

KAWADA Group  
Integrated Report  
2025



# A corporate group that contributes to society through technology — We are the **KAWADA Group**.

## What we hope to convey through our Integrated Report

The KAWADA Group has published an Integrated Report since last year as a tool for communicating a variety of information to a broad range of stakeholders. This includes the different kinds of value we have created from the past to the present, our current management policies, strategies, and business characteristics, as well as our systems and outlook for creating value into the future.

The 2025 edition further focuses on the unique strengths and advantages of the KAWADA Group, introducing growth strategies based on group synergies from multiple perspectives.

We referred to resources such as the International Integrated Reporting Framework and the Guidance for Collaborative Value Creation advocated by the Ministry of Economy, Trade and Industry in editing this report. We have also taken into account advice received from our stakeholders.

Main period covered by this report: April 1, 2024, to March 31, 2025 (in addition, the latest information available at the time of publication has been included wherever possible)

### 2025 edition highlights

#### **Focus** Our software-related business, opening up new possibilities for society through the KAWADA Group's initiatives ▶ Page 43

We held interviews with the management team responsible for developing our software-related business, which holds the key to our growth.



#### **Roundtable discussion with Outside Directors** ▶ Page 59

Participants underline the potential and challenges of the KAWADA Group as seen from an external perspective and discuss the current state of governance.



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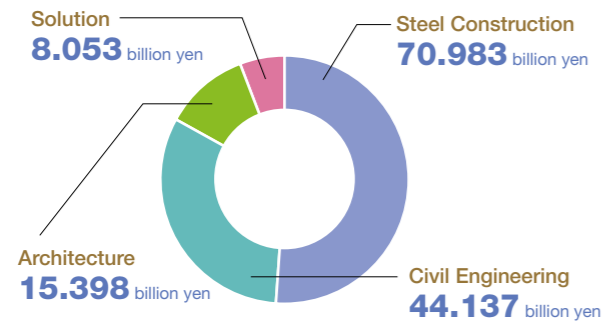
# The KAWADA Group in numbers

## Results and segment information

### Orders received

(fiscal year ended March 31, 2025)

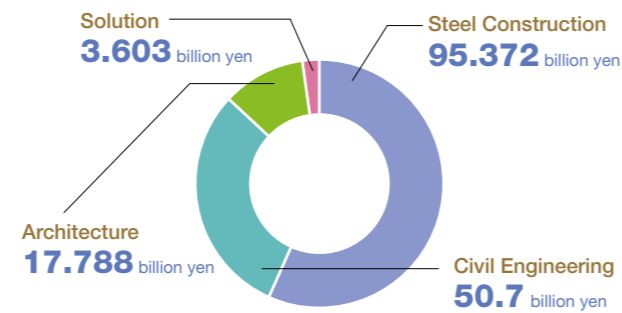
**148.2 billion yen**  
Up 12.9% YoY



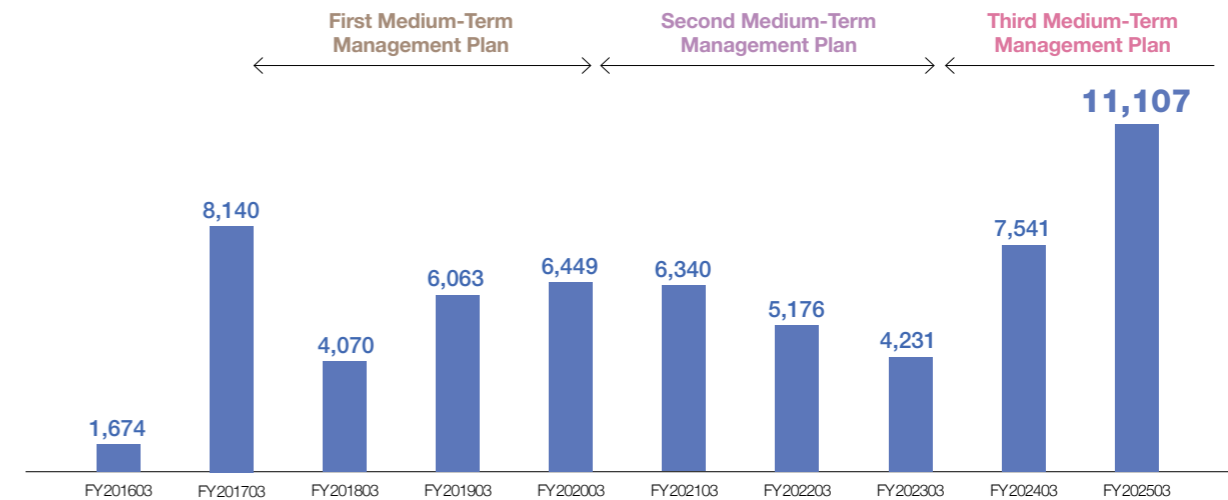
### Outstanding orders

(fiscal year ended March 31, 2025)

**167.9 billion yen**  
Up 8.5% YoY



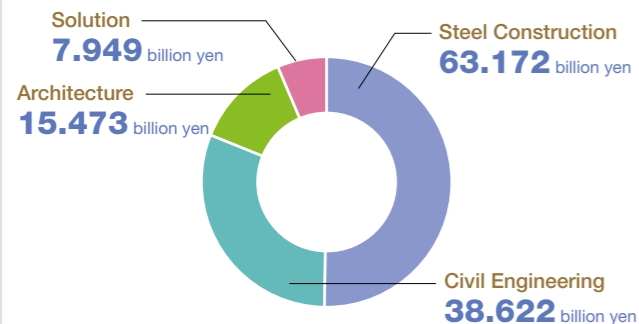
### 10-year trend for profit attributable to owners of parent (million yen)



### Net sales

(fiscal year ended March 31, 2025)

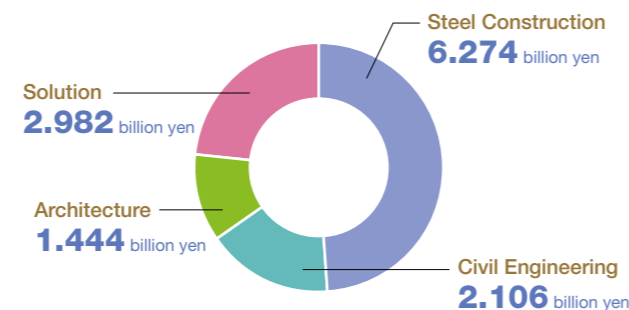
**132.9 billion yen**  
Up 2.9% YoY



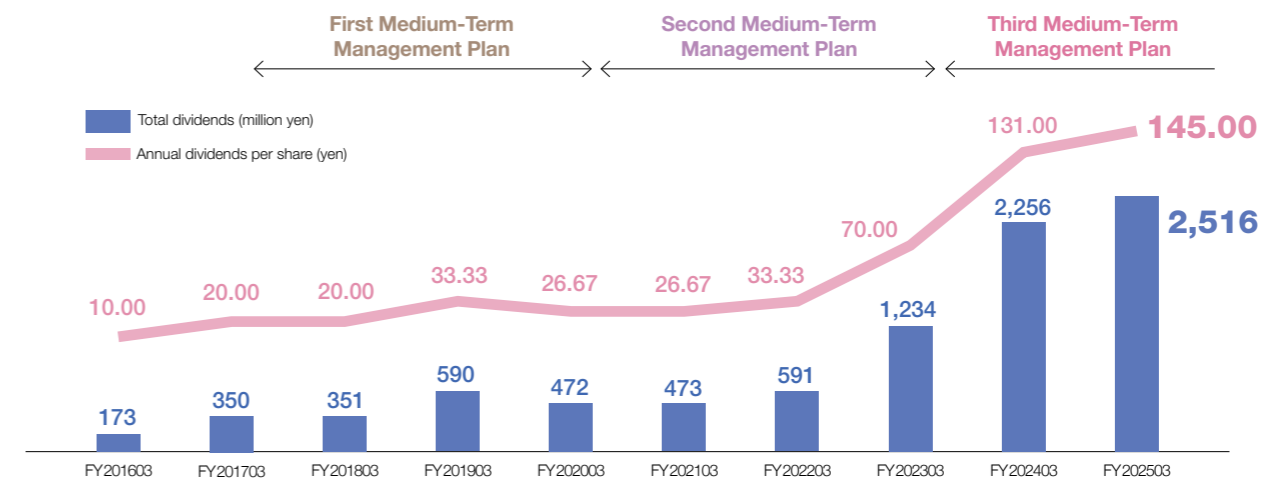
### Operating profit

(fiscal year ended March 31, 2025)

**9.6 billion yen**  
Up 10.9% YoY



### 10-year trend for total dividends and annual dividends per share



\*The donut charts only show reported segments.

## Management indicators

(as of March 31, 2025)

ROE  
**12.8%**

Capital investment amount  
**2.6 billion yen**

Spread  
**Positive**

Research and development expenses  
**1.5 billion yen**

PBR  
**0.55 times**

## Employee-related information

(as of March 31, 2025)

Number of employees  
**2,376**

Average age  
**44.8 years old**

Average tenure  
**18.1 years**

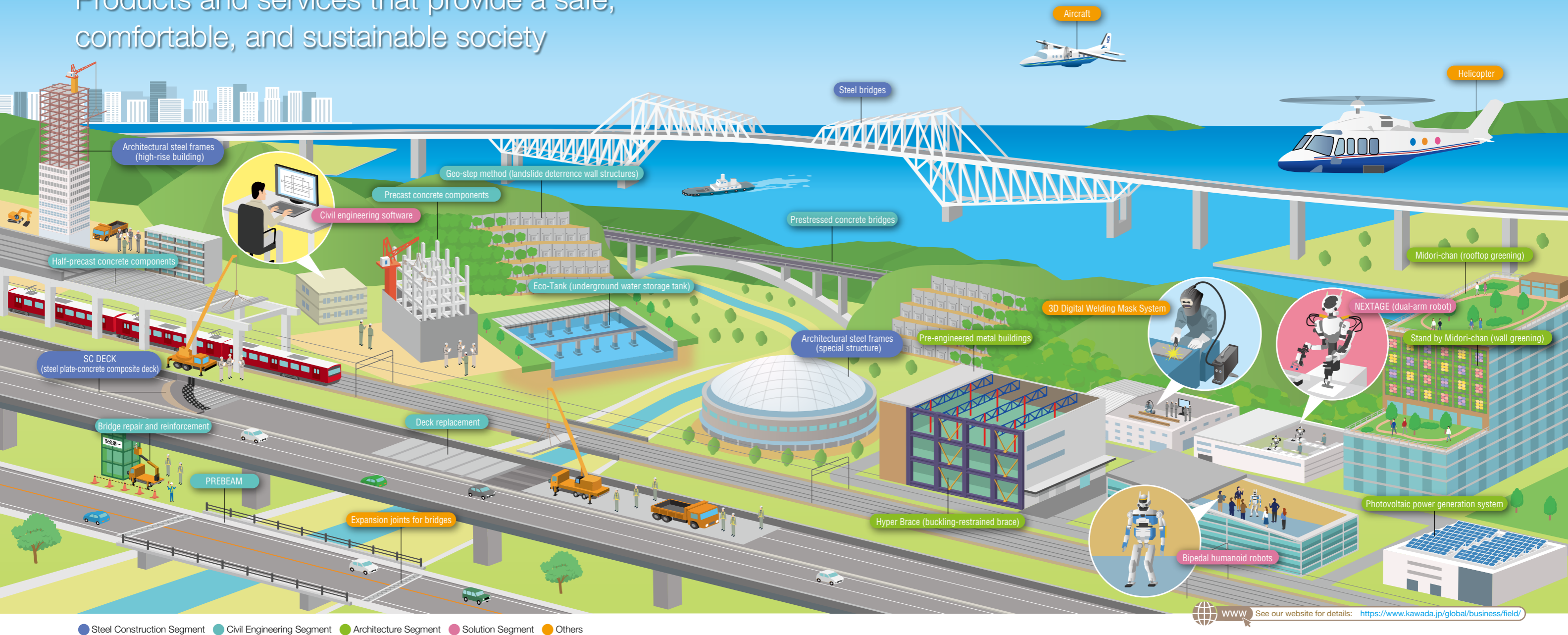
Gender ratio  
**Men 86.2% : Women 13.8%**

Percentage of employees taking childcare leave by gender\*  
**Men 88.9% Women 120%**

\*Calculated based on Article 71(6)1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, etc. and Other Measures for the Welfare of Workers Caring for Children or Other Family Members

## Business fields

Products and services that provide a safe, comfortable, and sustainable society



● Steel Construction Segment ● Civil Engineering Segment ● Architecture Segment ● Solution Segment ● Others

WWW See our website for details: <https://www.kawada.jp/global/business/field/>

## Steel Construction Segment

We are engaged in the design, fabrication, and erection of steel bridges, the fabrication and erection of architectural steel frames, and the fabrication and sale of steel products. In steel bridges, we have participated in a number of major projects, including the Akashi-Kaikyo Bridge, which has the longest span of any suspension bridge in Japan. As for architectural steel frames, we handle everything from the steel frame production to the erection work of extra-large steel structures.



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## Civil Engineering Segment

We have been involved in various projects in prestressed concrete bridges and steel-concrete composite girders and have built up a considerable track record in construction work. Furthermore, amid the rapid aging of many bridges constructed during Japan's period of high economic growth, we are accelerating various initiatives in the area of maintenance to tackle the issue.



## Architecture Segment

In addition to being involved in the construction of a large number of medium-rise general buildings, as a specialist in steel constructions, we are responding to diversifying market needs for buildings such as plants and distribution facilities with the construction of special structures and our unique low-cost pre-engineered metal buildings. Recently, we have been aiming to demonstrate our strengths in respect of a wider range of usage applications, such as hazardous materials warehouses and refrigerated storage warehouses.



## Solution Segment

For the construction industry, we provide engineering solutions centered on the sale of technical computation software and CAD packages as well as contracted bridge design, along with ICT solution services that make more efficient and organic use of information. We also contribute to improving productivity through bipedal humanoid robots and dual-armed robots designed to coexist and collaborate with humans.

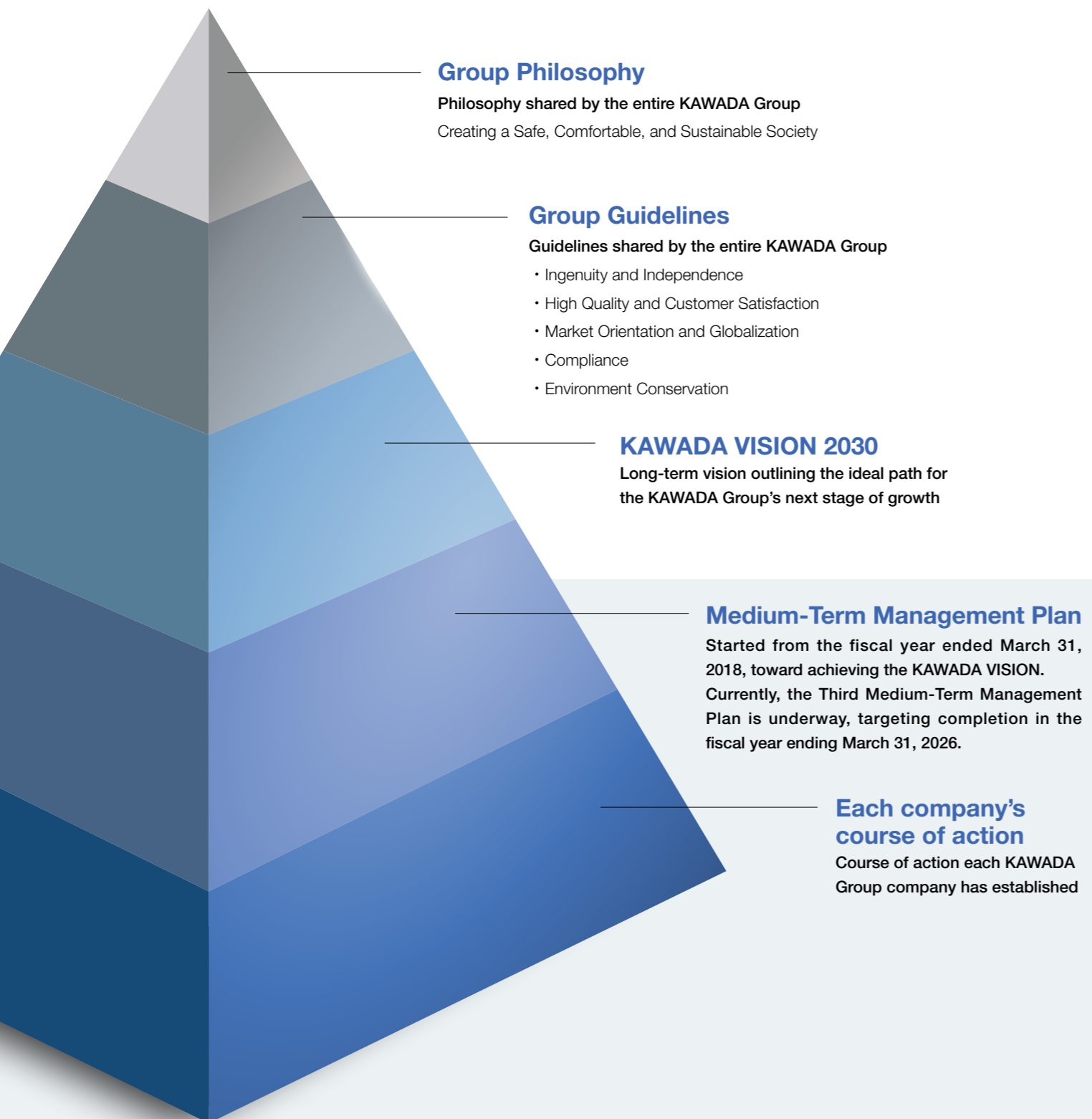


### Philosophy system

## The KAWADA Group's identity

The Group Philosophy of the KAWADA Group is "Creating a Safe, Comfortable, and Sustainable Society." Since our founding, our company has inherited the mission of "contributing to society through technology throughout the ages." With high technological capabilities and a spirit of challenge, we will continue to contribute to society by responding to various social needs and creating an environment where people can live safely and comfortably.

