to eliminate the traditional vertical structure, for example by introducing personnel exchanges that give employees experience at multiple Group companies and a program that gives engineers experience in both design and construction. We are also in the process of creating a system to support the integrated management of the Group in terms of human resources as well as other aspects. Through these efforts, we intend to properly develop the people who will lead Yokogawa Bridge Holdings in the future.

Osaki: I would like to reiterate that the most important thing for enhancing our corporate value is to steadily implement the Seventh Medium-Term Management Plan to achieve the vision we created using the concept of backcasting. We are fully aware of our roles in this process—including encouraging risk-taking—and will do our utmost to fulfill them.

Shibumura: In terms of governance, the ongoing challenge is to institutionalize common standards and transparency throughout the Group. As a recipient of reports, I want to build trust with people on the front lines, and I am prepared to conduct audits that catch even the slightest hints of risk without impeding growth.

Hirokawa: The Audit and Supervisory Committee can still improve in many areas, including promoting the visualization of information, institutionalizing the internal control system, and establishing reporting lines. I intend to leverage my position as a full-time director to close the gap with the front lines and further enhance cooperation with outside directors to build a truly effective governance system.

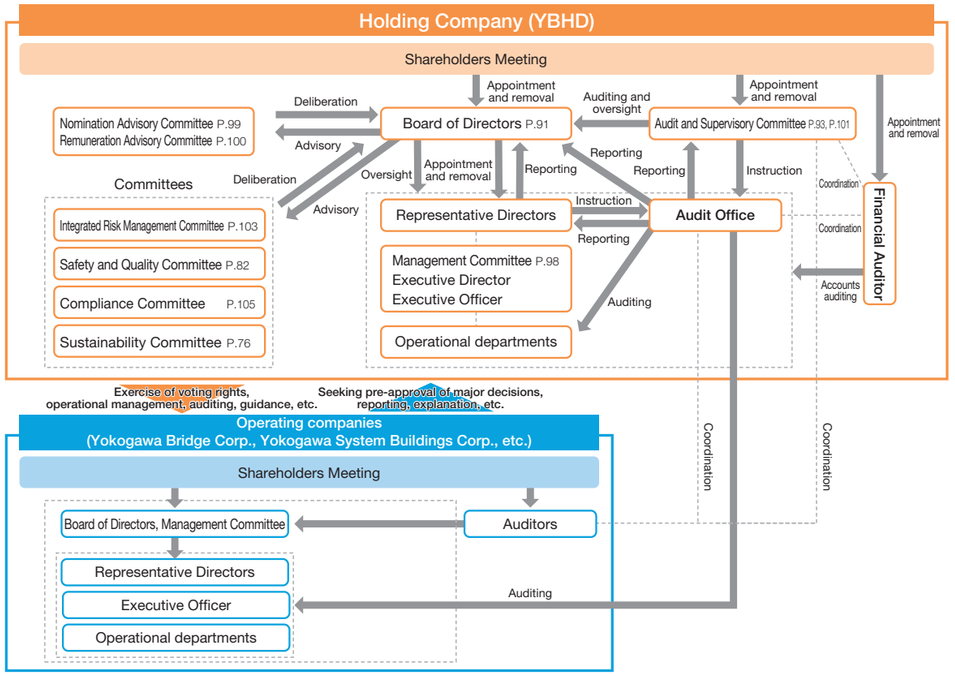
Takata: The transition to a company with an audit and supervisory committee has definitely advanced our governance system. The knowledge and experience of the outside directors are invaluable assets to the Company. We will continue to receive their candid feedback and do what it takes to achieve sustainable growth.

Governance

Corporate Governance

In line with our corporate philosophy of “Contribution to society and the public, and sound management,” the YBHD Group aims to make a positive contribution to society by carrying out “monozukuri” manufacturing with integrity and by providing high-quality, safe social infrastructure. Utilizing the YBHD Group’s wealth of human talent and high-level technological capabilities to realize sustainable growth and enhance corporate value over the medium to long term has won us the trust of our stakeholders. In continuing to implement our corporate activities going forward, while remaining aware of our responsibilities as a good corporate citizen, complying with laws, regulations, social norms, etc., and earning the trust of the people who work for us, we will strive to make ourselves an enterprise that helps people to live with safety and peace of mind. To achieve this, we will work to enhance corporate governance based on the basic policies as below.

Reference Corporate Governance Basic Policy
→https://www.ybhd.co.jp/en/company/governance/



Overview of the corporate governance structure

Organizational design

We made Audit and Supervisory Committee members—who are responsible for auditing the execution of duties by directors—members of the Board of Directors in an effort to strengthen the auditing and supervisory functions of the Board of Directors and further enhance our corporate governance structure and discussions of management strategies and other matters at the Board of Directors meetings. YBHD elected to establish an Audit and Supervisory Committee in June 2024.

Holding company system

We operate as a corporate group under a holding company system, with YBHD as the holding company. We strive to advance the Group and enhance our corporate value by receiving prior approval for important business matters and regular reports on the status of business execution from operating companies, and by coordinating and managing business between operating companies.

Executive officer system

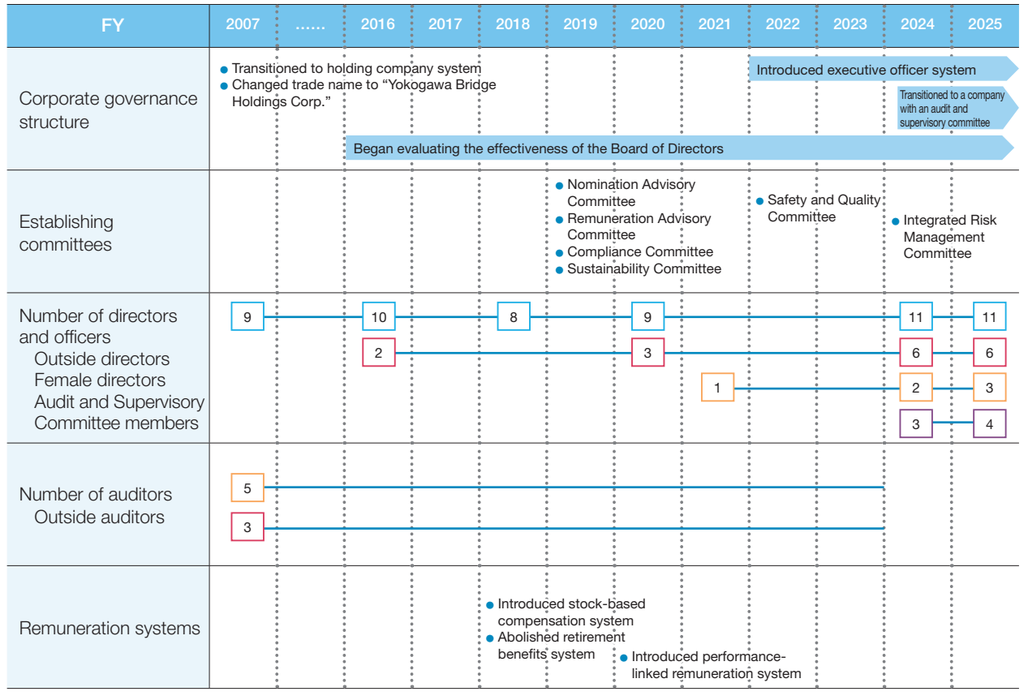
We have introduced an executive officer system with the aim of clearly separating business execution and supervisory functions, and strive to increase the responsiveness of our business execution and establish a system capable of swiftly and flexibly responding to changes in the business environment.

Management Committee

To facilitate business execution, meetings of the Management Committee—which comprises executive directors, executive officers, and the presidents of operating companies—are held once a month, in principle. The Management Committee receives necessary information and deliberates on important management matters and other important matters pertaining to the execution of business operations at operating companies. Important documents, including minutes of Management Committee meetings, are distributed to outside directors in order to provide sufficient information to enable them to confirm the current status of the Company.

Initiatives to strengthen corporate governance

We have strengthened our corporate governance by transitioning to a company with an audit and supervisory committee, establishing the Nomination Advisory Committee and other committees at our discretion, and increasing the number of outside directors. The following is a timeline of these initiatives.