Based on this Group Philosophy, each group company respects the spirit of "Ingenuity and Independence," maximizes creativity, creates new synergies, and aims to improve the corporate value of the entire Group.

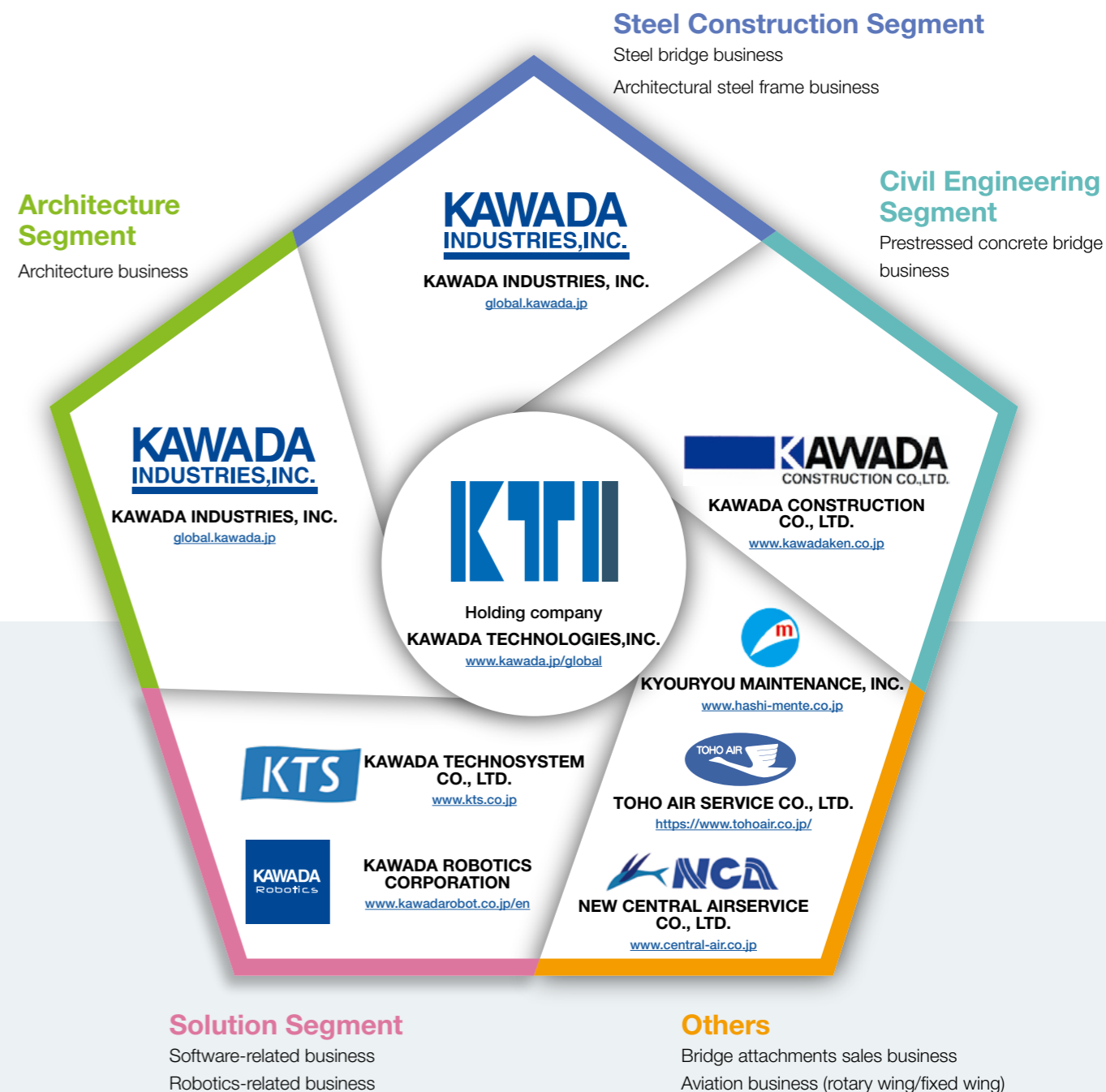


### Management structure

## Pursuing the total optimization of the Group to maximize corporate value

In order to achieve further growth and development as the KAWADA Group, we believe that it is essential to establish a management system that pursues the overall optimization of the Group, and therefore we are managing the Group using KAWADA TECHNOLOGIES as a holding company.

The KAWADA Group is working to ensure fairness and transparency in management and is striving to ensure thorough corporate governance and accelerate management, restructure businesses and integrate common operations within the Group, form flexible business partnerships with parties outside the Group, and strengthen the competitiveness and profitability of the entire Group in an aim to improve overall corporate value.



# Together with all stakeholders of the KAWADA Group, we aim to take corporate management to new heights under the spirit of Happo Yoshi (Eight-Way Good)\*

The KAWADA Group believes that the realization of Happo Yoshi, as set forth in KAWADA VISION 2030, will translate to sustainable corporate growth. With this concept at heart, we will continue to create conglomerate premium and work together with all stakeholders of the KAWADA Group to make a positive contribution to people and society.



川田 忠裕

Tadahiro KAWADA  
Representative Director and President

\*Happo Yoshi (Eight-Way Good) is a concept that builds on the Three-Way Good philosophy of Omi merchants (good for the seller, buyer, and society) and means a corporate group that benefits all stakeholders.

- [Happo Yoshi is the kind of group we aspire to be](#)
- [The three priorities of KAWADA VISION 2030](#)
- [A certain level of profit is anticipated for the fiscal year ending March 31, 2026](#)
- [The KAWADA Group's mission](#)
- [Creating a conglomerate premium](#)
- [Looking to the future](#)

The KAWADA Group has consistently confronted social challenges head-on and sought to find solutions through its businesses.

## Happo Yoshi is the kind of group we aspire to be

FY2025 marks 20 years since I became the president of KAWADA INDUSTRIES, the core company of the KAWADA Group.

Over the many years of managing this company, I have developed my own thoughts about what the KAWADA Group should aim for.

Guided by the Group Philosophy of “Creating a Safe, Comfortable, and Sustainable Society,” the KAWADA Group has consistently confronted social challenges head-on and sought to find solutions through its businesses. This spirit of embracing challenges is embedded in the DNA of KAWADA that has been passed down for more than 100 years.

Through technology, the KAWADA Group aims to provide society with value that improves people’s lives, creating a virtuous cycle of contributing to a sustainable society, which in turn contributes to the sustainable enhancement of the Group’s corporate value.

KAWADA VISION 2030 was formulated to realize this virtuous cycle, and it serves as the KAWADA Group’s long-term vision for contributing to people and society. Rather than setting numerical targets, KAWADA VISION 2030 outlines the kind of group we aspire to be.

As the leader, I was determined to ensure that our corporate associates and stakeholders would never again experience the same hardships the KAWADA Group once faced due to challenging business conditions. Through my years of managing the Group as its head, I have come to realize that self-serving management—one that pursues only its own profit solely for its own convenience—will not achieve sustainable growth for the company. When the KAWADA Group’s businesses bring satisfaction to our customers and benefit society, and when our corporate associates feel this firsthand, they are motivated to perform even better. This results in generating greater profits, enabling the growth of both the company and corporate associates while achieving an even more prosperous society. This concept is precisely what we call Happo Yoshi.

To ensure these outcomes, it is essential that we create higher added value through our businesses than ever before. In addition, we must remain a company that customers, business

partners, and all other stakeholders involved want to keep working with.

While the KAWADA Group is a B-to-B company in principle, Happo Yoshi also includes end-users. It is important to have an image of the people enjoying, working, and living safely in the structures we build, including bridges, buildings, stadiums, and event venues. Furthermore, we should aspire to be a company that many people want to join, a company where you would want your children to work.

The global bestseller *The Innovator’s Dilemma* highlights that the pursuit of short-term profits does not lead to long-term prosperity. With that in mind, we will continue to take an extended approach, take necessary risks when appropriate, and aim to realize Happo Yoshi through sound management practices from a long-term perspective.

## The three priorities of KAWADA VISION 2030

In formulating KAWADA VISION 2030, I identified three priorities for the Group: Eco-friendly, Digital, and Global.

Under the Eco-friendly priority, we are taking active steps to promote the efficient utilization of energy and the use of renewable energy across multiple areas, with the aim of achieving carbon neutrality by 2050.

Under Digital, as Japan faces an increasingly serious labor shortage, we will accelerate the installation of digital technologies, such as robots and artificial intelligence (AI). For many years, the KAWADA Group has collected and studied information on issues and needs related to construction sites.

We also have a large number of highly competent corporate associates who develop and design digital products and services that meet these demands. For example, we are developing an alignment measurement system that enables columns to be installed vertically without error for high-rise building construction, as well as automated guided vehicles (AGVs) for transporting materials at bridge construction sites. These technologies can also be adapted for use in a variety of other business applications. By improving the quality of products and services through digital technologies, the KAWADA Group aims to contribute to society toward the realization of Happo Yoshi. Robotics, in particular, holds significant potential, with the

We want to achieve Happo Yoshi around the world by being Eco-friendly, Digital, and Global.

No matter how our business portfolio may evolve, our commitment to Japan's social infrastructure remains unwavering.



AGV for transporting materials

### A certain level of profit is anticipated for the fiscal year ending March 31, 2026

In the fiscal year ended March 31, 2025, the second year of the Third Medium-Term Management Plan, we attained record-high business results that exceeded initial forecasts.

In our core businesses, while progress in the Architecture Segment was limited, with many projects still in their early phases, both the Steel Construction Segment and the Civil Engineering Segment secured revenue through the acquisition of contract modification orders for completed projects. In the Solution Segment, positioned as a growth business, the software-related business continued to perform well, supported by the promotion of digital transformation (DX) by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). The Group as a whole thus achieved strong business results.

Conversely, there is rising social and market uncertainty both domestically and internationally, and this turbulent situation is expected to continue. In the construction industry, the labor shortage surpassed expectations in both private- and public-sector projects. Coupled with the regulations on maximum overtime work introduced in April 2024, along with rising material prices and inflation leading to significant increases in construction costs, the Group's projects also saw construction delays or suspensions, as well as budget revisions.

Considering these business conditions, we cannot be overly optimistic about the business results for the fiscal year ending March 31, 2026, the final year of the Third Medium-Term Management Plan. However, profit through the fiscal year ended March 31, 2025 rose at a higher pace than expected, and a certain level of profit is anticipated for the fiscal year ending March 31, 2026. As such, our three-year cumulative profit target was revised upward.

### The KAWADA Group's mission

The KAWADA Group began as a small ironworks in Toyama Prefecture and developed its business primarily around bridges. Today, Japan's social infrastructure is rapidly aging. Moreover, the country has been hit frequently by natural disasters, such as earthquakes and typhoons that have caused severe damage in

recent years. With major earthquakes also projected to occur in the future, our country faces significant natural disaster risks. Given this environment, the KAWADA Group, which has long been *building* social infrastructure, believes that *protecting* social infrastructure is also part of its mission.

At the KAWADA Group, the Steel Construction and Civil Engineering Segments carry out renewal and repair work on aging expressways and other infrastructure and are safeguarding industry lifelines as well as people's lives and livelihoods. In addition, following the Noto Peninsula earthquake in January 2024, the Group's corporate associates contributed the expertise they gained from projects as "Hokuriku Regional Disaster Risk Management Experts," assisting MLIT activities in the affected areas and providing technical advice on road-clearing operations and restoration methods. In the Solution Segment, we are utilizing information technology to visualize social infrastructure systems including electricity, gas, and water systems. The aviation business also deployed disaster relief helicopters, operated and maintained under government contracts, to the affected areas and provided prompt disaster



Patrolling the narrow space at a bridge construction site

relief response.

Through these activities, the KAWADA Group has earned high recognition in public works and other projects for its technological capabilities and reliability, and customers have positioned us as the company of choice. The KAWADA Group considers it its mission to stay involved in the construction and maintenance of social infrastructure, which has direct implications for Japan's national strength. No matter how our business portfolio may evolve going forward, our commitment to Japan's social infrastructure remains unwavering.

### Creating a conglomerate premium

Throughout its more than 100-year history, the KAWADA Group has entered businesses where we believed we could demonstrate our uniqueness and which we believed would contribute to the sustainable enhancement of our corporate value. Even if revenue was slow at the beginning, we take pride in having persisted and built competitive advantages over time. Today, we have a wide-ranging business portfolio comprising nine business lines in four segment domains. However, that does not mean that all of our businesses maintain high profitability in the face of changing times and market conditions. In the capital market, conglomerate discount describes a situation when a low value is given to companies that conduct diversified businesses. I do not believe that specialization is good and diversification is bad. What matters is balance. As the environment surrounding businesses becomes increasingly



When different values mix together and go beyond, these new combinations lead to evolution.

complex and uncertain, the KAWADA Group must become stronger by balancing stability and growth potential through the dual management of core and growth businesses and creating a premium.

The KAWADA Group possesses thriving human assets in an array of businesses, ties with business partners cultivated through market interfaces, knowledge of various industries, and core technologies accumulated in a range of domains. It is precisely our human and technological assets that are essential for the KAWADA Group's value creation. To create value, we are increasingly seeing opportunities to exchange and combine ideas, sometimes even involving personnel at on-site operations. For example, amid an increasingly severe labor shortage in the construction industry, we are introducing robotics technologies into construction sites in an effort to realize automation and labor-saving.

As for Group-wide initiatives, we frequently hold lectures, presentations, and networking events on varying themes that cut across each Group company's businesses and research and development (R&D) activities. They have helped to deepen understanding of other business areas, and lively discussions are taking place beyond company and departmental boundaries. By organically connecting these interactions, new ideas are emerging as a premium, and we have begun to see the creation of socially meaningful businesses.

Furthermore, corporate associates from our intellectual property and technology strategy departments have joined the Innovation Promotion Committee, a cross-Group R&D organization. Additionally, we are making an inventory of the Group's technologies. By combining technologies to generate new intellectual property and utilizing AI, we are working to create further added value. These initiatives unique to a technology-driven company are contributing to the creation of the KAWADA Group's conglomerate premium.

Many people, without realizing it, tend to become confined within the boundaries of their professional fields. I believe that when different values are actively encouraged to mix together and go beyond, these new combinations can lead to evolution.