*Number of directors and auditors as of the end of each Annual General Meeting of Shareholders

Governance

Corporate Governance

Nomination Advisory Committee

Number of members 4 (Outside: 3 / Internal: 1)
Number of meetings in FY2024: 6

Roles of the Nomination Advisory Committee

The Nomination Advisory Committee, in consultation with the Board of Directors, deliberates and submits opinions to the Board of Directors on matters regarding the nomination of candidates for director and executive officer positions, the selection of representative directors, executive directors, and executive officers, and succession planning for the president of the Company with the aim of enhancing the independence, objectivity, and accountability of the Board of Directors in its functions involving the nomination of representative directors, directors, and executive officers, and the like. The committee is chaired by an independent outside director, and the majority of its members are independent outside directors.

Efforts in fiscal 2024

(1) We reviewed the current Group executive structure, discussed the next Group executive structure, decided on a draft proposal as a committee, and reported it to the Board of Directors.
(2) We held discussions regarding candidates for outside directors (who are also Audit and Supervisory Committee members) to succeed outside directors scheduled to step down at the next General Meeting of Shareholders. As a result of these discussions, we determined that the candidates' knowledge in their areas of expertise and their past work experience made them suitable candidates to succeed the outgoing outside directors, and recommended them to the Audit and Supervisory Committee.
(3) We revised the skills matrix to better reflect the Group's medium- and long-term management strategies.

Revising the skills matrix

After consideration by the Nomination Advisory Committee, the decision was made to revise the skills matrix as follows.

Previous	Revised
Corporate Management	Corporate Management
Finance & Accounting	Finance & Accounting
Legal & Risk Management	Legal & Risk Management
Human Resources & Labor	**☆Human Resources Strategy & Sustainability**
Sustainability	Sales & Marketing
Sales & Marketing	**☆Digital, Research & Development**
R&D and DX	Safety, Quality & Production
Safety, Quality & Production	

☆Revised skills

The table below contains descriptions of the required skills.

	Description of required skills	
Corporate Management	Fundamental skills for supervising management and making decisions that contribute to enhancing corporate value	Knowledge and experience in corporate management of the Group or other companies
Finance & Accounting		Knowledge and experience in finance and accounting
Legal & Risk Management		Knowledge and experience in legal and risk management and compliance
Human Resources Strategy & Sustainability		Knowledge and experience in enhancing human capital, environmental issues, and other sustainability initiatives
Sales & Marketing	Skills needed to understand the characteristics of the Group and promote the Company's growth	Knowledge and experience in sales and marketing activities and strategies, and strengthening relationships with partner companies
Digital, Research & Development		Knowledge and experience in R&D, managing intellectual property, and digital strategy
Safety, Quality & Production		Knowledge and experience in occupational safety and health, production processes, and quality management in plants and on construction sites

Future efforts

(1) The Board of Directors requires a wide variety of skills and experience and a high level of expertise to discuss medium- and long-term issues, formulate growth strategies, and fulfill its other duties. To ensure that we can secure and develop human resources capable of meeting these demands in the future, the committee will select candidates by considering the skills, experience, and knowledge required to serve as directors of the Group.
(2) To more objectively evaluate the aptitude, expertise, experience, etc., required of candidates for the next President, we will continue discussions within the committee.

Remuneration Advisory Committee

Number of members 4 (Outside: 3 / Internal: 1)
Number of meetings in FY2024: 4

Roles of the Remuneration Advisory Committee

The Remuneration Advisory Committee, in consultation with the Board of Directors, deliberates, determines, and submits opinions to the Board of Directors on matters relating to the remuneration of directors and executive officers with the aim of enhancing the independence, objectivity, and accountability of the Board of Directors in its functions involving the remuneration, etc., of directors. The committee is chaired by an independent outside director, and the majority of its members are independent outside directors.

Officer Remuneration, etc.

The Company's Officer Remuneration System is designed based on the following five policies.

Basic Policies

(1) The Company's Officer Remuneration System must allow the appropriate rewarding of outstanding management talent able to contribute to the sustainable development of the Company and long-term growth in corporate value.
(2) The Company's Officer Remuneration System must facilitate the operation of a sound incentive function aimed at the Company's sustainable growth, which not only provides motivation for the achievement of performance targets but also supports the steady implementation of medium-term management plans and further growth.
(3) The Company's Officer Remuneration System must encourage the Company's management team to maintain an ongoing equity stake in the Company, steadily deepening a sustainable shared interest with shareholders and enabling the realization of enhanced long-term trust.
(4) The Company's Officer Remuneration System must provide support for encouraging the management team to work together with the aim of enhancing the Company's sustainable corporate value and realizing company-wide strategic objectives.
(5) As decisions relating to the Company's Officer Remuneration System and determinations made regarding its operation must be made through objective, transparent procedures, such decisions must be made following deliberation by an independent Remuneration Advisory Committee and on the basis of its reports.

Remuneration System

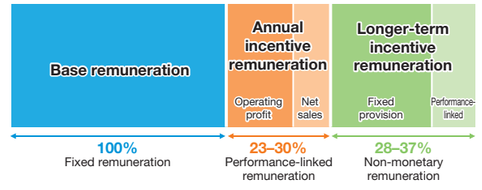
The remuneration of the Company's directors (excluding outside directors) comprises base remuneration (fixed remuneration), annual incentive remuneration (performance-linked remuneration) linked to the Company's performance each fiscal year, and longer-term incentive remuneration (non-monetary remuneration) that depends on the level of achievement of the Company's performance targets over three fiscal years.

To break down these types of officer remuneration, the standard amount for a single year of annual incentive remuneration is set to roughly 23% to 30% of basic remuneration per position, the basic amount for a single year of longer-term incentive remuneration is set to roughly 28% to 37% of basic remuneration per position, and the percentage of performance-linked remuneration and non-monetary remuneration for those with higher executive positions is raised so that the composition of remuneration for each position reflects the weight of management responsibilities. In determining these percentages, we conduct annual remuneration benchmarking of similarly sized companies (peer companies) based on the Management Remuneration Database operated by an outside remuneration consultant, and verify the appropriateness of the remuneration levels and other elements of the benchmarking. Given their roles, remuneration for directors who are Audit and Supervisory Committee members and outside directors is limited to base remuneration only.

Procedure

The Company's policy for determining individual director remuneration is determined by the Board of Directors based on deliberations and reports by the Remuneration Advisory Committee (chaired by an independent outside director, and the majority of its members are independent outside directors). In making these determinations, the Remuneration Advisory Committee appropriately deliberates on matters such as the basic policy of the Company's officer remuneration system, the structure of the remuneration system and performance-linked remuneration, and amounts to be paid to each individual, based on objective, complete information, including the status of recent systems and trends in discussions regarding officer remuneration and the systems of other companies, while also utilizing information and advice from the outside remuneration consultant.

Remuneration structure and percentages of remuneration for directors (excluding directors who are Audit and Supervisory Committee members and outside directors)



Governance

Corporate Governance

Audit and Supervisory Committee

The Company transitioned from a company with a board of corporate auditors to a company with an audit and supervisory committee following a resolution at the 160th Annual General Meeting of Shareholders held on June 26, 2024. Since the Company has shifted from independent audits by a board of corporate auditors to organizational audits under an internal control system, the Company has established the basic policy to establish and maintain a system to report risk information without delay with the aim of ensuring the PDCA cycle of internal control, and to conduct highly effective audits in collaboration with the Audit Office (the internal audit department). As an organization responsible for corporate governance, we aim to establish a system that meets the expectations of our stakeholders.

Roles of the Audit and Supervisory Committee

To achieve highly transparent management, the committee audits and supervises the legality and appropriateness of business execution. By strengthening cooperation with the Audit Office (the internal audit department), the committee will confirm the establishment and operation of the internal control system for financial reporting and enhance the effectiveness of audits.

Specifically, the committee audits the execution of duties by directors, prepares audit reports, determines the details of proposals for appointing, dismissing, or declining to reappoint the financial auditor, collects reports from and investigates directors and others, and forms opinions on appointing and dismissing directors who are not Audit and Supervisory Committee members as well as on their remuneration.

Main activity plan of the Audit and Supervisory Committee

(1) Attendance at important meetings

Attend meetings of the Board of Directors, the Management Committee, the Integrated Risk Management Committee, the Safety and Quality Committee, the Compliance Committee, the Sustainability Committee, and others, and state opinions as necessary.