I often read books while soaking in the bathtub. Recently, I just finished reading *Other Minds*, which explores how intelligence has evolved separately in cephalopods like



Presentation by companies on their business status

octopuses and cuttlefish compared with that in mammals and birds. As you know, humans have only one brain, but octopuses have several. On top of that, octopuses have more neurons in their eight limbs than in their brains, and the limbs move as if they could think independently. I suspect octopuses perceive the world in an entirely different way from us humans. Imagine if each individual can sense, think, and act independently like an octopus's eight limbs. By cultivating an open, bottom-up corporate culture, individuals will feel more comfortable expressing their opinions, and innovative ideas will be more likely to emerge. By embedding this culture at every stage of corporate management and further increasing opportunities for each corporate associate to share their views, I believe we can elevate their engagement and promote innovation creation. This will contribute to the sustainable growth of the company and to the enhancement of corporate value.

### Looking to the future

Our price-to-book ratio (PBR), which indicates how many times our market capitalization is relative to net assets, still remains below 1. While our return on equity (ROE) exceeds the assumed cost of equity, we believe the primary reason for our low PBR is that insufficient communication of our future growth story to shareholders and investors has resulted in a low price-to-earnings ratio (PER), which is a component of PBR.

Since its founding, the KAWADA Group had developed its business primarily around bridges. However, my father, Tadaki KAWADA, who was the Group's third president, promoted business diversification, advocating that bridges would make up only one-third of the Company's business in the future. I agree with my father that, in order to make the KAWADA Group stronger, it must have a business portfolio that balances high capital efficiency, growth potential, and stability.

My role as management is to determine the direction in which the KAWADA Group should advance and to make its goals clear. To do so, I must anticipate the future, understand market trends, and invest in technology to build the necessary portfolio.

The Steel Construction, Civil Engineering, and Architecture Segments, positioned as the KAWADA Group's core businesses, are labor intensive. As Japan's workforce declines, we cannot expect significant growth if we simply carry on with past practices. This presents a major management challenge, and we recognize the sense of urgency it entails. However, because KAWADA's DNA—defined by a commitment to manufacturing and a history of overcoming crises for more than a century—has been passed down to each corporate associate, I am confident we will continue to prevail.

For example, by leveraging the KAWADA Group's core competencies in the fabrication and construction of steel structures, we can expand into new businesses, such as large-scale wind power generation and marine structures, and diversify our portfolio. In the Solution Segment, positioned as a growth business, we are scaling up and expanding products and services beyond construction into other industries, thereby building diverse revenue models while securing stable profits.

As the labor shortage becomes more serious, recruitment and retention of human resources are key, and we are implementing



measures in these areas. In addition to ensuring that corporate associates are adequately rewarded financially, we want them to find the work fulfilling. We would like to provide an environment where corporate associates can grow together with the Company. Additionally, we have introduced the Welcome Back Program, encouraging reemployment of "alumni" who have resigned from the Company. Our number of non-Japanese corporate associates has increased, as well. Progress has also been made in the promotion of female corporate associates, with mainly young women playing active roles in technology-related departments. The workforce is becoming more diverse. Human assets are the most essential element for sustainable corporate growth. We aim to build a virtuous cycle in which the company earns high recognition from customers, which in turn will encourage corporate associates to work further, and the company will continue to grow as a dynamic organization.

Outside of Japan, we intend to operate multiple high-margin businesses. Once the KAWADA brand gains traction through the success of our businesses, we will make business investments that help enrich those regions. By conducting business from a long-term perspective, we plan to gradually increase the ratio of our overseas businesses. This is one of the future visions for the KAWADA Group.


We plan to present our growth story in the Fourth Medium-Term Management Plan, scheduled for release in May 2026. Even if we face challenging conditions ahead, KAWADA's DNA will allow us to overcome adversity and press forward. This is the kind of group we aspire to be, and we will be sharing this vision with our stakeholders.

# Trajectory of value creation

For over 100 years since its founding, the KAWADA Group has pursued its mission to “contribute to society through technology throughout the ages” while “Creating a Safe, Comfortable, and Sustainable Society.”



**The beginning of KAWADA as a bridge builder**  
Went from being a jack of all trades following the war to full-scale entry into the bridge construction field. Constructed the Owatari Bridge in Toyama Prefecture.



1958 Owatari Bridge

1950s


**Introduction of new technologies from overseas**  
Quickly introduced European prestressed concrete bridges and American computers.



1968 Computer Center established

1960s to 1970s

**Increasing the amount of work without reducing the number of people**  
The Honshu-Shikoku Bridge Project was frozen due to the oil shock. Entered an era of only one-third of business coming from bridges, and focused on the architecture business and overseas construction business to overcome the crisis.



1976 Secured contract to build a hotel in Doha, Qatar

1970s

**Participation in a number of large projects**



**Japan's first air dome-style stadium**  
The technology we developed through numerous large-scale bridge projects led to the steel frame fabrication and roof cable work for the Tokyo Dome, on which construction began in 1985.



**Realization of the Bridge of Dreams**  
The Akashi-Kaikyo Bridge became the first large-scale suspension bridge in the world in 1993 to attempt the pilot rope installation method using helicopters. We brought together the full strength of the Group to make the project a success, including helicopters from Toho Air Service, cable work by KAWADA CONSTRUCTION, and calculation systems by KAWADA TECHNOSYSTEM.



**Guinness World Record-certified bronze Buddha statue**  
We completed the world's tallest bronze Buddha statue, the Ushiku Daibutsu, in 1993 after seven years of work.

1980s to 1990s

**2000s**

**Restructuring of Group synergies**  
In 2009, we transitioned to a holding company structure and established KAWADA TECHNOLOGIES. The entire Group was restructured to establish an efficient management system.



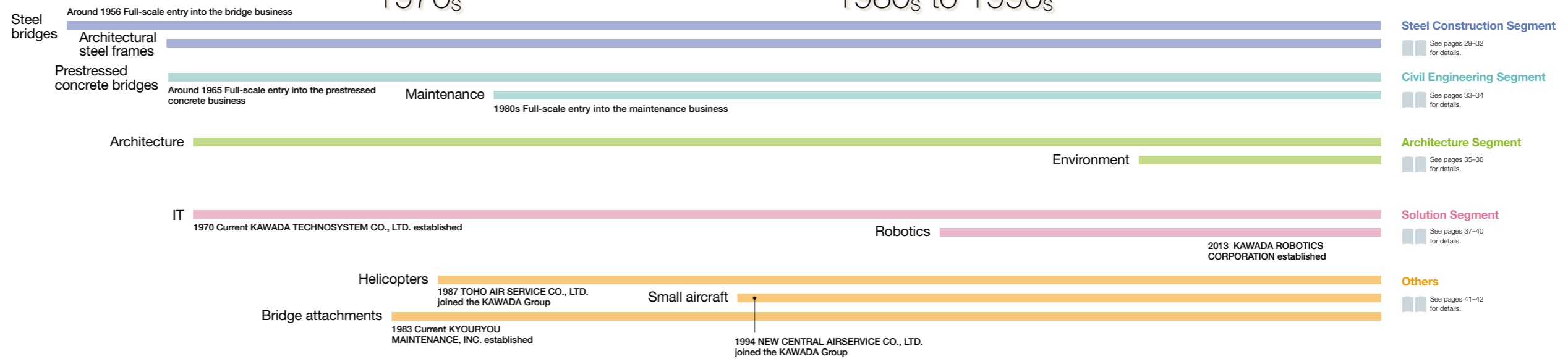
2009 KAWADA TECHNOLOGIES, INC. listed on the First Section of the Tokyo Stock Exchange

**Roots tracing back to a town blacksmith**  
Chutaro KAWADA, a blacksmith whose ancestors were sword-smiths, founded KAWADA IRONWORKS in 1922 in Fukuno Town, Toyama Prefecture (currently Nanto City).



1922 KAWADA IRONWORKS founded

1920s



History of suspension bridges by the KAWADA Group



**Owatari Bridge (1958, Toyama Prefecture)**

We were the first to use spiral rope for a suspension bridge in Japan (1957).



**Hachiman Bridge (1968, linking Nara and Kyoto Prefectures)**

We adopted the parallel wire strand (PWS) method using straight parallel cables.



**Kanmon Bridge (1973, linking Yamaguchi and Fukuoka Prefectures)**

This was the first long-span bridge that the KAWADA Group was involved in. We participated in cable installation based on our experience constructing the Hachiman Bridge.



**Innoshima Bridge (1983, Hiroshima Prefecture)**

KAWADA INDUSTRIES served as the representative company of the joint venture for erecting stiffening girders. We conducted computer-based vibration testing and stress measurements during the erection work.



**Minami Bisan-Seto Bridge (1988, Kagawa Prefecture)**

This is a road-rail bridge with a maximum span of 1,100 meters, the longest in Japan at the time.



**Akashi-Kaikyo Bridge (1998, Hyogo Prefecture)**

With a total length of 3,911 meters and central span of 1,991 meters, this bridge was the world's longest at the time. KAWADA Group companies were involved in erecting the main tower, cables, and stiffening girders, along with analytical calculations.



**New Tacoma Narrows Bridge (2007, Washington State, US)**

The bridge has a central span of 853 meters. KAWADA INDUSTRIES handled the fabrication and transportation of the main cables and stiffening girders, as well as participated in on-site construction engineering.



**Tokyo Gate Bridge (2010, Tokyo Prefecture)**

The bridge's central span of 440 meters straddles Tokyo Port Passage No. 3. We carried out two synchronized lifting and erection operations using three of the largest floating cranes in Japan.

# Value creation process

The KAWADA Group has continued to take on new technological challenges in a rapidly changing environment by leveraging the technologies and track record cultivated over the years, creating new value by continually contributing to society.

## Changes in the management environment

- |  |                                |   |
|--|--------------------------------|---|
| Lower birthrates and aging population/Declining domestic workforce | Advances in digital technology | Addressing corporate governance                                   |
| Aging of various types of social infrastructure                    | Work style reform/Diversity    | Increased market awareness of the shift toward capital efficiency |
| Intensifying natural disasters due to climate change               | Sustainability management      |   |

## KAWADA VISION 2030

- ▶ Transforming to become the strongest group through the comprehensive strength of the Group
- ▶ Achievement of Happo Yoshi

## Inputs

**Diverse capital that is the source of sustainable growth** (Data for the fiscal year ended March 31, 2025)

### Financial capital

- Total assets  
165.5 billion yen
- Net assets per share  
5,238.20 yen

### Intellectual capital

- ▶ Wide range of business areas
- ▶ Ability to win orders by responding to changes in market conditions (proposal ability, cost estimation ability, sales ability)
- ▶ Development ability (cutting-edge technology, unique products)
- ▶ Industry-leading market share, response ability
- ▶ Steel bridge business, prestressed concrete bridge business  
Industry-leading market share
- ▶ Architectural steel frame business  
Leading domestic supply capacity
- ▶ Architecture business  
Providing unique and competitive pre-engineered metal buildings
- ▶ Software-related business  
Becoming the standard for public agencies
- ▶ Management capabilities to create Group synergies

### Manufacturing capital

- ▶ Abundant production track record
- ▶ Five large production sites throughout Japan (three of which are among the few S-grade certified plants in Japan)



- ▶ Abundant construction track record
- ▶ Possesses equipment capable of performing high-difficulty specialized work



### Human capital

- ▶ Securing human resources and further improving quality
- Number of employees  
2,376 people
- ▶ A group of outstanding engineers with a track record of implementing a wide range of construction projects

### Social and relationship capital

- ▶ Trust-based relationships with partners such as customers and local communities

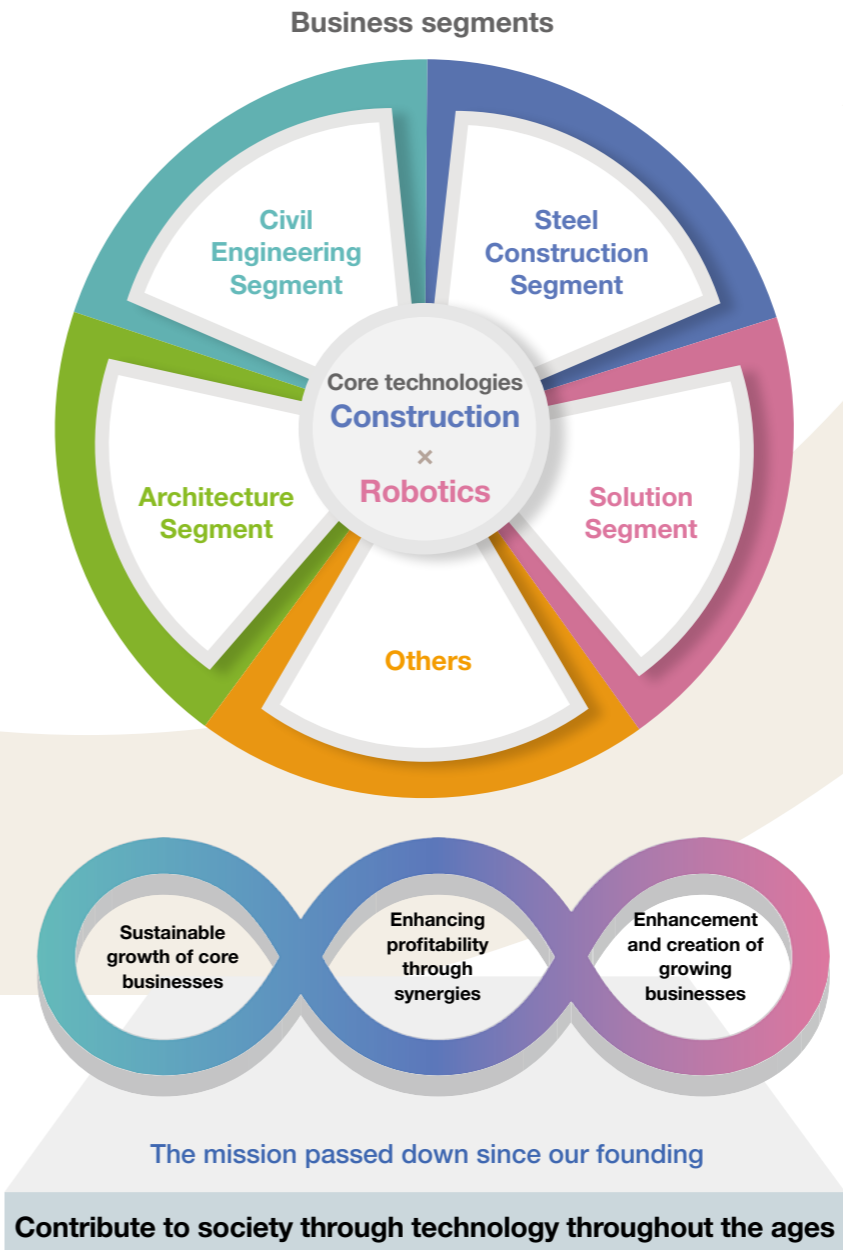


### Natural capital

- ▶ Contribution to the environment through business, such as promoting the spread of greening systems
- ▶ Disclosure of information based on TCFD recommendations



## Business model



## Outcomes

**Economic value**  
**Stable profitability**  
(Data for the fiscal year ended March 31, 2025)

- **Net sales**  
132.9 billion yen
- **Operating profit**  
9.6 billion yen
- **Profit attributable to owners of parent**  
11.1 billion yen
- **ROE**  
12.8%
- **Dividend payout ratio**  
22.6%

See pages 71-72 for details.