(2) Regular meetings with the Representative Director

Establish opportunities to meet regularly to discuss auditing and supervisory issues.

(3) Cooperation with Outside Directors

Hold regular opinion exchange meetings with Outside Directors who are not Audit and Supervisory Committee members to share information

(4) Regular meetings with the Audit Office

In principle, ask the General Manager of the Audit Office to attend Audit and Supervisory Committee meetings and receive timely reports on the status of internal audits. Additionally, regularly hold discussions, exchange information, and establish a highly effective audit system to ensure the adequacy of the internal control system.

(5) Regular meetings with the Financial Auditor

To make financial audits efficient and effective, exchange opinions on both parties' audit policies and plans, in addition to discussing Key Audit Matters (KAM). Given the mandatory registration system for auditors of listed companies, closely monitor audit firms with regard to their business management and quality control systems.

(6) Regular meetings with Group Auditors

Regularly exchange information on audit plans and reports with auditors of Group companies to strengthen cooperation with the overall aim of strengthening the governance of the Group.

Message from the Chair of the Audit and Supervisory Committee

Last year, there were a series of corporate scandals, and investigations indicated a lack of internal control as the cause in many cases. It was also the year we transitioned to a company with an audit and supervisory committee, and to organizational audits under an internal control system. We reiterated the importance of the internal control system to the Board of Directors to strengthen governance.

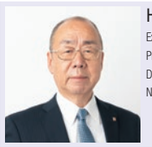
In fiscal 2025, the first year of our Seventh Medium-Term Management Plan, the Audit and Supervisory Committee will audit and supervise the legality and appropriateness of business execution with the aim of realizing highly transparent management in a rapidly changing business environment and, under the appropriate supervision of the Board of Directors, take steps to expedite management decision-making and execution, thereby creating a system that meets stakeholder expectations. Accordingly, we believe it is essential to conduct audits and supervision with an awareness of both defensive governance—meaning preventing misconduct—and offensive governance, which emphasizes growth and the enhancement of corporate value.

Executive officer and chief engineer profiles

Akira Kobayashi

Managing Executive Officer
Head of Information Planning Office, Head of Core System Introduction Office
In charge of Digital Strategy Office and Intellectual Property Office

Apr. 1982 Joined the Company
June 2014 Director and General Manager of Information System Division of Yokogawa New Life Corp.
June 2016 Director of Yokogawa Techno-Information Service Inc.
June 2017 Director of the Company
President and Representative Director of Yokogawa Techno-Information Service Inc.
June 2020 Representative Director, President and Executive Officer of Yokogawa Techno-Information Service Inc.
Apr. 2021 Director and Head of Information Planning Office of the Company
Apr. 2022 Director, Executive Officer, and Head of Information Planning Office of the Company
Apr. 2023 Director, Managing Executive Officer, Head of Information Planning Office, and in charge of Technology Management Office, General Technology Research Laboratory, and New Business Development Office of the Company
Apr. 2024 Director, Managing Executive Officer, Head of Information Planning Office, and in charge of Technology Management Office, General Technology Research Laboratory, Intellectual Property Office, and New Business Development Office of the Company
Representative Director and Executive Officer of Yokogawa Techno-Information Service Inc.
June 2024 Managing Executive Officer, Head of Information Planning Office
In charge of Technology Management Office, General Technology Research Laboratory, Intellectual Property Office, and New Business Development Office of the Company
Director, Executive Officer of Yokogawa Techno-Information Service Inc. (current position)
Apr. 2025 Managing Executive Officer, Head of Information Planning Office
Head of Core System Introduction Office
In charge of Digital Strategy Office and Intellectual Property Office (current position)



Hirohito Kaji

Executive Officer
President and Representative Director, Executive Officer of Narasaki Seisakusyo Co., Ltd.

Apr. 1982 Joined the Company
June 2014 Director, General Manager of Bridge Production Headquarters, Head of Safety and Quality Control Office, Deputy Head of Design Center, Osaka Branch Manager of Yokogawa Bridge Corp.
Oct. 2015 Director, Osaka Branch Manager, and Senior General Manager of Bridge Production Headquarters of Yokogawa Bridge Corp.
June 2018 Managing Director, Osaka Branch Manager, and Senior General Manager of Bridge Production Headquarters of Yokogawa Bridge Corp.
June 2020 Director & Managing Executive Officer of Narasaki Seisakusyo Co., Ltd.
Apr. 2022 Executive Officer of the Company (current position)
President, Director, and Executive Officer of Narasaki Seisakusyo Co., Ltd.
June 2022 President and Representative Director, Executive Officer of Narasaki Seisakusyo Co., Ltd. (current position)

Toshiaki Ogoshi

Executive Officer
President and Representative Director, Executive Officer of Yokogawa Techno-Information Service Inc.

Apr. 1986 Joined the Company
June 2016 Director, General Manager of Design Department, in charge of Production Information Department of Yokogawa System Buildings Corp.
Jan. 2020 President and Representative Director of YTP, Inc.
June 2020 President, Representative Director, and Executive Officer of YTP, Inc.
Apr. 2024 Executive Officer of the Company (current position)
President, Director, and Executive Officer of Yokogawa Techno-Information Service Inc.
June 2024 Representative Director, President, and Executive Officer of Yokogawa Techno-Information Service Inc. (current position)

Shinji Takafuji

Executive Officer
In charge of Procurement Office and Group production management

Apr. 1990 Joined the Company
June 2020 Executive Officer, Osaka Branch Manager, and Senior General Manager of Production Headquarters of Yokogawa Bridge Corp.
Apr. 2022 Executive Officer, General Manager of Osaka Branch, and Senior General Manager of Production Headquarters of Yokogawa Bridge Corp.
Apr. 2024 Executive Officer, Head of Procurement Office of the Company
Executive Officer of Yokogawa NS Engineering Corp.
June 2024 Director, Executive Officer of Yokogawa NS Engineering Corp.
Apr. 2025 Executive Officer, in charge of Procurement Office and Group production management of the Company (current position)
Director, Managing Executive Officer of Yokogawa NS Engineering Corp. (current position)

Hiroshi Mitsuda

Executive Officer
In charge of Legal Department, General Affairs and Personnel Department, Real Estate Management Office, Compliance

Apr. 1991 Joined the Company
June 2020 Executive Officer, General Manager of Design Headquarters, General Manager of Tokyo Design Department II of Yokogawa Bridge Corp.
June 2022 Director, Executive Officer, General Manager of Design Headquarters, in charge of Advanced Engineering Division of Yokogawa Bridge Corp.
Apr. 2023 Director, Executive Officer, General Manager of General Affairs Headquarters, Head of Technical Planning Office, in charge of Audit Office of Yokogawa Bridge Corp.
Apr. 2024 Director, Managing Executive Officer, General Manager of General Affairs Headquarters, Head of Technical Planning Office, General Manager of Advanced Engineering Division, in charge of Audit Office of Yokogawa Bridge Corp.
Apr. 2025 Executive Officer, in charge of Legal Department, General Affairs and Personnel Department, Real Estate Management Office, Compliance of the Company (current position)
Director, Managing Executive Officer, General Manager of General Affairs Headquarters of Yokogawa Bridge Corp. (current position)

Yasutsugu Nakaoka

Executive Officer
Head of Finance and IR Office

Apr. 1989 Joined The Long-Term Credit Bank of Japan, Limited (currently SBI Shinsei Bank, Limited)
Sep. 2000 Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)
Oct. 2009 Deputy General Manager of Accounting Department of Mizuho Financial Group, Inc.
July 2012 Deputy General Manager of Administration Department of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
Oct. 2013 Deputy General Manager of Administration Department of Mizuho Financial Group, Inc.
Apr. 2017 Deputy General Manager of Facility Management Department of Mizuho Financial Group, Inc.
Apr. 2020 Head of Finance and IR Office of the Company
Oct. 2020 Administrative Officer, Head of Finance and IR Office of the Company
Apr. 2025 Executive Officer, Head of Finance and IR Office of the Company (current position)

Toshihiro Kasugai

Executive Officer
Head of Technology Management Office, in charge of sustainability

Apr. 1988 Joined the Company
Oct. 2015 Administrative Officer, Head of General Technology Research Laboratory of the Company
Oct. 2018 Administrative Officer, Head of Technology Management Office of the Company
June 2019 Chief Engineer, general engineering of Yokogawa Bridge Corp.
Apr. 2022 Executive Officer, General Manager of Technology Headquarters of Yokogawa Bridge Corp. (current position)
Apr. 2025 Executive Officer, Head of Technology Management Office, in charge of sustainability (current position)

Hironori Ishii

Executive Officer
Chief Engineer
Head of General Technology Research Laboratory

Apr. 1993 Joined the Company
Oct. 2021 Administrative Officer, Head of General Technology Research Laboratory of the Company
Apr. 2024 Administrative Officer, Head of General Technology Research Laboratory, Head of New Business Development Office of the Company
Apr. 2025 Chief Engineer, Head of General Technology Research Laboratory, Head of New Business Development Office of the Company
Oct. 2025 Chief Engineer, Head of General Technology Research Laboratory of the Company (current position)

Governance

Risk Management

Risk management system

Based on the Group Risk Management Basic Policy, the Group has established an organizational structure and implementation processes for integrated risk management to manage the inherent risks of the Company and each operating company on a Group-wide, integrated basis.

The Group has established the Integrated Risk Management Committee, an advisory committee to the Board of Directors, to serve as the organization that aggregates risk management information implemented by each operating company and division and to comprehensively manage risk across the Group.

The committee is chaired by the representative director and president of the Company and comprises members of the Management Committee and the heads of the divisions (subcommittee chairs) in charge of areas involving risk, for example, safety and quality, compliance, finance, and information.

Reference Group Risk Management Basic Policy
→https://www.ybhd.co.jp/en/sustainability/policy.html

Process for identifying priority risks

Once a year, subcommittees identify risks to be recognized in relevant areas, summarize risk countermeasures when risks were prevented and when they occurred, and formulate area-specific risk management activity plans. The scope of risks applies to the entire Group and covers exogenous risks (risks related to BCP) and endogenous risks (management strategy and administration, compliance, practices).

The Integrated Risk Management Committee develops a full understanding of the risks identified in each area using risk maps organized in terms of frequency and impact. Then, the committee shares information and selects risks to be considered for priority countermeasures for the entire Group (priority risks), and monitors risks and discusses countermeasures on a quarterly basis.

KPI	FY2024 result	FY2025 target	FY2027 target
Integrated Risk Management Committee meetings	4 times	4 times	4 times

See P.71 17

Priority risks and risk countermeasures in FY2025

Priority risk	Risk scenario	Risk countermeasures
Fatal accidents	Serious industrial accidents in manufacturing departments can delay production while the causes are investigated and measures are taken to prevent recurrence. Industrial accidents in construction departments may result in suspensions of nominations that lead to lost opportunities to win orders, substantial impact on the Group's business performance, and loss of public trust.	● Establish an occupational safety and health management system ● Share information about past accidents and incidents, use safety patrols to verify the effectiveness of measures to prevent recurrence ● Prevent falls by promoting the assignment of safety monitors and the use of safety blocks and other fail-safes
Third-party accidents	If a third party suffers damage due to a traffic accident while transporting plant products or when materials, equipment, or tools are dropped, scatter, or fall down at a construction site, our business activities may be negatively impacted, for example suspensions of nominations, loss of public trust, and compensation for damages.	● Prevent traffic accidents during transport by checking routes in advance, identifying risks, and preparing transport plans ● Prevent third-party accidents during construction by developing measures to prevent materials, equipment, and tools from being dropped, scattering, or falling down, and reflecting them in construction plans before work starts ● For work above or in close proximity to roadways and railways, reflect measures in written work procedures
Risk of violating antitrust laws and anti-bribery regulations	Violations of antitrust laws and anti-bribery regulations may result in criminal or administrative penalties, which may cause orders and sales to decline or otherwise negatively impact the Group's business performance.	● All departments conduct self-audits under the Group's internal control system and in line with its auditing rules ● Identify events and take preventive and improvement measures and measures to prevent recurrence ● Post the anti-bribery policy on the website and share it throughout the company
Risk of harassment	Harassment of any kind could cause the Group's reputation to decline, personnel to leave the Group, or relationships with stakeholders to suffer, which could have a substantial impact on the Group's business performance and financial conditions.	● Provide education on compliance and various types of harassment to all employees to promote understanding and prevent misconduct ● Internal regulations call for establishing an internal whistleblowing desk to handle any harassment or other violations that occur
Information security incidents	Risks include loss or corruption of data due to information security failures (e.g., virus infection, ransomware, external attacks, employee carelessness) or natural disasters; software, hardware, or network outages that render information systems inoperable and prevent corporate activities; leakage of confidential information to the owners' detriment; server hijacking causing damage to other companies and loss of credibility; and more.	● Make critical information systems redundant and back up data to remote locations and cloud services ● Implement complex, multilayered countermeasures against viruses and cyberattacks on information system components ● Implement software and system development (e.g., develop relevant regulations, organize incident response teams, provide user education) ● Inspect and review countermeasures every year to improve response to increasingly complex, sophisticated cyberattacks
Falsification of quality at plants	Falsification of quality may occur when errors occur in fabrication processes at plants due to peculiarities of fabrication, complicated structures, short deadlines, and the like, and the people in charge try to make products pass inspections without correcting the errors based on their personal judgment.	● Reduce risks through appropriate management, including daily progress checks and in-process inspections ● Continue providing education and guidance to workers and all other employees to foster a moral compass for quality assurance ● Use digital technology to save labor and automate processes from data collection to processing and reporting and eliminate factors that may cause problems with inspections ● Regularly rotate personnel to prevent organizational misconduct stemming from organizational and personnel stagnation
Risks related to business continuity planning (BCP)	Major earthquakes, floods, tsunami and other natural disasters and infectious disease outbreaks could cause damage at plants and construction sites, substantially impacting business continuity. Risks include disruptions of construction work, closure of work sites, negative impacts on processes, and increased costs for countermeasures.	● Strive to gather information provided by the government and mass media ● Have in place a company-wide business continuity plan that includes preparing disaster supplies, data backups between locations, and the like ● Conduct emergency drills and the like
Risks related to changes in the business environment	Major changes in market and economic trends, prices, order probability, market share, or other factors after a medium-term management plan is formulated may cause orders to decrease, compromise profits from construction, or otherwise substantially impact the Group's business performance.	● Identify key elements for achieving performance targets as monitoring indicators when formulating medium-term management plans ● Regularly undergo the PDCA cycle to monitor achievement and changes in circumstances ● Promptly identify changes in circumstances, detect risks as early as possible, and take corrective measures
Risks related to securing and developing human resources	Shortages of the necessary human resources due to an increase in turnover or failure to achieve recruitment plan targets carry many risks, including decrease in orders, industrial accidents, decline in quality, technical disruptions, and lack of successors.	● Establish a systematic education and training system tailored to each level and role, a systematic job rotation system that imparts broad understanding of the business and puts the right people in the right positions, a self-reporting system that contributes to career development, and a personnel system that accounts for life events ● Consider and implement measures to achieve the recruitment plan targets and improve employee engagement
Risk of quality nonconformities that substantially undermine trust from customers	Quality nonconformities in manufacturing departments carry the risk of major remanufacturing, which may affect the manufacturing processes of other construction projects. Quality nonconformities in construction departments carry the risk of causing process delays that increase the difficulty of completing projects on time, which may compromise the Group's reputation among customers or cause a significant loss of competitiveness or substantial impact on business continuity.	● Establish a system for operating quality management systems in manufacturing and construction departments ● Formulate and implement a quality control plan based on management's quality policy ● Investigate and analyze past quality nonconformities and formulate measures to prevent recurrence ● Reduce the number of nonconformities by analyzing the results of countermeasures and using the PDCA cycle to make continuous improvements
Infringement or loss of industrial property rights	In the event of infringement of another company's industrial property rights, it may be impossible to continue the product or service in question, and the other company may demand compensation for damages. Failure to properly respond to competitors' new industrial property rights may result in restrictions on the Company's products and services.	● Study developments in competitors' industrial property rights through the Intellectual Property Office ● Implement measures to use patents and other tools to protect the rights to the Company's products and services as necessary ● Hold intellectual property seminars for employees to raise their awareness of intellectual property

Governance

Compliance

Our approach to compliance

We consider compliance management to be the foundation of the management of the Group. All officers, employees, seconded employees, temporary employees, and other officers and employees engaged in operations of companies belonging to the Group comply with our Code of Corporate Behavior, which serves as our compliance regulations, and always recognize our social responsibility and public mission and strive to act sensibly in compliance with all domestic and foreign laws and regulations as well as with corporate ethics and social norms so that we are worthy of public trust.