**Environmental and social value**

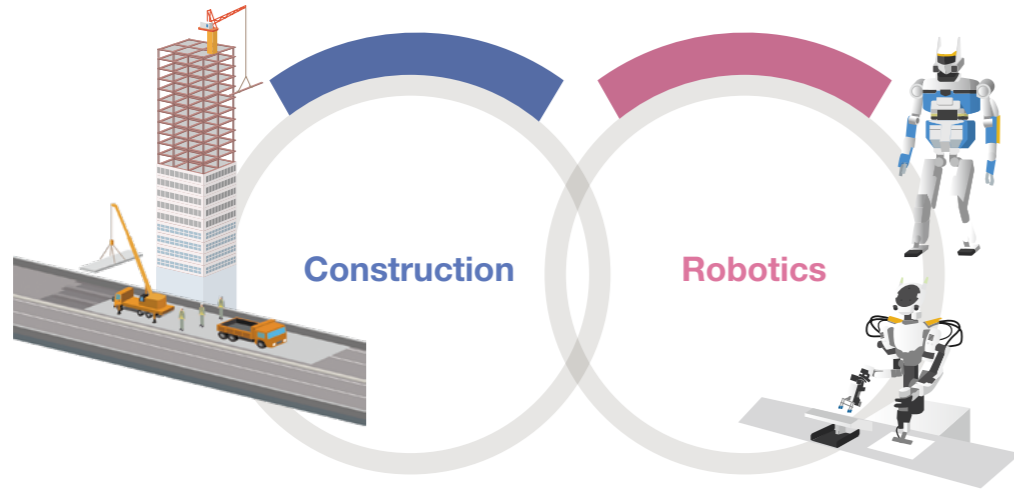
**Promoting sustainability management**

- Solving social issues through technology
- Contribution to the global environment
- Maintaining and improving a safe and fair working environment
- Complying with corporate ethics and governance
- Co-creation of value with stakeholders

See pages 51-58 for details.

# Explanation of value creation process

## Core technologies

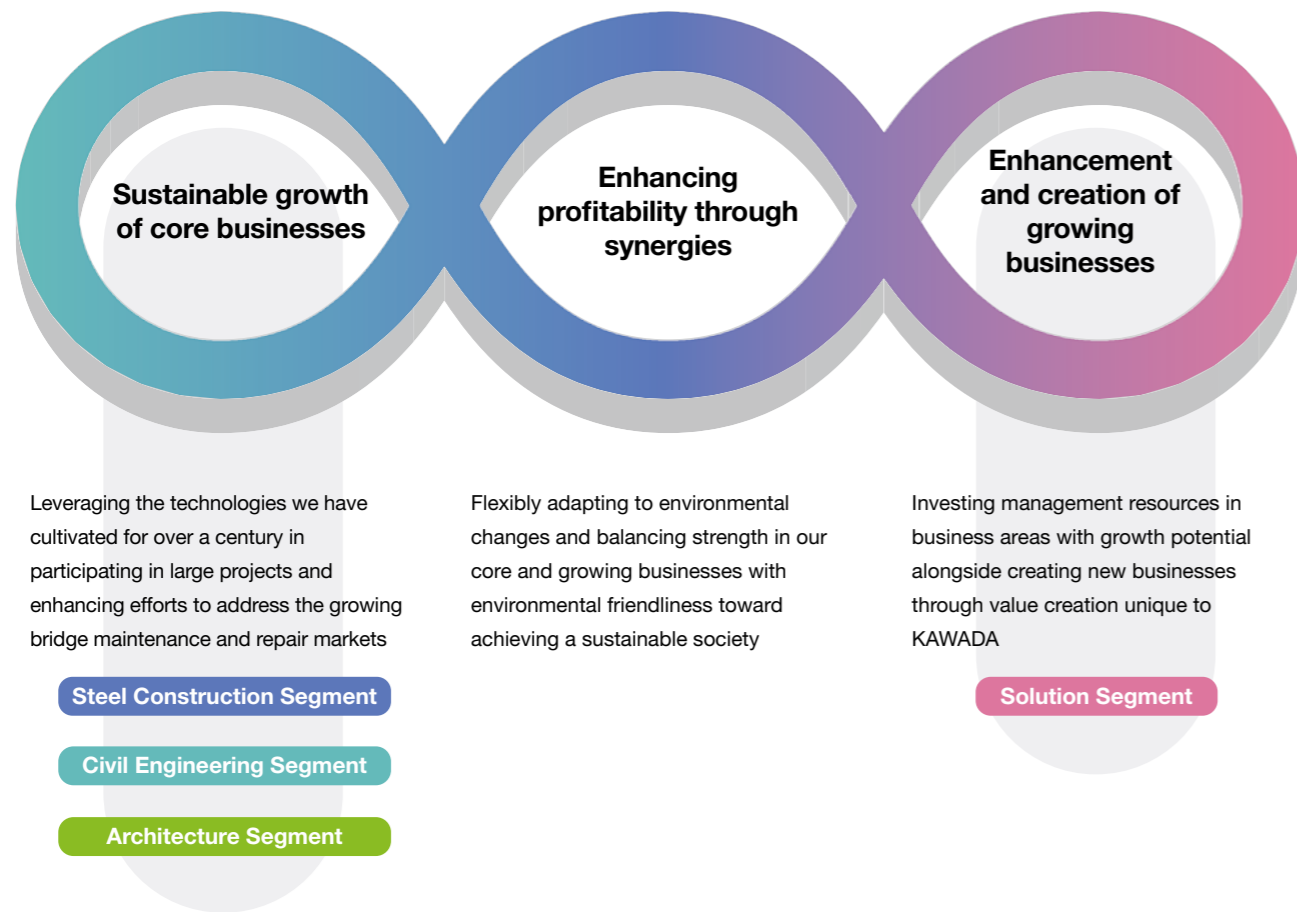


The construction industry is one of many being significantly impacted by a declining workforce linked to lower birthrates and an aging population. Relying only on conventional training methods like apprenticeships, where experienced tradespeople work alongside younger workers to pass on experience and skills, has its limitations. We are now facing the challenge of how to harness rapidly advancing digital technologies to reduce and eliminate workloads on job sites.

The KAWADA Group actively leverages the strengths of Group and partner companies working on cutting-edge technologies such as robotics and AI to promote automation and remote operations in its core businesses. Alongside this, we are accelerating digital transformation (DX) at production plants and construction sites in order to both improve quality and increase productivity.

See pages 47-48 for details.

## Business strategy



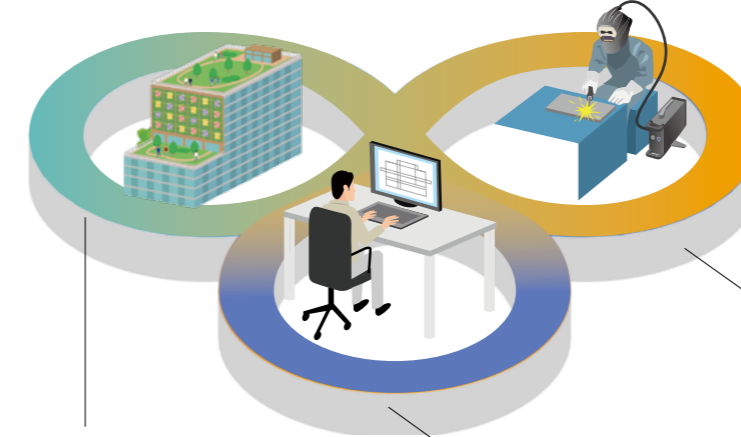
Leveraging the technologies we have cultivated for over a century in participating in large projects and enhancing efforts to address the growing bridge maintenance and repair markets

Flexibly adapting to environmental changes and balancing strength in our core and growing businesses with environmental friendliness toward achieving a sustainable society

Investing management resources in business areas with growth potential alongside creating new businesses through value creation unique to KAWADA

## KAWADA VISION 2030

### Transforming to become the strongest group through the comprehensive strength of the Group



The KAWADA Group has established KAWADA VISION 2030 as a long-term guiding principle for contributing to people and society. We aim to create a virtuous cycle under the slogans of Eco-friendly, Digital, and Global. This involves using technology to provide social value connected to improving people's lifestyles and contributing to a sustainable society, as well as linking this to enhancing the sustainable corporate value of the KAWADA Group.

#### Eco-friendly

**[Major topic]**  
Reduction of greenhouse gas emissions

- Construction methods that are both environmentally-friendly and cost-effective
- More sustainable construction materials and resources
- Designs that improve energy efficiency

#### Digital

**[Major topic]**  
Improving quality and increasing productivity through the use of DX technologies

- Streamlining business processes (alignment of design plans, etc.)
- Labor saving (ICT construction, etc.)
- Improving occupational health and safety standards (information sharing via cloud services, etc.)

#### Global

**[Major topic]**  
Developing successful products and services in Japan for overseas markets

- Preparing for business expansion in North America and India
- Planning high-value-added business development while considering a range of options including business alliances and licensing

## Achievement of Happo Yoshi



The KAWADA Group believes that self-serving management—one that pursues only its own profit solely for its own convenience—will not achieve sustainable growth for the company. Through our businesses, we bring joy to our customers and support society. Our corporate associates can then see this impact, motivating them to deliver even better results. This results in generating greater profits, enabling the growth of both the company and corporate associates while achieving an even more prosperous society. This concept is precisely what we call Happo Yoshi.

# Long-term vision and Medium-Term Management Plan

We launched our Medium-Term Management Plan based on our long-term vision, KAWADA VISION 2022.

Since then, we have been implementing a three-year plan in line with clear policies and strategies, steadily accumulating results as we work toward achieving our vision for the next 10 years—KAWADA VISION 2030.



## Third Medium-Term Management Plan

(Fiscal year ended March 31, 2024 to fiscal year ending March 31, 2026)

### STEP 3

- Sustainable growth of core businesses
- Enhancement and creation of growing businesses
- Promoting sustainability management
- Shifting to capital-efficient management

## Second Medium-Term Management Plan

(Fiscal year ended March 31, 2021 to fiscal year ended March 31, 2023)

### STEP 2

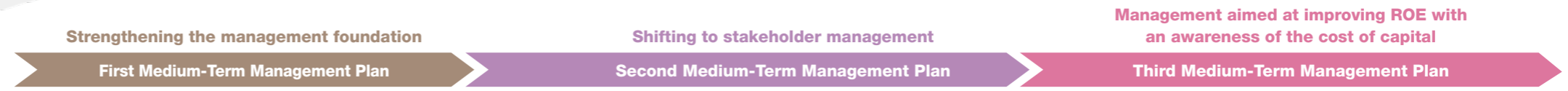
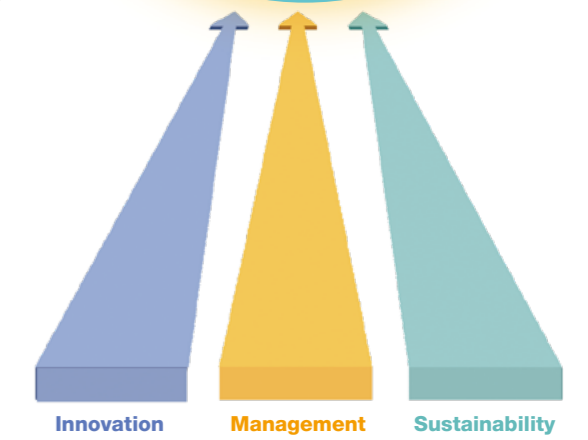
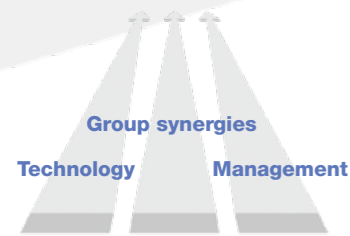
- Enhancing profitability of existing businesses
- Overall optimization of the business portfolio
- Accelerating innovation (pursuing what is uniquely KAWADA)
- Securing and developing human resources, promoting work style reform

## First Medium-Term Management Plan

(Fiscal year ended March 31, 2018 to fiscal year ended March 31, 2020)

### STEP 1

- Enhancing profitability and investing in efficiency for existing businesses
- Strengthening the management foundation
- Establishing new growth areas
- Improving human resource development and organizational capabilities



	FY ended March 31, 2020 Targets ▶ Results		FY ended March 31, 2023 Targets ▶ Results		FY ending March 31, 2026 Targets (upwardly revised in November 2025)	
Net sales	116 billion yen	127 billion yen	116 billion yen	112.4 billion yen	377 billion yen or more (3-year cumulative total)	
Operating profit	4.7 billion yen	6.7 billion yen	4.2 billion yen (Final fiscal year)	5.6 billion yen (3-year average)	26.1 billion yen or more	
Operating profit margin	4.1%	5.3%	3.6%	5.0%		
Equity ratio			3% or more improvement	3.6% or more improvement (As of March 31, 2020)		
ROE	11.3%		5.8%		8.0% or more (Final fiscal year)	
Dividend payout ratio	8.5%		16.0%		30.0% target (3-year average)	

# We will charge full speed ahead to ensure the sustainable growth of the KAWADA Group, a responsible guardian of social infrastructure



**Satoru WATANABE**  
 Managing Director  
 In charge of Management Planning, Finance, Investor Relations, and ICT

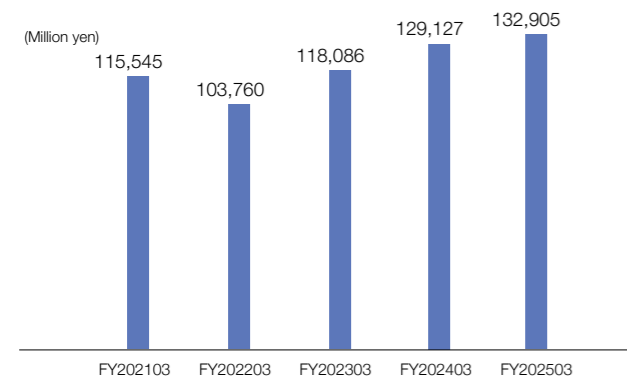
### Continued revenue and profit growth

In the fiscal year ended March 31, 2025, consolidated net sales were 132.905 billion yen (up 2.9% year on year), operating profit 9.684 billion yen (up 10.9% year on year), and profit attributable to owners of parent 11.107 billion yen (up 47.3% year on year), marking revenue and profit growth in net sales and profits and record-high business results.

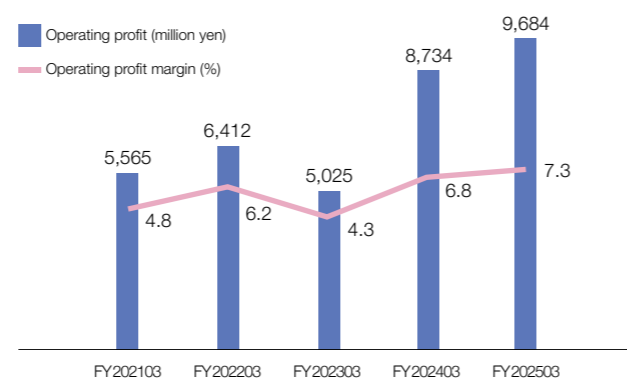
In the bridge business (steel bridge business of the Steel Construction Segment and prestressed concrete bridge business of the Civil Engineering Segment), while the number of project orders for new bridge construction waned, demand for

renewal and maintenance projects remained stable. In the steel bridge business, steady progress in large-scale projects and the acquisition of orders for contract modifications led to revenue and profit growth. In the prestressed concrete bridge business, revenue increased, whereas profit decreased due to the absence of orders for contract modifications, the large number of projects with upfront costs, and the recognition of provision for loss on construction contracts for certain defective works. In the steel frame business of the Steel Construction Segment, postponement of projects and delays in construction periods factored into a revenue decrease. On the other hand, profit increased due to the acquisition of orders for contract

### Net sales



### Operating profit and operating profit margin



modifications. In the Architecture Segment, sales were constrained as many projects were still in their early stages and had not yet reached full-scale operation. As a result, both revenue and profit declined. In the Solution Segment, the software-related business continued to drive strong business results, supported by the promotion of digital transformation in construction through “building/construction information modeling, management” (BIM/CIM) by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). This resulted in revenue and profit increases.

### Upward revisions for the final year of the Medium-Term Management Plan and market changes

Through the fiscal year ended March 31, 2025, the second year of the Third Medium-Term Management Plan, profit accumulated faster than expected. Additionally, robust business results are generally forecast for the third year of the plan. For these reasons, we have revised upward the cumulative three-year final targets in the Third Medium-Term Management Plan. While net sales are expected to fall short of the target, the target for operating profit was revised upward to 26.1 billion yen or more (up 40.3% from the initial target), profit attributable to owners of parent to 26.1 billion yen or more (up 67.3% from the initial target), and profit excluding share of profit/loss of entities accounted for using the equity method to 19.6 billion yen or more (up 62.0% from the initial target). These upward revisions are largely attributable to the higher-than-anticipated acquisition of orders for contract modifications in the Steel Construction and Civil Engineering Segments.