Establishing a compliance management system

Compliance Committee

The Company has established a Compliance Committee that maintains a system under which it reports the results of deliberations on basic policies and important matters regarding compliance promotion to the Board of Directors and takes strict measures against those who violate the Code of Corporate Behavior and those who overlook violations in accordance with the Companies Act, other laws and regulations, and workplace rules and regulations.

Internal auditing

The Audit Office—established as an internal audit department independent from the executive departments—conducts efficient, effective audits of compliance with the Code of Corporate Behavior and other internal regulations by personally attending meetings, checking accounting vouchers, and the like, and by conducting voluntary and operational audits of all Group departments.

Fair Business Practices

Fair transactions

The Group's Code of Corporate Behavior stipulates that the Group must engage in fair and free competition with other companies and under no circumstances engage in cartels, collusion, resale price control, abuse of a superior position, or any other conduct that constitutes a violation of antitrust laws, and must ensure strict legal compliance and rigorously manage records of transactions.

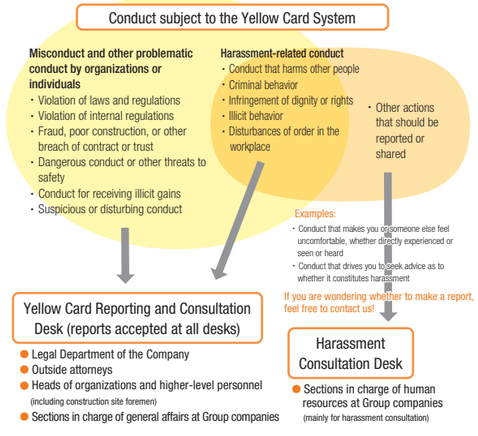
Anti-bribery measures

When making political contributions, donations to organizations, or the like, the Group complies with the Public Offices Election Act, the Political Funds Control Act, and other relevant laws and regulations, confirms rules of administrative authority and the like in advance, and follows internal regulations. While of course prohibiting the Group from engaging in bribery or making illegal political contributions, the Code of Corporate Behavior stipulates that the Group must strictly refrain from any behavior that could lead to the mistaken perception of collusion with politicians or government administration, and must never provide entertainment or gifts to public officials or people in similar positions. To ensure the effectiveness of these efforts, the Group takes steps to enhance its compliance and education systems, including using the internal whistleblowing system, proper operation of the Compliance Committee, compliance manuals for election activities, and guidelines for preventing bribery of foreign public officials. Notably, in fiscal 2024, there were no violations of this sort.

Internal whistleblowing system

Directors promote the use of the Yellow Card System, which was established as an internal whistleblowing system for reporting and seeking advice on actual and potential violations of laws and regulations, the Articles of Incorporation, the Code of Corporate Behavior, and internal regulations or other misconduct and compliance problems. Directors improve and enhance the system as appropriate, and use e-learning and other methods to address and spread the word about these issues in compliance training. In fiscal 2024, we established a new Harassment Consultation Desk to create an environment where it is easier for any employee to seek advice. In fiscal 2024, the internal whistleblowing system (Yellow Card System) received 28 reports.

Yellow Card System and Harassment Consultation Desk chart



	FY2024 results	FY2025 targets	FY2027 targets
Compliance training participation rate	100%	100%	100%
Number of serious noncompliance incidents	0	0	0
Implementation of business audits for Group companies	1 time	1 time	1 time

See P.71 17

Governance

Information Security Management

The Group recognizes responding to the threat of increasingly complex, diverse, and sophisticated cyberattacks and information security failures rooted in a variety of factors as a critical management issue. We are continuously working to strengthen information security in order to minimize the risk of information leaks, shutdowns, and other disruptions to business continuity.

Yokogawa Bridge Holdings Group Information Security Basic Policy

For the Group to grow continuously, we must fortify our defense against cyberattacks and enhance the resilience of our information systems to withstand information security failures. Accordingly, we believe we must develop management systems and human resources to respond to information security risks and incidents, always be prepared for such risks and incidents, improve the knowledge and awareness of users, and continuously improve these measures, and thus take steps to maintain information security based on the following seven components of the Group Information Security Basic Policy.

(1) Management-led initiatives
(2) Establishment of management systems to maintain and improve measures
(3) Protection of all information assets for business activities
(4) Education and training for officers and employees
(5) Compliance with Laws
(6) Development and implementation of measures against incidents and accidents, and prevention of recurrence
(7) Continuous improvement of the above

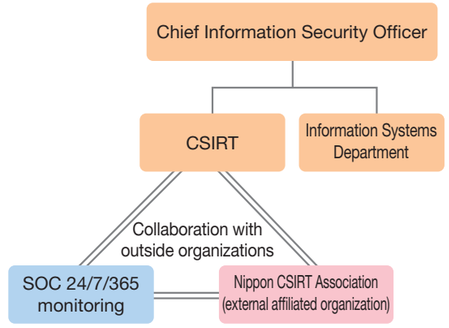
Reference: Yokogawa Bridge Holdings Group Information Security Basic Policy
→ https://www.ybhd.co.jp/en/sustainability/policy/

Information security management system

The officer in charge of overseeing all Group information systems is the Chief Information Security Officer, who is responsible for and has authority over information security. Under the supervision of the Chief Information Security Officer, the Computer Security Incident Response Team (CSIRT) carries out information security practices. The CSIRT is staffed with information processing safety assurance support specialists and other expert personnel who not only respond to incidents, but also perform duties ranging from formulating, implementing, and improving information security maintenance plans to day-to-day information security management.

Additionally, we are taking steps to strengthen information security by collaborating with information security companies and organizations, and we have in place a 24/7/365 monitoring system with an outside Security Operation Center (SOC) to proactively detect failures and attacks as early as possible. We are also a member of the Nippon CSIRT Association and obtain and utilize information from JPCERT/CC and other organizations involved in information security.

Information security management system



Education and training

A key component of information security is the information security literacy of the officers and employees who use information systems. Every year, the Group provides information security education and training for all officers and employees. The education is based on internal regulations, examples of incidents, and relevant laws and regulations, and the training involves simulated phishing attacks.

We are also taking steps to develop information security personnel. We strive to improve our capabilities through education and training led by outside experts and actively participating in workshops hosted by related organizations.

KPI	FY2024 results	FY2025 targets	FY2027 targets
Information security education and training participation rate	96%	100%	100%
Number of serious information security incidents	1	0	0
Implementation of training on data preservation in the event of a disaster	2 times	1 time	1 time

See P.71 18

Long-Term Financial Results (Eleven Years)

*Unless otherwise specified, the units are 100 million yen

FY	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net sales	1,027	1,057	1,134	1,310	1,419	1,381	1,360	1,369	1,649	1,640	1,593
Operating profit	64	69	80	137	105	128	159	147	152	159	166
Operating profit margin (%)	6.2	6.5	7.1	10.5	7.4	9.3	11.7	10.8	9.2	9.7	10.5
Ordinary profit	66	69	81	138	106	129	160	149	154	158	162
Profit attributable to owners of parent	42	43	43	93	75	90	112	110	112	118	128
Net assets	641	655	698	806	865	920	1,039	1,107	1,176	1,280	1,290
Total assets	1,167	1,149	1,281	1,449	1,496	1,525	1,696	1,725	1,944	2,108	2,161
Net assets per share (yen)	1,485.09	1,532.44	1,650.17	1,907.50	2,037.61	2,159.88	2,451.96	2,608.54	2,794.45	3,056.65	3,229.02
Basic earnings per share (yen)	98.40	103.19	102.98	226.93	182.33	217.61	273.09	267.54	273.36	291.16	317.02
Total cash dividends	5	6	6	9	12	15	21	31	35	38	44
Dividend per share (yen)	14.00	16.00	16.00	22.00	30.00	37.00	52.00	75.00	85.00	95.00	110.00
Dividend payout ratio (%)	14.2	15.5	15.5	9.7	16.5	17.0	19.0	28.0	31.1	32.6	34.7
Return on shareholders' equity (%)	6.9	6.9	6.5	12.8	9.2	10.4	11.9	10.6	10.1	9.9	10.1
Shareholders' equity	631	643	683	788	842	894	1,011	1,077	1,143	1,244	1,290
Shareholders' equity ratio (%)	54.1	56.0	53.3	54.4	56.3	58.6	59.6	62.5	58.8	59.0	59.7
Capital investment	16	24	33	73	76	101	60	47	34	50	57
Depreciation and amortization	13	15	16	17	21	28	34	36	38	38	43
R&D expenses	3	3	2	2	2	4	4	4	5	4	7
Number of employees (persons)	1,626	1,649	1,663	1,687	1,749	1,800	1,891	1,940	1,996	2,043	2,095
Segment information											
Net sales											
Bridge	693	684	650	739	733	812	824	764	870	974	982
Engineering	300	339	428	509	633	529	483	544	729	631	563
Precision equipment	25	26	47	53	44	32	46	54	43	29	41
Real estate	7	7	7	7	6	6	6	6	6	5	5
Operating profit											
Bridge	43	46	38	85	60	83	114	110	89	88	136
Engineering	22	26	40	48	43	48	45	37	67	83	43
Precision equipment	3	4	7	9	8	4	9	11	6	1	3
Real estate	3	3	3	3	4	4	3	2	3	3	3
Orders received											
Bridge	532	795	622	832	917	694	1,275	875	818	862	865
Engineering	469	423	463	603	573	511	571	650	713	566	662
Precision equipment	25	30	52	51	41	37	49	55	37	28	45
Backlog of orders											
Bridge	774	886	857	950	1,133	1,015	1,466	1,577	1,526	1,414	1,297
Engineering	302	387	421	516	455	437	526	632	617	552	651
Precision equipment	6	10	15	12	10	15	17	18	12	11	14

Consolidated Financial Statements, etc.

(1) Consolidated balance sheet

(Units: million yen)

	Previous fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
Assets		
Current assets		
Cash and deposits	24,988	16,832
Notes receivable, accounts receivable from completed construction contracts and other	114,117	127,144
Inventories	3,287	3,445
Other	3,862	7,079
Allowance for doubtful accounts	(0)	(7)
Total current assets	146,255	154,494
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,333	14,981
Machinery, equipment and vehicles, net	8,047	8,039
Land	15,143	15,143
Construction in progress	707	397
Other, net	597	643
Total property, plant and equipment	38,830	39,205
Intangible assets		
Software	3,288	4,358
Other	47	46
Total intangible assets	3,335	4,405
Investments and other assets		
Investment securities	14,867	10,468
Shares of subsidiaries and associates	576	623
Deferred tax assets	6,421	6,437
Other	557	564
Allowance for doubtful accounts	—	(20)
Total investments and other assets	22,424	18,074
Total non-current assets	64,590	61,684
Total assets	210,846	216,179
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	22,030	19,130
Short-term borrowings	—	6,000
Current portion of bonds payable	—	3,100
Current portion of long-term borrowings	—	8,400
Income taxes payable	3,204	3,329
Advances received on construction contracts in progress	2,445	3,814
Provision for loss on construction contracts	3,861	4,038
Provision for bonuses	2,735	2,656
Other provisions	194	309
Other	3,823	4,718
Total current liabilities	38,297	55,497
Non-current liabilities		
Bonds payable	4,100	1,000
Long-term borrowings	24,400	16,000
Deferred tax liabilities	2,472	1,622
Deferred tax liabilities for land revaluation	70	72
Provision for retirement benefits for directors (and other officers)	30	—
Provision for share-based payments	336	533
Retirement benefit liability	12,583	11,863
Other	532	499
Total non-current liabilities	44,525	31,590
Total liabilities	82,822	87,088
Net assets		
Shareholders' equity		
Share capital	9,435	9,435
Capital surplus	9,356	9,910
Retained earnings	102,534	111,095
Treasury shares	(3,263)	(5,583)
Total shareholders' equity	118,062	124,858
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,182	4,075
Revaluation reserve for land	159	157
Total accumulated other comprehensive income	6,342	4,232
Non-controlling interests	3,618	—
Total net assets	128,023	129,091
Total liabilities and net assets	210,846	216,179

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Units: million yen)

	Previous fiscal year (From April 1, 2023, to March 31, 2024)	Current fiscal year (From April 1, 2024, to March 31, 2025)
Net sales	164,076	159,368
Cost of sales	137,248	131,019
Gross profit	26,828	28,349
Selling, general, and administrative expenses	10,881	11,672
Operating profit	15,946	16,677
Non-operating income		
Interest income	3	10
Dividend income	329	306
Insurance claim and dividend income	55	57
Share of profit of entities accounted for using equity method	57	48
Other	40	56
Total non-operating income	487	479
Non-operating expenses		
Interest expenses	170	265
Commission for syndicated loans	151	3
Commitment fees	78	104
Collective term insurance	72	74
Foreign exchange losses	8	296
Advances received deposits	55	86
Other	40	31
Total non-operating expenses	576	860
Ordinary profit	15,857	16,295
Extraordinary income		
Gain on sale of non-current assets	211	5
Gain on sale of investment securities	1,665	1,772
Gain on liquidation of subsidiaries and associates	68	—
Total extraordinary income	1,946	1,777
Extraordinary losses		
Loss on disposal of non-current assets	271	84
Total extraordinary losses	271	84
Profit before income taxes	17,531	17,989
Income taxes - current	5,518	5,114
Income taxes - deferred	(229)	(13)
Total income taxes	5,288	5,101
Profit	12,243	12,887
Profit attributable to non-controlling interests	388	28
Profit attributable to owners of parent	11,854	12,859

Consolidated statement of comprehensive income

(Units: million yen)

	Previous fiscal year (From April 1, 2023, to March 31, 2024)	Current fiscal year (From April 1, 2024, to March 31, 2025)
Profit	12,243	12,887
Other comprehensive income		
Valuation difference on available-for-sale securities	2,533	(2,107)
Revaluation reserve for land	—	(2)
Total other comprehensive income	2,533	(2,109)
Comprehensive income	14,776	10,777
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,388	10,749
Comprehensive income attributable to non-controlling interests	388	28

(3) Consolidated statement of changes in equity

Previous fiscal year (From April 1, 2023, to March 31, 2024) (Units: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,435	9,150	94,371	(2,465)	110,491
Changes during period					
Dividends of surplus			(3,691)		(3,691)
Profit attributable to owners of parent			11,854		11,854
Purchase of treasury shares				(1,001)	(1,001)
Disposal of treasury shares		206		203	409
Net changes in items other than shareholders' equity					
Total changes during period	–	206	8,163	(798)	7,571
Balance at end of period	9,435	9,356	102,534	(3,263)	118,062

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total accumulated other comprehensive income		
Balance at beginning of period	3,649	159	3,809	3,352	117,653
Changes during period					
Dividends of surplus					(3,691)
Profit attributable to owners of parent					11,854
Purchase of treasury shares					(1,001)
Disposal of treasury shares					409
Net changes in items other than shareholders' equity	2,533	–	2,533	266	2,799
Total changes during period	2,533	–	2,533	266	10,370
Balance at end of period	6,182	159	6,342	3,618	128,023

Current fiscal year (From April 1, 2024, to March 31, 2025) (Units: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,435	9,356	102,534	(3,263)	118,062
Changes during period					
Dividends of surplus			(4,298)		(4,298)
Profit attributable to owners of parent			12,859		12,859
Purchase of treasury shares				(2,658)	(2,658)
Disposal of treasury shares		348		338	687
Change in ownership interest of parent due to transactions with non-controlling interests		206			206
Net changes in items other than shareholders' equity					
Total changes during period	–	554	8,560	(2,319)	6,795
Balance at end of period	9,435	9,910	111,095	(5,583)	124,858