The bridge market has undergone major structural changes in recent years. It was once dominated by new construction, where products are fabricated in plants and erected on site. Now, the share of renewal and maintenance of aging bridges is expanding rapidly.

Renewal and maintenance work varies greatly by site and does not always proceed as previously anticipated. Repair methods, scope, and even construction periods may change depending on the on-site situation. Adapting to such changes flexibly and managing the work site while coordinating upstream and downstream supply chains requires a high level of engineering skills. Since companies that genuinely possess such capabilities are limited, our Group has been able to steer contract modifications negotiations to favorable outcomes more than we had expected. This shows that customers hold our abilities in high regard, including our technological capabilities, proposal ability, and quality management capabilities we have developed over the years. To continue delivering higher quality work, we need to constantly refine our engineering skills, including our technological proposals.

Conversely, the fact that we are receiving higher-than-anticipated orders for contract modifications may indicate strained budgets for customers. We have seen delays, postponements, or cancellations in planned project releases.

Renewal and maintenance work is performed primarily on site and requires less fabrication in plants than new construction. Moreover, because rising material and labor costs pushed up unit prices amid stagnating public works budgets, there was a noticeable decline in the number of project orders measured by tonnage. What this means is that our plants have underutilized production capabilities. As this trend is projected to continue for some time, we will actively pursue fabrication of new structures other than bridges, such as offshore wind power facilities, which are projected to have a large market in the future. We believe that it is essential to restructure our operations in anticipation of these environmental changes.

### Partial changes to the numerical targets of the Third Medium-Term Management Plan

	First Medium-Term Management Plan (Results)	Second Medium-Term Management Plan (Results)	Third Medium-Term Management Plan (Initial targets)	Third Medium-Term Management Plan (Revised on May 13, 2025)	Third Medium-Term Management Plan (Revised on November 11, 2025)
Net sales (3-year cumulative total)	352.6 billion yen	337.3 billion yen	391 billion yen or more	391 billion yen or more	377 billion yen or more
Operating profit (3-year cumulative total)	17.2 billion yen	17 billion yen	18.6 billion yen or more	26.1 billion yen or more	26.1 billion yen or more
Profit (1) (3-year cumulative total)	16.5 billion yen	15.7 billion yen	15.6 billion yen or more	26.1 billion yen or more	26.1 billion yen or more
Profit (2) (3-year total, excluding share of profit/loss of entities accounted for using equity method)	10.9 billion yen	10.9 billion yen	12.1 billion yen or more	19.6 billion yen or more	19.6 billion yen or more
ROE (1) (Final fiscal year)	11.3%	5.8%	8.0% or more	8.0% or more	8.0% or more
ROE (2) (Final fiscal year, excluding share balances of subsidiaries and associates)	15.5%	7.3%	11.0% or more	11.0% or more	11.0% or more
Shareholder returns (3-year average)	8.5%	16.0%	30.0% target	30.0% target	30.0% target

### The software-related business is the key to growth

The business with the most momentum in the KAWADA Group is the software-related business of the Solution Segment. KAWADA TECHNOSYSTEM, the company that runs this business, provides the civil engineering industry with solutions, such as proprietary 3D CAD systems and information sharing systems, through a subscription-based model.

In the civil engineering industry, it is common to determine the overall basic specifications in the initial design phase through a process called schematic design, and then determine the specifications required for actual construction and manufacturing through detailed design. However, progress has been slow in linking data between the 3D models used in schematic design and the 2D drawings created in detailed design. MLIT, which is promoting the adoption of BIM/CIM, aims to speed up this linkage and enable unified management of estimation, design, fabrication, and other data in approximately three years. This initiative will undoubtedly provide a tailwind for KAWADA TECHNOSYSTEM, which excels in both 3D modeling and 2D detailed design.

Moreover, the company has been embarking on a series of new initiatives under the concept of Information Services Consultant, rapidly tapping into the river, electric power, gas, and water system markets and making product improvements. These initiatives, if achieved, are expected to dramatically increase the overall scope of markets in which the company can participate.

### Future-oriented business portfolio transformation

In the 1970s, when the bridge business accounted for the majority of the Group's business results, we predicted that demand for bridges would decline sharply in the future. Forecasting that bridges would make up only one-third of our business, we have proactively pursued business diversification. Today, we operate nine business lines across the Steel Construction, Civil Engineering, Architecture, and Solution Segments. Each has developed its own strengths, and they form an organically connected business structure as needed.

Although our in-house helicopter development business launched in the 1980s did not see the light of day, the technologies we refined through our unmanned helicopters equipped with autonomous flight systems have paved the way for the development of bipedal robots and have been succeeded by our current industrial dual-arm robot business. Now, we are exploring how we can apply the robotics technology we have cultivated over the years, among other

cross-segment initiatives, toward automation and labor-saving at construction sites. Our growing software business traces its origin to when we, as a late entrant into the bridge market, introduced computers (then cutting-edge technology) ahead of competitors in order to increase the efficiency of our design work.

We are the company we are today because we took the initiative to go beyond the bridge business. Always looking ahead, we have challenged ourselves through research and development to discover new business possibilities. We will remain unbound by "how things should be" and, with an eye on the future, work toward "Creating a Safe, Comfortable, and Sustainable Society."

### Equity-method affiliate: SATO KOGYO

We hold 49.9% of the shares of mid-tier general contractor SATO KOGYO CO., LTD. making it an equity-method affiliate of the Company. This relationship's roots trace back to 2003, when we supported SATO KOGYO's business restructuring. SATO KOGYO is a general contractor that not only excels in civil engineering projects, especially tunnel works. It has also ventured into overseas markets from early on and established a solid presence, primarily in Southeast Asia.

For more than 20 years, our two companies have built a positive relationship, searching for and creating business synergies with each other. Business-wise, there is significant potential, such as for undergrounding above-ground structures, and we intend to continue exploring various opportunities with SATO KOGYO, which has many outstanding technologies and human resources.

Meanwhile, from the perspective of profitability and capital efficiency, the company lags behind industry peers, which in turn causes our ROE to decrease. We have long reflected our proportional share of equity-method affiliate SATO KOGYO's profits and losses in our own profits and losses. By applying the equity method to investments in SATO KOGYO, the cumulative profits KAWADA has recognized account for more than 40% of its current retained earnings. Under the equity method, SATO KOGYO's profits and losses still have a relatively large influence on KAWADA's profit and loss statement. In this regard, SATO KOGYO's business condition has a substantial impact on KAWADA. We will continue urging SATO KOGYO to achieve profitability and capital efficiency levels comparable to its peers while making efforts to further deepen governance.

### Improving our financial position and investing in the future

Under the Second Medium-Term Management Plan, we took

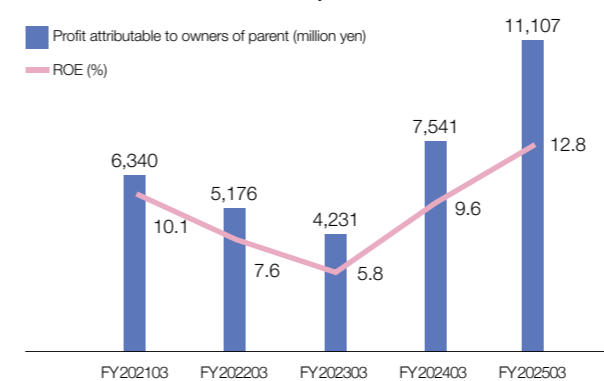
steps to improve our financial position as a key priority, and each operating company steadily accumulated profits. As a result, our equity ratio increased to a certain extent. In the subsequent Third Medium-Term Management Plan, we set ourselves the task of promoting management that is conscious of the cost of capital and aims to improve ROE, while also strengthening the management foundation that supports such efforts.

We had initially estimated our cost of capital to be around 7%. Even in today's environment of positive interest rates, ROE was 12.8% in the fiscal year ended March 31, 2025 and averaged 11.2% over the first two years of the Third Medium-Term Management Plan. That said, we are by no means satisfied with these levels. Given that our current PBR remains below 1, we intend to accumulate results and meet market expectations. One factor contributing to our PBR being below 1 is our low PER. We interpret the relatively low PER as an indication that KAWADA's future is not viewed as promising. To counter this perception, we intend to present a compelling growth story that will meet the market's expectations in the Fourth Medium-Term Management Plan, scheduled for release in May 2026.

Additionally, the low PBR may partially owe to the conservative approach we took toward forecasting future business results. Because our company pays dividends based on the payout ratio, weaker business results forecasts mean lower expected year-end dividends. This may have unnecessarily increased share price volatility and made long-term ownership of our stock appear riskier. In this light, starting with our business results forecast for the fiscal year ending March 31, 2026, certain stretch targets have been incorporated into the prospect values.

We arrived at this approach through dialogue with institutional investors and others. I frequently engage with them in individual meetings, as well, and these conversations often trigger revelations due to their insightful perspectives that differ from my own. I will continue to establish opportunities for direct discussions, and through constructive dialogue, I will promote

Profit attributable to owners of parent/ROE



improved corporate management. Not limited to disclosure of business results, we will ensure that our messages are also timelier and clearer.

From the fiscal year ended March 31, 2025, we have begun providing an interim dividend in addition to the year-end dividend to enhance opportunities for returning profits to shareholders. Our target dividend payout ratio is 30%. While seeking to expand profits, we will continue to implement a variety of initiatives to increase the number of stable shareholders who will become fans of the KAWADA Group in the long term.

### From braking to accelerating

I believe the KAWADA Group is a corporate group with significant untapped potential for the future. The Group has ample resources for growth and an inherent strength that enables it to overcome adversity. During periods of extremely challenging business conditions, while struggling with mounting problems and uncollectible receivables, I made management decisions giving top priority to ensuring the survival of the company and protecting our corporate associates and their families. At a time when risk was a foremost concern, I played the role of applying the brakes, and half jokingly, I was called not a "yes-man" but "Mr. No-man." I believe this period is already behind us. Going forward, there will be times when I continue to apply the brakes. However, through deeper engagement with the Group's management team and the proactive reinvestment of operating cash flow into growth investments, I will step on the accelerator at the right moments to enhance our corporate value.

# Large projects expected to be ordered in the future

The KAWADA Group has positioned its Steel Construction, Civil Engineering, and Architecture Segments as core businesses. Leveraging the technologies we have cultivated for over a century, we participate in large-scale projects while enhancing our efforts to address the growing bridge maintenance and repair markets. Among these, we present a selection of major large-scale projects for steel bridges, prestressed concrete bridges, and architectural steel frames that we expect will be ordered in the future.

## Architectural steel frames

### Tokyo metropolitan area

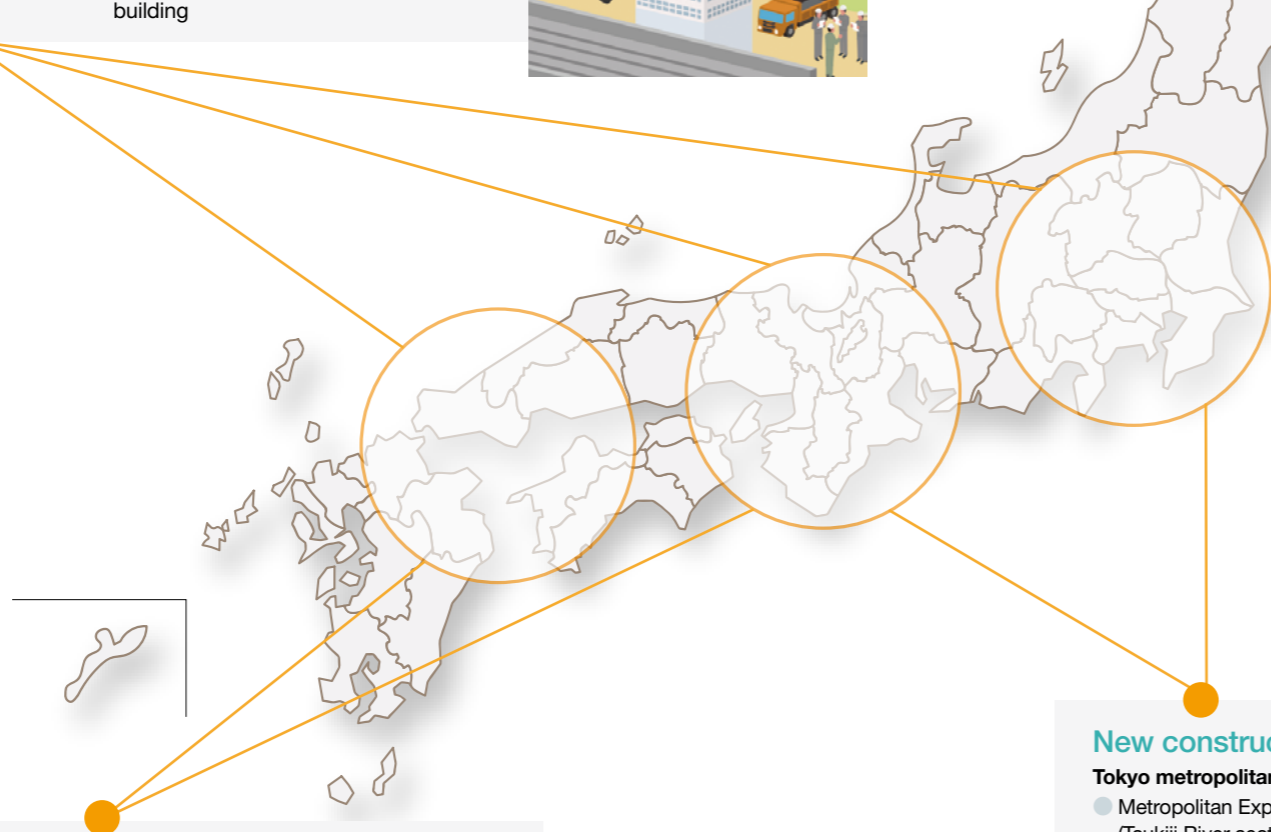
- Odakyu Shinjuku Station West Exit Area Development Project (SNP) ground level
- Uchisaiwaicho 1-chome District (Central Zone) NTT Hibiya Tower
- Uchisaiwaicho 1-chome District Redevelopment North Block
- Nihonbashi 1-chome East District (Block A)
- Shibuya 2-chome West District (Block B)
- Ikebukuro West Exit Redevelopment (Development B)
- Shinagawa Station West Exit Area B-1-2

### Kansai and Chubu areas

- PDB Project
- Kyoto Central Post Office Site Redevelopment
- Meitetsu-Kintetsu Nagoya Station District Redevelopment Project

### Chugoku and Kyushu areas

- Fukuoka ANS Tenjin 2-chome South Block Project, West Block Redevelopment
- Micron Memory Japan FAB 15 new building



## New construction of steel bridges

### Kansai area

- Osaka Wangan Expressway Western Extension

### Chugoku and Kyushu areas

- Shimonoseki-Kitakyushu Road



## New construction of prestressed concrete bridges

### Tokyo metropolitan area

- Metropolitan Expressway Inner Circular Route (Tsukiji River section) Sannogawa Bridge, Ginza/Shintomi districts retaining wall and other works

### Kansai area

- Sugitanigawa Bridge and two other bridges, Shin-Meishin Expressway (prestressed concrete superstructure) Design and construction (construction work phase two)
- Yodogawa Bridge works, Shin-Meishin Expressway (phase two)
- Sugitanigawa Bridge (outbound line), Shin-Meishin Expressway (prestressed concrete superstructure) Design and construction (construction work phase two)

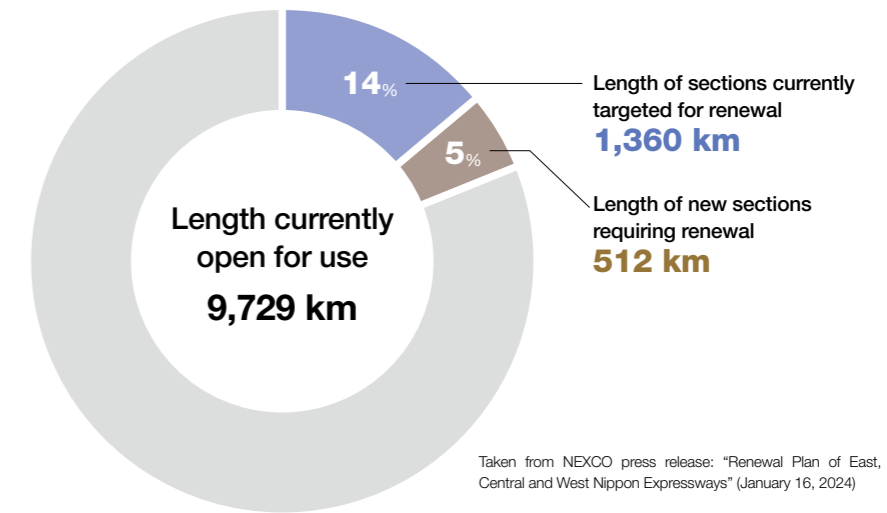


## Expressway renewal projects

There are also numerous renewal works planned for aging expressways.