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total accumulated other comprehensive income		
Balance at beginning of period	6,182	159	6,342	3,618	128,023
Changes during period					
Dividends of surplus					(4,298)
Profit attributable to owners of parent					12,859
Purchase of treasury shares					(2,658)
Disposal of treasury shares					687
Change in ownership interest of parent due to transactions with non-controlling interests					206
Net changes in items other than shareholders' equity	(2,107)	(2)	(2,109)	(3,618)	(5,728)
Total changes during period	(2,107)	(2)	(2,109)	(3,618)	1,067
Balance at end of period	4,075	157	4,232	–	129,091

(4) Consolidated statement of cash flows

(Units: million yen)

	Previous fiscal year (From April 1, 2023, to March 31, 2024)	Current fiscal year (From April 1, 2024, to March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	17,531	17,989
Depreciation	3,830	4,307
Increase (decrease) in retirement benefit liability	250	(720)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(38)	(30)
Increase (decrease) in provision for share-based payments	143	196
Increase (decrease) in provision for loss on construction contracts	84	176
Increase (decrease) in provision for bonuses	95	(79)
Increase (decrease) in other provisions	(11)	141
Interest and dividend income	(333)	(316)
Interest expenses	170	265
Loss (gain) on sale of investment securities	(1,665)	(1,772)
Loss (gain) on sale of non-current assets	(210)	(5)
Loss on retirement of non-current assets	129	24
Other non-operating expenses	(6)	291
Increase in notes and accounts receivables	(13,090)	(13,047)
Decrease in cost of construction in progress	(198)	(219)
Decrease (increase) in accounts receivable - other	500	186
Increase in notes and accounts payable	(4,312)	(2,900)
Increase (decrease) in advances received on construction contracts in progress	(8)	1,368
Increase (decrease) in accounts payable - other	215	46
Increase (decrease) in deposits received	186	(329)
Increase (decrease) in accrued consumption taxes	229	298
Increase/decrease in other assets/liabilities	(250)	(3,070)
Subtotal	3,242	2,802
Interest and dividends received	334	317
Interest paid	(166)	(261)
Income taxes paid	(5,048)	(5,030)
Net cash provided by (used in) operating activities	(1,637)	(2,171)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,997)	(3,217)
Proceeds from sale of property, plant and equipment	104	117
Purchase of intangible assets	(1,353)	(2,097)
Purchase of investment securities	–	(118)
Proceeds from sale of investment securities	3,121	3,330
Proceeds from liquidation of subsidiaries and associates	88	–
Other payments	(84)	(36)
Other proceeds	146	45
Net cash provided by (used in) investing activities	(972)	(1,975)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(9,141)	6,000
Proceeds from long-term borrowings	15,849	–
Repayments of long-term borrowings	(500)	–
Proceeds from issuance of bonds	1,000	–
Redemption of bonds	(300)	–
Purchase of treasury shares	(1,001)	(2,658)
Proceeds from sale of treasury shares	409	687
Dividends paid	(3,677)	(4,289)
Dividends paid to non-controlling interests	(122)	(111)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(3,328)
Net cash provided by (used in) financing activities	2,516	(3,701)
Effect of exchange rate change on cash and cash equivalents	(60)	(307)
Net increase (decrease) in cash and cash equivalents	(154)	(8,156)
Cash and cash equivalents at beginning of period	25,143	24,988
Cash and cash equivalents at end of period	24,988	16,832

Yokogawa Bridge Holdings Corp.

“Embody integrity! Create outstanding things!”

This was the “monozukuri” approach to manufacturing espoused by our founder, Dr. Tamisuke Yokogawa, which has been handed down and maintained in our company for over a century. This philosophy, which extends throughout the YBHD Group, helps to strengthen cohesion while also driving YBHD to create even better products and market them not only in Japan, but throughout the world.

By expanding our domestic and international business network, we are contributing to the improvement of societal infrastructure on a global scale.

Yokogawa Bridge Holdings Corp. (YBHD) came into being in August 2007 with the aim of integrating the YBHD Group’s multi-faceted capabilities in a flexible manner and making a substantial contribution to society.

Main domestic business locations

Branches
Muroran City, Hokkaido
Kamisu City, Ibaraki Prefecture
Minato-ku, Tokyo
Funabashi City, Chiba Prefecture
Sakai City, Osaka Prefecture

Sales Offices
Sapporo City, Hokkaido
Sendai City, Miyagi Prefecture
Takasaki City, Gunma Prefecture
Nagoya City, Aichi Prefecture
Gifu City, Gifu Prefecture
Otsu City, Shiga Prefecture
Osaka City, Osaka Prefecture
Amagasaki City, Hyogo Prefecture
Okayama City, Okayama Prefecture
Hiroshima City, Hiroshima Prefecture
Fukuoka City, Fukuoka Prefecture
Naha City, Okinawa Prefecture

Plants
Muroran Plant (Hokkaido)
Shukutsu Plant (Hokkaido)
Kashima Plant (Ibaraki Prefecture)
Chiba Plant (Chiba Prefecture)
Mobara Plant (Chiba Prefecture)
Osaka Plant (Osaka Prefecture)
Izumi Plant (Osaka Prefecture)
Kishiwada Plant (Osaka Prefecture)

Equipment Centers
Tone Equipment Center (Ibaraki Prefecture)
Harima Equipment Center (Hyogo Prefecture)

Research Facilities
Technical Research Laboratory (Chiba Prefecture)

Main overseas business locations

The Philippines
Manila Branch (City of Manila)
Yokogawa Techno Philippines, Inc. (Pasig City)

Vietnam
Hanoi Office (Hanoi City)

Myanmar
Yangon Branch (Yangon City)

Bangladesh
Dhaka Branch (Dhaka City)

Photo courtesy of West Nippon Expressway Company Limited

Yokogawa Bridge Corp.

Please see our website for details.

A long-standing contribution to social and economic development through the improvement and maintenance of social infrastructure

Since its founding in 1907, Yokogawa Bridge has fulfilled a role in developing social infrastructure by constructing bridges and manufacturing steel structures in Japan and the rest of the world. Now, as a general engineering company that handles everything from design to erection, repairs, reinforcement, reconstruction, and updating, we are focusing on new bridge projects, bridge maintenance projects—an area of growing demand—and major updating and repair projects for expressways. We are also involved in the businesses of constructing high-rise buildings and domed facilities, special construction—namely retractable roofs for swimming pools and stadiums—manufacturing large precision structures using ultra-high-precision processing technology, and developing products that facilitate the maintenance of existing bridges. We devote energy to infrastructure development outside Japan as well, focusing on Africa, Southeast Asia, and other fast-growing regions.

Company History

1907 Dr. Tamisuke Yokogawa founded Yokogawa Bridge Works in Nishi-ku, Osaka City. The Osaka Plant was established (closed in 1943).
1918 Yokogawa Bridge Works was reorganized as a joint-stock company.
1922 The new Tokyo Plant was established in the Shibaura district of Tokyo (closed in 1969).
1964 The Osaka Branch was established, and the Osaka Plant began operation.
1969 The Tokyo Branch was established, and the Chiba Plant began operation (closed in 1999).
1991 Yokogawa Bridge Works Ltd. was renamed Yokogawa Bridge Corp.
2005 The Bridge Stage Izumi Plant, located in Izumi City, Osaka Prefecture, began operation.
2007 Yokogawa Bridge Holdings Corp. was established.
2007 Yokogawa Bridge Corp. became a wholly owned subsidiary of Yokogawa Bridge Holdings Corp.
2007 A ceremony was held to commemorate the 100th anniversary of the company’s founding.
2019 The Kishiwada Plant was established in Kishiwada City, Osaka Prefecture.
2025 Special construction business transferred from Yokogawa System Buildings Corp.

Yokogawa System Buildings Corp.

Please see our website for details.

Yokogawa Engineered Structure System (“yess”) buildings, which make effective use of Yokogawa’s unique steel structure technology, hold the highest share of the engineered structure market.

Yokogawa System Buildings Corp. was established with a new architectural style, “engineered structures,” as its core business, and has been involved in more than 10,000 buildings throughout Japan under the “yess buildings” brand. The company can swiftly provide high-quality yess buildings to all areas of Japan because it has the only engineered structure plant in the country and a network of more than 1,300 member-builders who handle the sales and construction work. The buildings are used as plants, warehouses, and stores, as well as offices, sports facilities, final disposal sites, and for a variety of other applications. The company will continue to place the highest priority on integrity and contributing to society, strive to further improve quality and service, and provide products that satisfy its customers.