NEXCO is currently carrying out renewal works on **about 1,360 km** of the approximately 10,000 km of expressways under its management (**about 14% of the total length of its expressways currently open for use**).

Additional sections newly identified as requiring renewal **total 512 km (about 5% of the total length)**.



Taken from NEXCO press release: "Renewal Plan of East, Central and West Nippon Expressways" (January 16, 2024)



## Steel Construction Segment Steel bridges

We will prevail in an era of intense competition by leveraging the comprehensive strength of Group companies



### Masahiro EZAKI

Director, General Manager of Bridge Division  
KAWADA INDUSTRIES, INC.

- Apr. 1988 Joined KAWADA INDUSTRIES, INC.
- Apr. 2018 General Manager of Toyama Plant, Hokuriku Division, KAWADA INDUSTRIES, INC.
- Apr. 2021 Executive Officer, Deputy General Manager of Production Management Department, Bridge Division, KAWADA INDUSTRIES, INC.
- Apr. 2022 Executive Officer, Deputy General Manager of Bridge Division, KAWADA INDUSTRIES, INC.
- Apr. 2025 Executive Officer, General Manager of Bridge Division, KAWADA INDUSTRIES, INC.
- Jun. 2025 Director, General Manager of Bridge Division, KAWADA INDUSTRIES, INC. (present position)

Steel Construction Segment net sales (fiscal year ended March 31, 2025)

**63,172 million yen (up 2.7% YoY)**

Steel Construction Segment operating profit (fiscal year ended March 31, 2025)

**6,274 million yen (up 35.0% YoY)**

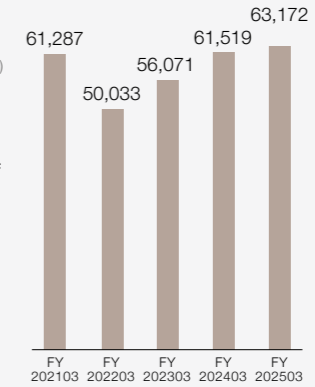
#### Main business activities

Design, fabrication, erection, and installation of steel bridges, and sale of steel products

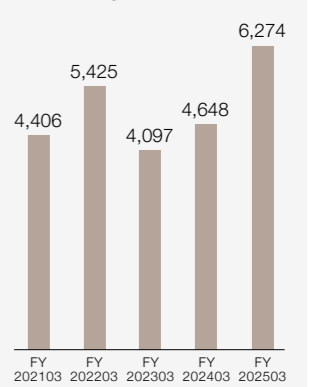
#### Business policies in the Third Medium-Term Management Plan

- (1) Strengthen ability to win orders for the construction of bridges (participation in large-scale projects)
- (2) Increase orders for maintenance and renewal projects
- (3) Pursue new markets (marine structures, overseas)
- (4) Promote digital transformation and green transformation

Net sales (million yen)



Operating profit (million yen)



### Characteristics and strengths of the business

The steel bridge business of the Steel Construction Segment has established a leading position in the industry. The business handles design, fabrication, erection, and maintenance, primarily for public works projects. It has been involved in numerous major works, ranging from the construction of long-span bridges, such as suspension bridges, to fatigue repairs and large-scale renewals of steel bridges. There are two production sites: the Shikoku Plant, which has a quay and excels in large structures, and the Toyama Plant, which produces unique products. Equipped with advanced technical capabilities and know-how in fabrication and construction, their strength lies in the ability to accommodate all structural forms.

The steel bridge business also fabricates steel plate-concrete composite products, such as composite decks (product name: SC DECK) and PREBEAM girders. In addition to use in bridges, SC DECK is increasingly used for tunnel decks. PREBEAM girders, by allowing wider pier spacing even with a shallow girder height, offer the advantage of not disrupting river water flow.

### Business environment

In the steel bridge business, public works orders are budgeted based on the contract amount. Because soaring material and labor costs have sharply driven up unit prices, the amount of project orders measured by tonnage has tended to decline year after year. Meanwhile, as part of the effort to increase national resilience, rising orders are expected for projects to strengthen aging infrastructure, development of high-standard road networks in preparation for major disasters such as the Nankai Trough earthquake, widening of toll roads to four lanes, and seismic reinforcement of bridges along emergency transportation routes. Additionally, with orders anticipated for large projects, such as the Osaka Wangan Expressway Western Extension Project, focused efforts must be made in both bridge construction and maintenance work.

In addressing the labor shortage affecting the construction industry as a whole, it is necessary to improve productivity using ICT, while simultaneously advancing sustainability management, which is regarded as a key element of corporate social responsibility.

### Status of initiatives in the Third Medium-Term Management Plan

In the fiscal year ended March 31, 2025, the second year of the Third Medium-Term Management Plan, orders for bridge construction declined. However, we received orders for large-scale projects from expressway companies and were able to secure a stable volume of orders. Furthermore, both sales and profits significantly exceeded targets, driven by orders for contract modifications for previously awarded projects.

To address the labor shortage arising from the aging of engineers and skilled workers, and to comply with regulations on maximum working hours, we accelerated automation and labor-saving through the use of robotics technologies and digital technologies at both plants and construction sites. For example, we developed and installed automated paint-coating robots and automated coating thickness inspection robots at our plants, automated bridge component positioning and automated quality and construction management systems at construction sites, and automated material transport systems at maintenance sites. We have also taken initiatives to reduce greenhouse gases. At our plants, these include the installation of solar power systems and the utilization of electric furnaces to meet specification

changes, and at construction sites, we are promoting the use of hydrogen fuel, among other measures.

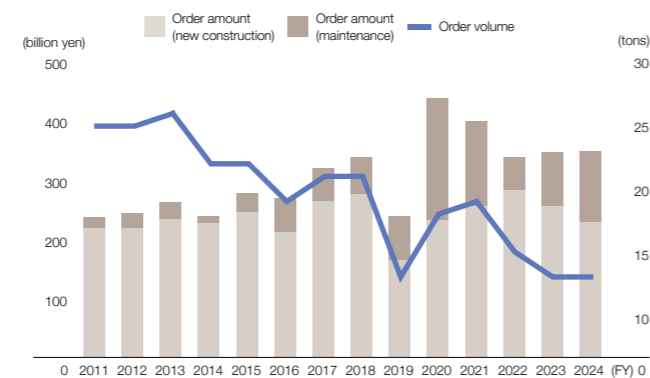
In the medium to long term, during which the construction of bridges is expected to decline, we will further enhance our ability to win orders to expand market share. At the same time, we will continue developing technologies for increasing national resilience, while expanding the applications of technologies we have already developed, such as using SC DECK for tunnel decks and deck replacements. Additionally, we will increase opportunities to receive orders for products other than steel bridges by applying technologies accumulated through our involvement in many steel bridge construction works and creating added value for civil steel structures, such as offshore wind power facilities. We will also leverage the competitive advantage of the Shikoku Plant, which has a quay and can ship large structures.

Within the KAWADA Group, KAWADA CONSTRUCTION possesses prestressed concrete bridge technologies and extensive experience in major maintenance works, while KAWADA ROBOTICS has advanced robotics technologies. By working with these Group companies and harnessing the Group's comprehensive strength, we will further enhance our competitiveness and prevail in the era of intense competition ahead.



Furu Bridge (awarded the Governor's Award in the Civil Engineering category, FY2024 Toyama Prefecture Outstanding Construction Work Awards)

### Transition of order amounts and volumes for steel bridges



### Interview

#### Employee interview

### Tomoki TODA

Assistant Manager of Tokyo Construction Section, Tokyo Construction Department, Construction Management Department, Bridge Division  
KAWADA INDUSTRIES, INC.

The Construction Management Department I belong to is primarily responsible for overseeing construction at work sites. To complete a project, we operate in close communication with customers, internal departments, and partner contractors.

On the scene, various issues arise that require significant effort and challenges to resolve. However, when a project is completed with the support of both senior and junior colleagues, I feel a great sense of achievement. I am proud to be involved in building great infrastructure that will leave a lasting mark on the map, and I will continue to dedicate myself to this work.



## Steel Construction Segment Architectural steel frames

We are enhancing cost competitiveness in anticipation of market recovery, alongside actively promoting automation and labor-saving



### Yasufumi TAKAHASHI

Managing Director, General Manager of Steel Structure Division,  
Supervising Procurement Department  
**KAWADA INDUSTRIES, INC.**

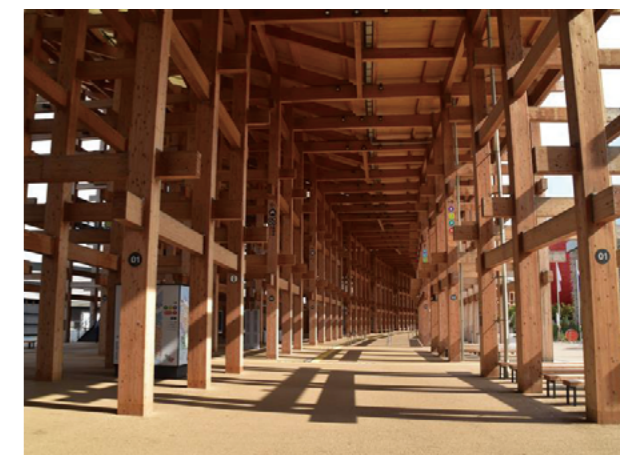
Apr. 1983 Joined KAWADA INDUSTRIES, INC.  
Apr. 2011 General Manager of Tokyo Sales Department, Steel Structure Division, General Manager of CE Promotion Office, KAWADA INDUSTRIES, INC.  
Apr. 2013 General Manager of Tochigi Plant, Engineering Management Department, Steel Construction Division, KAWADA INDUSTRIES, INC.  
Apr. 2016 Executive Officer, General Manager of Tochigi Plant, Production Department, Steel Construction Division, KAWADA INDUSTRIES, INC.  
Jun. 2022 Director, General Manager of Steel Structure Division, General Manager of Tochigi Plant, KAWADA INDUSTRIES, INC.  
Jun. 2025 Managing Director, General Manager of Steel Structure Division, Supervising Procurement Department, KAWADA INDUSTRIES, INC. (present position)

#### Main business activities

Design, fabrication, erection, and installation of architectural steel frames, and sale of steel products

#### Business policies in the Third Medium-Term Management Plan

- (1) Expand scale of business through enhancement of the production line
- (2) Further strengthen relationships with customers
- (3) Instill the KAWADA brand as a steel frame fabricator capable of erection work
- (4) Strengthen cost competitiveness



Grand Ring of Expo 2025 Osaka, Kansai, Japan

### Characteristics and strengths of the business

The architectural steel frame business provides integrated services, from fabrication in plants to on-site erection work.

We have three plants in Japan that have been certified as S-grade plants, the highest rank for steel frame fabrication plants. Our production capabilities are among the best in the industry, and our quality is highly valued by our customers.

Architectural steel frames, by nature, require many specification changes on a daily basis. Our selling point is our ability to accommodate customer needs across all stages, including technical proposals, steel procurement, shop drawing, production, scheduling, quality management, and on-site construction.

Furthermore, our ability to carry out fabrication to erection work as an integrated process is a strength unmatched by competitors. Our advanced technological capabilities allow us to fulfill customer needs, and our steel frame products and construction technologies have been widely adopted, particularly in the Tokyo and Kansai metropolitan areas.

### Status of initiatives in the Third Medium-Term Management Plan

In the fiscal year ended March 31, 2025, the second year of the Medium-Term Management Plan, annual demand for steel in Japan fell to 3.66 million tons. In our target large-scale projects, delays in orders were observed partly due to rising construction material prices and regulations on maximum overtime work. Although order volume declined in this business climate, fabrication and erection of highly challenging, high-value-added structures in ordered projects proceeded steadily. As for construction work, the erection of the iconic wooden Grand Ring at EXPO 2025 Osaka, Kansai was completed, contributing to the achievement of our sales targets.

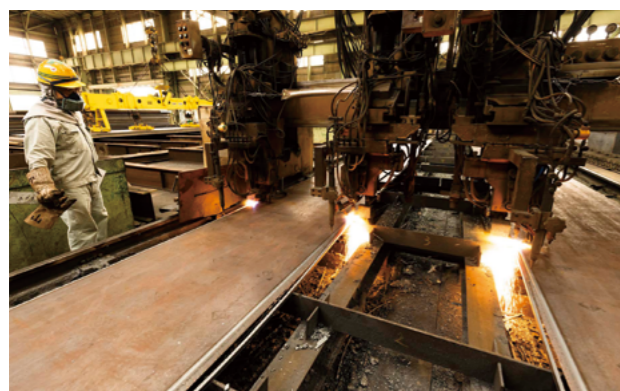
At our Tochigi Plant, the main plant in the Tokyo metropolitan area, the establishment of a new production line was completed by the previous fiscal year. Now, steady progress is being made to use solar and hydrogen renewable energies for environmental sustainability and to visualize production operations through smart factory planning. In the construction division, erection of

the wooden Grand Ring at Expo 2025 received high recognition for both quality and construction schedule, earning the Grand Prize at the Convention on Development and Improvement organized by the customer, as well as the Award for Excellence in Inspiration at the National Convention on Quality Control Circles organized by the Union of Japanese Scientists and Engineers. In the coming years, the market for environmentally friendly structures combining wood and steel is expected to grow, and we anticipate that there will be more opportunities to demonstrate our advanced construction capabilities.

In the fiscal year ending March 31, 2026, the conditions for receiving orders may take some time to recover. However, we are gradually beginning to see encouraging signs, including the establishment of redevelopment associations and announcements of planned construction starts for large-scale projects. Looking ahead to upcoming large-scale projects, we will continue improving our cost competitiveness to further enhance our productivity.

### Business environment

Large-scale projects are being planned across Japan, such as large-scale redevelopment projects in the Tokyo metropolitan area, integrated resort-related projects in Kansai, and the redevelopment of Nagoya Station in Chubu. However, in the short term (through 2027), as the market is not expected to recover, we must make sure to secure orders for target planned projects, maintain business volume, and enhance cost competitiveness. In the medium term (2028–2030), we anticipate recovery and expect that it will become necessary to select and focus on target projects. In the long term (2031 onward), we project that a robust order intake will continue for some time. Meanwhile, the shortage of engineers and skilled workers has already become evident and is expected to persist. To address this challenge, we will continue to proactively carry out automation and labor-saving initiatives.



Production line at the Tochigi Plant



Smart factory planning helps visualize production operations

### Interview

#### Employee interview

#### Yuyuko OKAMOTO

Tokyo Sales Section, Tokyo Sales Department, Sales Department, Steel Structure Division  
**KAWADA INDUSTRIES, INC.**

In the Sales Department, where I work, we conduct sales activities that leverage our unparalleled strength of being able to both fabricate and erect. We perform our jobs with a mission to maintain and deepen the trust that our predecessors have built over many years with major general contractors and architectural offices.

We remain committed to fostering an environment where our plants, construction teams, and partner companies can demonstrate their capabilities and feel proud to be part of the work, while ensuring that our customers feel satisfied in having entrusted their projects to KAWADA.



## Civil Engineering Segment

We are pursuing business focused on increasing national resilience while passing on technical know-how



### Takuya KAWADA

Representative Director and President  
KAWADA CONSTRUCTION CO., LTD.

- Apr. 1991 Joined KAWADA INDUSTRIES, INC.
- Jun. 2001 Director, General Manager of Accounting Department, KAWADA CONSTRUCTION CO., LTD.
- Mar. 2003 Director, in charge of Management Planning, SATO KOGYO CO., LTD.
- Jun. 2005 Executive Officer, General Manager of Tokyo Sales Department, Bridge Division, KAWADA INDUSTRIES, INC.
- Mar. 2008 Managing Executive Officer, General Manager of Bridge Division, KAWADA INDUSTRIES, INC.
- Jun. 2010 Director, General Manager of Osaka Branch, KAWADA INDUSTRIES, INC.
- Jun. 2012 Representative Director and President, KAWADA CONSTRUCTION CO., LTD. (present position)
- Jun. 2017 Director, the Company (present position)

Civil Engineering Segment net sales (fiscal year ended March 31, 2025)

**38,622 million yen (up 9.0% YoY)**

Civil Engineering Segment operating profit (fiscal year ended March 31, 2025)

**2,106 million yen (down 27.2% YoY)**

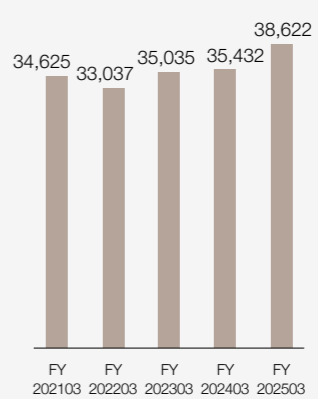
#### Main business activities

Design, fabrication, erection, and installation of prestressed concrete and PREBEAM bridges, as well as bridge maintenance contracted construction

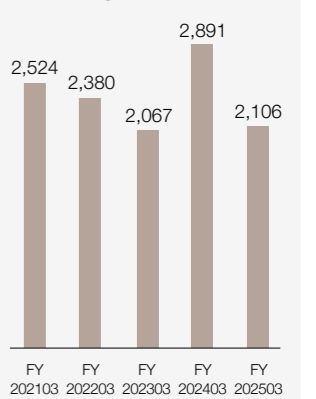
#### Business policies in the Third Medium-Term Management Plan

- (1) Increase market share of Ministry of Land, Infrastructure, Transport and Tourism projects subject to the Agreement on Government Procurement
- (2) Support renewal projects through Group collaboration
- (3) Improve construction capabilities (expand mechanical technology development capabilities, promote DX and CIM)
- (4) Increase human assets (acquire and develop)

Net sales (million yen)



Operating profit (million yen)



### Characteristics and strengths of the business

With construction sites also facing a serious labor shortage, a solution that is increasingly adopted is precasting, in which products are fabricated in plants rather than on site. KAWADA CONSTRUCTION, which oversees the Civil Engineering Segment, has two large plants in Tochigi and Oita Prefectures. The Nasu Plant (Tochigi Prefecture), due to its location, also accommodates building projects in the Tokyo metropolitan area. On the other hand, the Kyushu Plant (Oita Prefecture) is a coastal plant with a quay. It supports marine transport and can handle rapid pier restoration work in fishing ports. The locations of these two plants, however, presented logistical disadvantages when transporting to the Chubu and Kansai areas. To resolve this issue, we formed a business partnership with IHI Infrastructure Systems Co., Ltd.\* which has a plant in Shiga Prefecture. By enabling production at both companies' plants, we have achieved reductions in transport costs, driver workload, and CO<sub>2</sub> emissions. Going forward, through marine transport from the Kyushu Plant, we will continue building up our capacity to support port construction, offshore wind projects, and emergency transport needs in the event of a disaster.

### Status of initiatives in the Third Medium-Term Management Plan

In the fiscal year ended March 31, 2025, the second year of the Third Medium-Term Management Plan, we drew on the lessons learned from the difficulties we experienced in the previous year in securing large projects and made a company-wide effort to acquire orders, such as reviewing our capabilities. As a result, the number of orders significantly exceeded targets. Net sales and profit also surpassed targets, supported by steady progress in new construction projects and renewal projects.

In the prestressed concrete market, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) and local governments are expected to reduce orders for new construction projects. Maintenance work commissioned by expressway companies, such as large-scale renewal and repair work, has also seen schedule revisions. As such, the outlook for orders remains uncertain. Under these conditions, intense competition involving major general contractors continues in bids for large-scale renewal works. To secure stable order volume, we will further strengthen our sales ability, technical proposal ability, and cost estimation ability.

In the fiscal year ending March 31, 2026, the third year of the

plan, we were able to start the year with more carried-forward orders than those in the previous year. However, on-site work for large projects commissioned by expressway companies, which were awarded in the second half of the previous year, will start in the second half of this fiscal year. As a result, their contribution to this fiscal year's net sales and profit will be limited, further increasing the importance of cost reduction and acquisition of orders for contract modifications on awarded projects compared with the previous year.

### Business environment

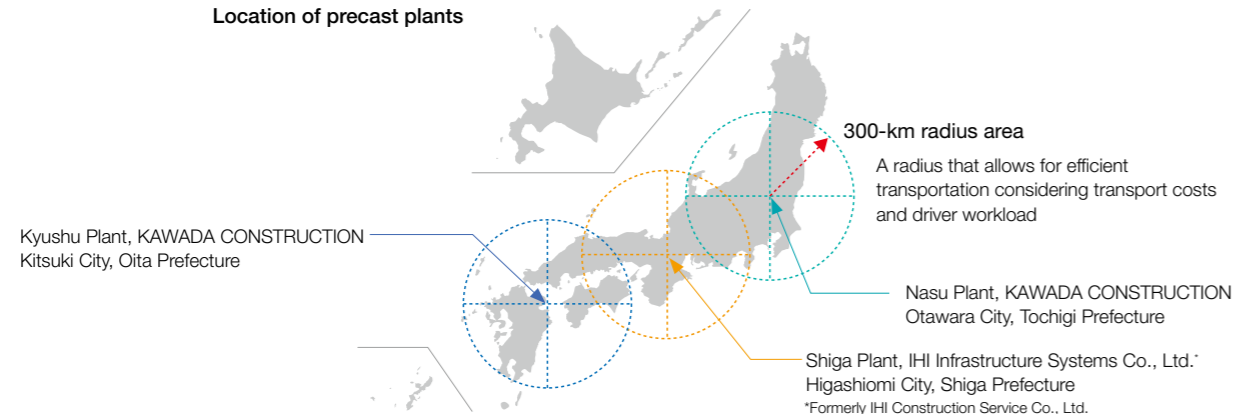
Under the Basic Act for National Resilience, which was enacted for the continuous and stable promotion of national resilience, Japan formulated the FY2021–2025 Five-year Acceleration Plan, and in June 2025, the Cabinet approved the First Mid-Term Plan for the Implementation of National Resilience. Based on these plans, approximately 20 trillion yen has been budgeted over a five-year period from FY2026 to FY2030, and orders for infrastructure maintenance and renewal works are expected to continue on an ongoing basis.

Against this backdrop, in the short to medium term, to secure order volume for large-scale projects commissioned by expressway companies, we will take measures to increase human assets both in terms of quality (official qualifications, project experience, and recognition) and quantity (recruitment and retention). In the medium to long term, we will continue passing down the technical know-how we have cultivated, while preparing for new businesses taking into account the direction of MLIT and local governments' national resilience projects.



Removing the Sugitani No. 2 Overpass

### Location of precast plants



### Interview

#### Employee interview

#### Noritake HIRATA

Construction Manager, Construction Section, Construction Department, Osaka Branch  
KAWADA CONSTRUCTION CO., LTD.

I was in charge of the construction of the Kinosaki Bridge, a six-span continuous prestressed concrete box girder bridge commissioned by Hyogo Prefecture. Since the bridge crosses the wide Maruyama River—designated a Class A river—it took time to transport materials and equipment, and it was difficult managing the construction schedule. The construction work adopted the horizontal reaction force adjustment method and the jack-down method. Although it was a challenging project, we were able to construct a high-quality bridge. It attracted a lot of attention locally, and site tours were organized frequently. My motivation rose every time I saw the happy faces of the participants.



## Architecture Segment

We are establishing a foundation to make customer-focused technical proposals, leveraging the competitive advantage of KAWADA pre-engineered metal buildings as an asset



### Harunobu HASEGAWA

Director, General Manager of Architecture Division  
KAWADA INDUSTRIES, INC.

Apr. 1992 Joined KAWADA INDUSTRIES, INC.  
Apr. 2016 Deputy General Manager of Sales Department, in charge of East Japan, Architecture Division, KAWADA INDUSTRIES, INC.  
Apr. 2019 General Manager of Sales Department, in charge of East Japan, Architecture Division, KAWADA INDUSTRIES, INC.  
Apr. 2020 General Manager of Sales Department, Architecture Division, KAWADA INDUSTRIES, INC.  
Apr. 2021 Executive Officer, General Manager of Architecture Division, KAWADA INDUSTRIES, INC.  
Jun. 2025 Director, General Manager of Architecture Division, KAWADA INDUSTRIES, INC. (present position)

Architecture Segment net sales (fiscal year ended March 31, 2025)  
**15,473 million yen (down 12.1% YoY)**

Architecture Segment operating profit (fiscal year ended March 31, 2025)  
**1,444 million yen (down 8.3% YoY)**

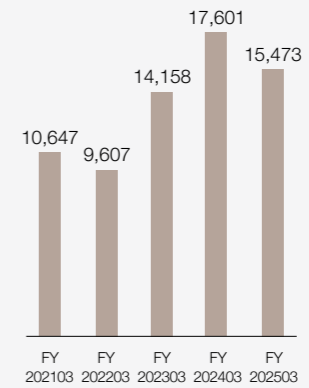
#### Main business activities

Design and construction contracting for general construction and pre-engineered metal buildings in Japan

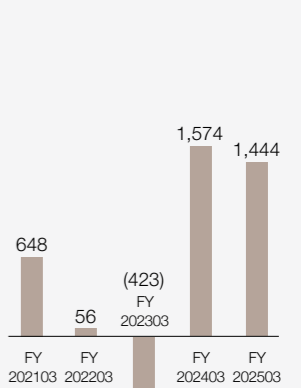
#### Business policies in the Third Medium-Term Management Plan

- (1) Ensure stable order volumes through technical proposals
- (2) Promote DX for estimates and design
- (3) Internalize multi-story large-scale distribution facilities (acquire knowledge on structural design to improve cost competitiveness)
- (4) Expand KBS Association partner companies

Net sales (million yen)



Operating profit (million yen)



### Characteristics and strengths of the business

Building on technology developed over many years in general construction, KAWADA's Architecture Segment adopted a pre-engineered metal building system, originally designed for cost efficiency in the United States, and uniquely adapted it for our business. We position these KAWADA pre-engineered metal buildings, which are advantageous for low-rise and medium- to large-scale warehouses and plants, as our core business. KAWADA pre-engineered metal buildings combine strengths, such as low cost, short construction periods, and high quality, with technologies that enable flexible design and large, column-free spaces through integrated design-build processes. With high adaptability and the ability to meet the needs of building owners, they possess a competitive advantage unmatched by others. In addition, collaboration with KBS (Kawada Building System) Association members (construction partners) with which long-standing partnerships have been built enables operations throughout Japan. Recently, as we accumulate a track record in constructing hazardous material warehouses and cold storage facilities, we aim to acquire further strengths by reinforcing and supplementing our capability to propose facility designs.



Landcube Sakado

### Status of initiatives in the Third Medium-Term Management Plan

In the fiscal year ended March 31, 2025, the second year of the Third Medium-Term Management Plan, strong demand for distribution facilities carried over from the previous year, resulting in opportunities to receive orders in the first half of the year and allowing us to get off to a good start. In the second half, however, we felt the impact of the regulations on maximum work hours. Like other general contractors, the continued labor shortage and high construction material prices necessitated schedule revisions and project cancellations. This slowed down orders and sales and created a challenging business environment. Even then, in the Tokyo metropolitan area and other cities, the year saw a noticeable increase in projects that took into consideration work style reform in the distribution industry, particularly in our target low-rise and medium- to large-scale warehouse and plant projects.

Additionally, by bolstering the sales structure with a focus on design-build processes, a feature of KAWADA pre-engineered metal buildings, we significantly improved the speed and quality of sales information, and we were able to select and focus on projects during the first half of the year. From the second half,



Miroku Nissho Plant

the labor shortage made securing construction capacity an absolute prerequisite for winning orders. We have adapted flexibly by actively collaborating with other companies, including forming joint ventures with KBS members. To secure additional order opportunities, we expanded sales channels and shifted to a more proactive sales style. As a result, medium- to long-term sales information is beginning to be collected.

In the fiscal year ending March 31, 2026, the third year of the plan, labor constraints are expected to continue. Amid these circumstances, we will aim to secure orders in the first half of the year and acquire orders for contract alterations for previously awarded projects. At the same time, we will seek to reduce



Regular general meeting of the KAWADA INDUSTRIES "Tokyo Kenyukai"

costs through value engineering and cost-down proposals, with the goal of achieving sales and profit targets.

### Business environment

The working environment in the construction industry has begun to transform considerably driven by work style reform. We are also actively promoting a four-week, eight-day-off work schedule. Our challenge in this environment is to stabilize and not lose business volume. To solve this challenge, we will raise productivity, eliminate person-dependent work, and use digital transformation (DX) technologies to standardize operations, aiming to become an attractive construction company with a conducive working environment. Furthermore, for KAWADA pre-engineered metal buildings to remain a preferred choice, we will need to develop technologies that shorten construction periods and propose environmentally conscious energy facilities that contribute to CO<sub>2</sub> reduction. Customers increasingly demand the construction of warehouses and plants not only as structures, but also as spaces that are environmentally and employee friendly and support automation. By building on our strengths in design-build processes, we aim to establish a foundation for making such technical proposals from the customer's perspective.

## Interview

### Employee interview

#### Tsukasa SHOJI

Chief of Equipment Section, Construction Department, Construction Management Department, Architecture Division  
KAWADA INDUSTRIES, INC.

The Equipment Section manages equipment construction at its assigned project sites. It also works with on-site staff and partner contractors to decide how to achieve the required equipment functions to meet customers' requests. Five years have passed since I was transferred from the Construction Section to the Equipment Section. The knowledge required was completely different from the Construction Section, and it was a big struggle at first. I am now able to engage in a broad array of work, from architecture and electrical systems to plumbing and air conditioning, and I am gaining extremely valuable experience.



## Solution Segment Software-related business

As an Information Services Consultant, we aim to grow into a company with global market value



### Katsushi KUDO

Representative Director and President  
KAWADA TECHNOSYSTEM CO., LTD.

- Apr. 1990 Joined KAWADA INDUSTRIES, INC.
- Apr. 2017 General Manager of Enterprise Solution Center, KAWADA TECHNOSYSTEM CO., LTD.
- Jun. 2019 Director, KAWADA TECHNOSYSTEM CO., LTD.  
General Manager of Enterprise Solution Center Division
- Jun. 2023 Managing Director, General Manager of Development Headquarters, KAWADA TECHNOSYSTEM CO., LTD.
- Jun. 2025 Representative Director and President, KAWADA TECHNOSYSTEM CO., LTD. (present position)

### Characteristics and strengths of the business

The software-related business of the Solution Segment (below, the "Business") is comprised of five business categories. Each has different business objectives and is driving our sustained corporate growth.

- (1) In-house package business that solves social issues through operational processes and generates high revenue
- (2) Solution business that resolves diverse issues with high-level analytical and problem-solving capabilities
- (3) Cloud business that supports government agency programs with advanced technologies
- (4) Structural design business that supports infrastructure development through high-quality and high-precision designs
- (5) Innovative creation business that puts next-generation IT systems to practical use

No other company has a business composition like ours, and this has contributed to our uniqueness. To achieve growth in each business, we are advancing research, technological development, collaboration with overseas companies, and industry-academia joint research. In our IT services business, we aim to propose new design methodologies to the industry through emerging technologies and product integration and create new markets. In the solution business, we are pursuing business expansion by leveraging core technologies from each business and enhancing our ability to support systems of

central government agencies and local governments. At the same time, we aim to find new market opportunities among social infrastructure companies.