Company History

1989 An engineered structure division, the forerunner of today’s Yokogawa System Buildings Corp., was established within Yokogawa Bridge Works (now Yokogawa Bridge Corp.).
1990 The Sodegaura Plant (now the Chiba Plant) was established.
2001 The division was spun off from Yokogawa Bridge Corp. It began operation as a separate company under the name Yokogawa System Buildings Corp.
2006 The facilities of the Chiba Plant were improved.
2008 The company acquired general appraisal certification from The Building Center of Japan (BCJ).
2019 The Mobara Plant was established.
2020 Expansion of painting/shipping yard building at Mobara Plant was conducted.
2025 The special construction business transferred to Yokogawa Bridge Corp.

Yokogawa NS Engineering Corp.

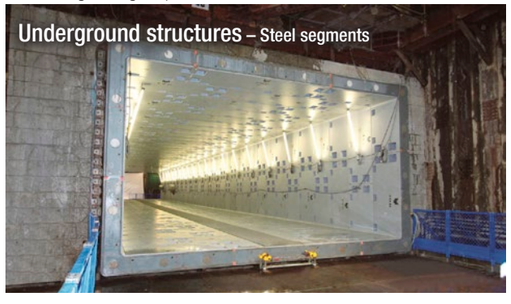
Please see our website for details.

Industry-leading comprehensive capabilities that extend from materials development, design, and manufacturing through to installation

Yokogawa NS Engineering started as an engineering company that inherited the technical solution capabilities of Yokogawa Bridge Holdings and the product development and production capabilities of Sumitomo Metal Industries (currently Nippon Steel Corporation). By carrying on the spirit of these industry leaders, the company has established an advanced business structure that is incomparably broad, covering everything from materials development and design to manufacturing and installation. The company contributes to strong national land development with advanced technological development and production capabilities and cost competitiveness in bridge construction and related products, steel segments for road tunnels and other underground structures, and jacket construction and other elements of port and harbor structures.

Company History

1977 Founded as the Engineering Division of Sumitomo Metal Industries (now Nippon Steel Corporation).
1989 Began operation in the Kashima Works as the Kashima Bridge Girder Factory.
1999 The new Kashima Bridge Girder Factory was established in Kamisu City, Ibaraki Prefecture.
2009 Sumitomo Metal Industries’ bridge business was spun off and absorbed into Sumikin Bridge Co., Ltd.
2009 Sumikin Bridge Co., Ltd. was renamed Yokogawa Sumikin Bridge Corp. to serve as a joint operating company for Yokogawa Bridge Holdings Corp. and Sumitomo Metal Industries.
2019 Yokogawa Sumikin Bridge Corp. was renamed Yokogawa NS Engineering Corp.



Narasaki Seisakusyo Co.,Ltd.

Please see our website for details.

Aiming to use our advanced technological capabilities to create bridges that satisfy local communities and develop products to meet diverse needs

Founded in 1935 as a shipbuilder, Narasaki Seisakusyo has developed into a specialized manufacturer of steel bridges and mechanical steel structures (e.g., steel pipes, ship-lifting equipment, gates, water treatment systems) using its shipbuilding technology, engaging in business in Hokkaido, Tohoku, and the rest of Japan. For the bridge business, the company will continue to expand as a leader in Hokkaido and elsewhere by further improving its technology, safety, and quality. For the mechanical steel structure business, the company will further refine its ship-lifting equipment, water treatment systems, and other distinctive products, and actively respond to diversifying needs throughout Japan.

Yokogawa Techno-Information Service Inc.

Please see our website for details.

Bridge expertise combined with IT expertise

Since its establishment in 1984, Yokogawa Techno-Information Service has developed and sold information systems and provided information processing services in the fields of civil engineering and construction. Digitization in civil engineering and construction began with the introduction of CAD in the 1970s, followed by CALS for construction in the 1990s, and has progressed to CIM and i-Construction in recent years. Yokogawa Techno-Information Service keeps pace with these advancements, and is sometimes even a step ahead as it continues to evolve. The company's series of information systems for designing and fabricating bridges and other steel structures have a robust user base.

YCE Corp.

Please see our website for details.

Supporting various bridge preservation projects as a professional organization of bridge protectors

YCE Corp. is the Group's construction consultant. Since its founding in 2000, the company has continued to grow steadily, and is now proceeding into a new stage of growth as Japan's social infrastructure shifts from construction to maintenance and updating. The company will continue using its technical capabilities in a wide range of fields—from constructing new bridges to repairing and updating existing bridges—to further fulfill its social mission as a construction consultant.

Yokogawa Techno Philippines, Inc.

Please see our website for details.

Supporting the operations of Group companies from outside Japan

Yokogawa Techno Philippines was established in 2005 when Yokogawa Bridge Holdings decided to perform some of the technical work related to steel bridge design, drawings, and structural analysis locally in the Philippines, and eventually became the Group's eighth operating company in January 2018. Now, the company provides practical support for other Group companies for steel bridges as well as engineered structure design, system development, and a broad range of other fields. The company will continue to cooperate for the advancement of the Group from overseas through human resource development, training many engineers based on the Group's stockpile of technology and knowledge.

Company Profile

As of March 31, 2025

Company name	Yokogawa Bridge Holdings Corp.
Address	4-4-44 Shibaura, Minato-ku, Tokyo 108-0023, Japan
Established	August 2007
Capital	9.4 billion yen
Number of employees	2,095 (consolidated)
Stock exchange listing	Prime Market of the Tokyo Stock Exchange Securities Code 5911
Administrator of Shareholder Registry	Sumitomo Mitsui Trust Bank, Limited

Information Related to the Company's Shares

As of March 31, 2025

Total number of authorized shares	180,000,000
Total number of issued shares	43,164,802
Number of shareholders	20,312

Major shareholders (top 10)

Shareholder	Shares (thousands)	Stake (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,287	13.06
Custody Bank of Japan, Ltd. (Trust Account)	3,161	7.81
Nippon Steel Corporation	1,987	4.91
Yokogawa Electric Corporation	1,676	4.14
STATE STREET BANK AND TRUST COMPANY 505001	1,344	3.32
Yokogawa Bridge Holdings Employee Shareholding Association	964	2.38
RE FUND 107-CLIENT AC	705	1.74
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	658	1.62
Nippon Life Insurance Company	543	1.34
JPMorgan Securities Japan Co., Ltd.	472	1.16

Notes 1. The Company holds 2,709,220 treasury shares, but is excluded from the major shareholders listed above.
The 2,709,220 treasury shares do not include the 477,164 Company shares held in the Board Benefit Trust.
2. Stakes are calculated, excluding treasury shares.

External Recognition

As of July 31, 2025

Inclusion in indexes

FTSE Blossom Japan Sector Relative Index

JPX Nikkei Mid and Small Cap Index

Certified by the Japanese Ministry of Economy, Trade and Industry

2025 Health and Productivity Enterprise (Large Enterprise Category)

DX certification

External assessments of ESG

B score, CDP Climate Change 2024 (Management Level)

MSCI ESG RATINGS A

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Yokogawa Bridge Corp.

27 Yamano-cho, Funabashi City, Chiba Prefecture 273-0026, Japan
Tel: 047-437-8000　Fax: 047-495-2910
https://www.yokogawa-bridge.co.jp/

Yokogawa System Buildings Corp.

47-1 Yamano-cho, Funabashi City, Chiba Prefecture 273-0026, Japan
Tel: 047-410-3215　Fax: 047-410-3280
https://www.yokogawa-yess.co.jp/

Yokogawa NS Engineering Corp.

16-5 Sunayama, Kamisu City, Ibaraki Prefecture 314-0255, Japan
Tel: 0479-46-6688　Fax: 0479-46-6684
https://www.ynse.co.jp/

Narasaki Seisakusyo Co.,Ltd.

385 Sakimori-cho, Muroran City, Hokkaido 050-8570, Japan
Tel: 0143-59-3611　Fax: 0143-59-4688
https://www.narasaki-ss.co.jp/

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4-4-44 Shibaura, Minato-ku, Tokyo 108-0023, Japan
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47-1 Yamano-cho, Funabashi City, Chiba Prefecture 273-0026, Japan
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