### Status of initiatives in the Third Medium-Term Management Plan

The fiscal year ended March 31, 2025 marked the final year of the Ninth Short- to Medium-Term Management Plan of KAWADA TECHNOSYSTEM, the company that runs the Business. During the plan's three-year period, sales increased by 41% and operating profit by 71%, exceeding targets in the initial plan. We operate under the following business strategy: (1) accommodate the growing demand for DX, (2) expand existing business markets from public works to social infrastructure, (3) advance research and technology development, and (4) improve productivity in line with business expansion. Profitability improved significantly, particularly due to improved sales efficiency and increases in product value in response to DX demand. While the Business was affected by the decline in order volume in the structural business, growth targets were achieved on the whole.

The fiscal year ending March 31, 2026 is the first year of the Tenth Short- to Medium-Term Management Plan of KAWADA TECHNOSYSTEM. Under the new vision of becoming an Information Services Consultant, we aim to shift from design and software businesses toward the advanced information

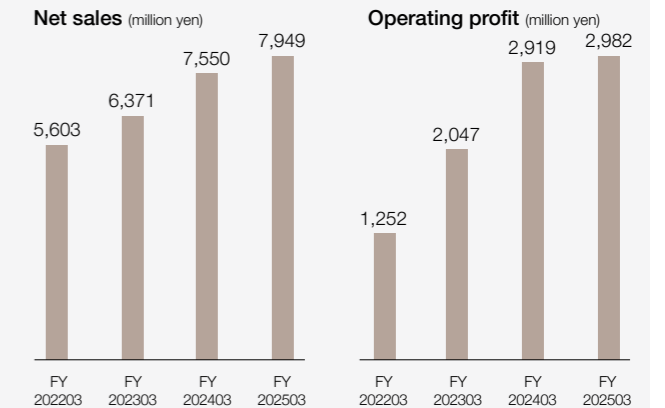
**Solution Segment net sales** (fiscal year ended March 31, 2025)  
**7,949 million yen (up 5.3% YoY)**

**Solution Segment operating profit** (fiscal year ended March 31, 2025)  
**2,982 million yen (up 2.1% YoY)**

**Main business activities**  
Development and sales of software, sales of system devices, as well as structural analysis, design, and drafting of bridges, etc.

**Business policies in the Third Medium-Term Management Plan**

- (1) Improve productivity
- (2) Increase the added value of existing businesses
- (3) Create new business
- (4) Transform the conventional business model
- (5) Transform the corporate culture



service business and enhance our brand image. As a new strategy, we will expand the consulting-centered solution business and nurture it into a primary business in the future. As a result of developing the customer base since the previous year, the backlog of orders for consulting projects is already trending upward, including system procurement for central government agencies and local governments and system development for social infrastructure companies. To address the personnel shortage from the business transformation and to prepare for increased production volume, we established a new development company under the solution business and created a structure in which each business category has a subsidiary.

Carried-forward orders at the beginning of the fiscal year accounted for approximately 50% of the year's sales, and the accuracy of fiscal year plan achievement has typically been within approximately ±5%. For targets in the fiscal year ending March 31, 2026, we expect the structural business order volume to remain at the same level as the previous year, while the IT services business is anticipated to have revenue and profit growth. In the solution business, considering order timing and construction periods of larger projects, we forecast modest net sales growth with an increase in carried-forward

orders into the next fiscal year. In the fiscal year ending March 31, 2026, higher revenue and profit is anticipated across all businesses compared with the previous year.

### Business environment

The Company's social role has changed considerably over the last several years. Until a few years ago, IT was merely a tool that partially supported design work. However, by launching the Information Services Consultant business, we have increased the existential value of IT in the market, developing it from a simple tool into a system that improves and optimizes entire operational processes.

In the coming years, we will enhance services related to disaster prevention, disaster recovery, and infrastructure maintenance and further increase the Company's existential value in the market. We will also expand services such as information sharing platforms and cost estimation efficiency tools tailored to the changing system environment of government agencies.

In the long term, we aim to grow into a company with global market value through advanced technology services for infrastructure-related disaster prevention and maintenance.

### Resources and background

- Establishment of growth and learning models for highly advanced programming technologies and IT
- Development of critical thinking skills for putting advanced mathematical knowledge (geometry, analysis, algebra, etc.) into practical use
- Employment of personnel with strong problem recognition and solving skills and construction of a personnel training system
- Organizational development of optimal server construction technology and advanced information security technology
- Technical exchanges and joint research with Japanese universities and science engineers from outside of Japan



### Business composition and business objectives

- In-house package business that solves social issues and realizes revenue stability
- Solution business that delivers problem-solving through system-based information analysis
- Cloud business that requires the highest level of information management and information security technologies
- Structural design and analysis businesses that create construction technologies and social value
- Advanced creation business using next-generation IT systems and high-level programming technology

## Interview

### Employee interview

### Tatsuya IKEDA

Chief of Solution Development Division, Development Department  
KAWADA TECHNOSYSTEM CO., LTD.

I am involved in the development, introduction, and maintenance of cloud-based operational systems for government agencies and construction consultants. Systems for government agencies in particular must comply with stringent information security standards, making it all the more challenging to satisfy requirements and coordinate with stakeholders. However, once the project is completed and I see that the system is operating stably and facilitating user operations, I feel a tremendous sense of accomplishment and fulfillment.



## Solution Segment Robotics-related business

# We are tackling labor shortages through the widespread adoption of humanoid robots that work alongside humans



### Naohito SHIROMA

Representative Director and President  
KAWADA ROBOTICS CORPORATION

- Apr. 1990 Joined KAWADA INDUSTRIES, INC.
- Apr. 2013 Director, in charge of Planning, General Manager of General Administration Department, KAWADA ROBOTICS CORPORATION
- Apr. 2016 Director, General Manager of Planning Department, General Manager of Tochigi Office, KAWADA ROBOTICS CORPORATION
- Oct. 2018 Director, Business Management, KAWADA ROBOTICS CORPORATION
- Apr. 2021 General Manager of Core Platform Laboratory, the Company (present position)
- Jun. 2025 Representative Director and President, KAWADA ROBOTICS CORPORATION (present position)

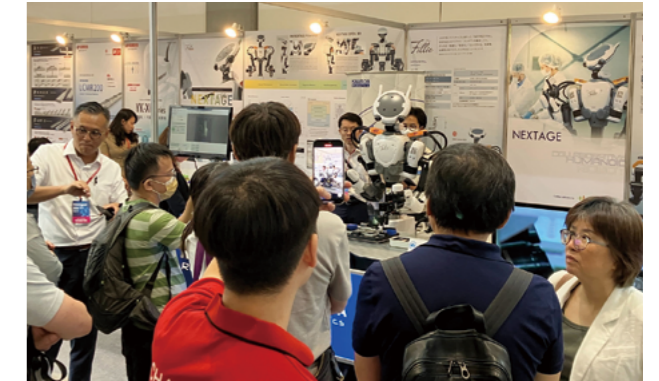
#### Main business activities

Manufacturing and sales of next-generation industrial robots, etc.

Development, design, sales, and consulting of various machinery, computer systems, and software

#### Business policies in the Third Medium-Term Management Plan

- (1) Establish a production system and a fables system
- (2) Establish a sales expansion system through sales agents
- (3) Expand API software
- (4) Strengthen proposals for markets unique to humanoid robots
- (5) Enhance contract development by utilizing robotics technologies



Demonstration at the Taiwan Automation Intelligence and Robot Show (TAIROS)

### Characteristics and strengths of the business

The robotics-related business of the Solution Segment (below, the "Business") is mainly engaged in the planning, development, manufacturing, sales, and maintenance of the NEXTAGE series of humanoid robots that work alongside humans. Our primary customers are companies, particularly in the manufacturing sector, that are anticipating labor shortages in the near future and are considering streamlining or automation. We have an extensive track record in deploying upper-body humanoid robots equipped with vision and dual arms. No similar competing products are available in the market. The Business aims to expand its market by developing and proposing new labor-saving and automation methods to address customers' labor shortages, while embedding technologies that enable customers to make their own improvements. Furthermore, to accelerate customer adoption and market expansion, we offer solutions that harness the technologies and experience we have accumulated through the development of customer applications.

### Status of initiatives in the Third Medium-Term Management Plan

The Business's goal in the Medium-Term Management Plan is to place the humanoid robot business on a stable trajectory. The aim is to ensure business stability and continuity and steadily deliver results. In the first year of the Medium-Term Management Plan, the fiscal year ended March 31, 2024, we sought to identify suitable application areas for humanoid robots to clarify the market direction for subsequent fiscal years. We also strove to create an efficient organizational structure by establishing a sales expansion system through sales agents and promoting a fables production system. In the second year, the fiscal year ended March 31, 2025, we introduced robots tailored to specified markets and made market-creating proposals. At the same time, we worked to stabilize the business foundation and reinforce the revenue structure through diversification into the contract business, maintenance business, and more. In the final year of the plan, the fiscal year ending March 31, 2026, we will expand the uses

of humanoid robots, establish sales channels, and work toward solidifying the business foundation and accelerating growth.

While net sales and robot sales volume in the second year fell short of targets, we achieved our profit target by focusing on system integration (SI) projects and contract development projects that leveraged the technology development capabilities of the Business. Furthermore, through our technology development, we accelerated the development of package applications and proceeded to tap into new markets and expand our network of sales partners. In subsequent fiscal years, we will continue development efforts to perfect our applications, with the aim of enhancing usability for sales agents and users. In the fiscal year ending March 31, 2026, we will develop applications as well as execute robot SI and contract development projects, aiming to improve our technology development capabilities and stabilize our business foundation.

### Business environment

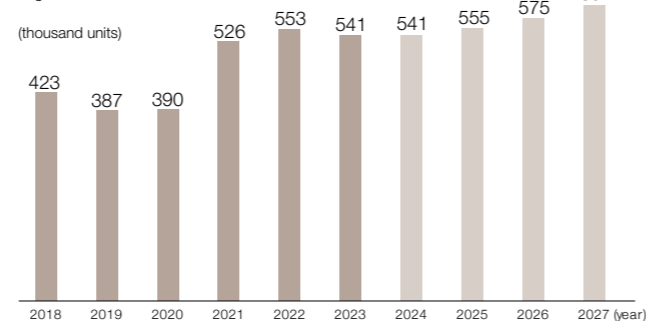
In Japan, labor shortages due to a declining birthrate and an aging population are hitting all industries. In manufacturing processes, it is becoming increasingly unfeasible to solve this issue by gathering masses of workers. Furthermore, work style reform and compliance requirements are accelerating the shift toward labor-saving and automation. Against this backdrop, while demand for humanoid robots is rising, the shortage of engineering personnel required for their introduction poses as a challenge. To address this challenge, we provide package robot applications to reduce engineering person-hours required for robot introduction. Additionally, we are developing technologies to reduce the engineering person-hours by incorporating rapidly advancing remote control and AI technologies. As demand for solutions to labor shortages is expected to intensify further over the medium to long term, development of new technologies may rapidly expand the situations in which robots are used.



NEXTAGE Fillie humanoid robot and Cobako box packing system

### Annual installations of industrial robots

\*Figures for 2024 to 2027 are forecasts



Source: World Robotics 2024

## Interview

### Employee interview

### Kentaro KAWABATA

Chief of Sales Section, Sales Department  
KAWADA ROBOTICS CORPORATION

My job is to propose dual-arm robot solutions in response to customers' challenges. I transferred to a sales position from my original technical position because I wanted to work on robots while directly engaging with customers. For each customer's unique challenges, I search for the optimal solution from both technical and sales perspectives. When I am able to deliver a robot that the user is also satisfied with, it gives me a great sense of accomplishment. In the future, I want to realize a world where robots are more accessible and are found everywhere, not only in plants.



Others

We support social infrastructure through diverse businesses

**Bridge attachments sales business**  
KYOURYOU MAINTENANCE, INC.

KYOURYOU MAINTENANCE sells bridge attachments centered around road-bridge expansion joints and drainage equipment. Because bridges expand and contract from temperature changes, expansion joints are installed at bridge ends to absorb these movements. Since expansion joints are installed in demanding locations that come in direct contact with passing vehicles, the joints need to be highly durable as well as watertight to prevent water leakage that could damage the bridge.

The mainstay product, KMA Joint, features a main body made of cast aluminum alloy. Therefore, there are no welded sections, which significantly contributes to withstanding fatigue. Additionally, the KMA Joint does not rust easily and is lightweight, enabling easy installation. The perFOBOND rib shear connector used to anchor the main body also facilitates installation and is highly durable. Furthermore, the triangular-shaped finger patterns on the surface help reduce noise generated when vehicles pass over the joint. For water sealing, seamless rubber with a honeycomb-shaped cross-section is used to achieve superior water-tightness.

The aluminum-alloy cast body, perFOBOND rib shear connector anchoring, and honeycomb-shaped rubber are all proprietary technologies unmatched elsewhere in the market, and they have been widely adopted on major roadways, including expressways.

KMA Joint is highly trusted by customers, maintaining over a 30% market share in large expansion joints with an expansion and contraction range of 101 millimeters or more. The company currently sells mainly the upgraded Type III model, while making further upgrades and development to deliver even better products. In addition to expansion joints and drainage equipment, it also sells aluminum-alloy inspection passages and the Boltline bolt-marking stamp, among other products. Looking ahead to the future, the company is continuing to diversify its lineup.



KMA Joint on the Kachidoki Flyover

**Aviation business (rotary wing)**  
TOHO AIR SERVICE CO., LTD.

TOHO AIR SERVICE, which handles the aviation business (rotary wing), operates two core business lines: helicopter air transport services and maintenance.

The Tokyo Ai-land Shuttle operates 10 flights a day, 365 days a year between six islands in the Tokyo Izu Islands (Hachijojima, Miyakejima, and Oshima, as well as Aogashima, Mikurajima, and Toshima, which do not have airports). As Japan's only regular helicopter air transport route, it serves as a "sky bridge" and lifeline for residents of remote islands characterized by harsh weather conditions. This one-of-a-kind regular route connecting remote islands is drawing global attention. It has been in service for more than 30 years since its launch in 1993 and has carried more than 500,000 passengers.

The emergency medical helicopter business operates emergency medical helicopters for Niigata University Medical & Dental Hospital and Toyama Prefectural Central Hospital. The firefighting and disaster prevention helicopter business has been contracted to operate and maintain helicopters belonging to prefectural governments. It conducts high-altitude mountain rescues and provides disaster relief following earthquakes, forest fires, and other events. The news service business is on standby 24 hours a day to provide emergency aerial reporting on disasters, accidents, fires, incidents, and other events for multiple Tokyo-based key television networks as well as regional networks. The mountain cargo transport business provides air transport of food, beverages, fuel, and other essential supplies to mountain lodges at elevations of approximately 3,000 meters. Centered around Kamikochi, Nagano Prefecture since its start in the 1970s, the business now extends to the Northern Alps—including Mt. Tsurugidake, Mt. Shiroumadake, Mt. Yarigatake, Mt. Hotakadake, and Mt. Tsubakurodake—to the Central and Southern Alps, and to Mt. Yatsugatake. The helicopter maintenance business assembles new helicopters, performs disaster response outfitting work, and conducts periodic inspections and maintenance for helicopters belonging to government agencies across Japan.

Under the management slogan, "contributing to society from the sky," the company remains committed to helping people across Japan lead a safe and secure life.



Tokyo Ai-land Shuttle, the "sky bridge" to the Izu Islands

**Aviation business (fixed wing)**  
NEW CENTRAL AIRSERVICE CO., LTD.

NEW CENTRAL AIRSERVICE, which handles the aviation business (fixed wing), provides scheduled airline services between Chofu Airport in Tokyo and the airports of four Izu Islands (Oshima, Nijijima, Kozushima, and Miyakejima). Each route operates three to four flights per day, totaling up to around 13 flights daily and serving around 100,000 passengers annually. Around half of the passengers are island residents, for whom these flights are an essential means of transport. The business also helps support the economies of the Izu Islands by meeting the transport needs of business travelers and tourists. The aircraft used is the German-made Dornier Do 228-212, a twin-turboprop aircraft with a capacity of 2 crew members and 19 passengers.

In addition to scheduled services, the company conducts the aerial work services at Ryugasaki Airport in Ibaraki Prefecture, including sightseeing flights, pilot training, photography, and advertising using the Cessna 172P aircraft. The company also provides ancillary services, such as airfield management and operations at Ryugasaki Airport, parking and storage for private aircraft, aviation fuel supply, and leasing of the airfield for filming



Dornier Do 228-212 propeller passenger aircraft

movies and commercials.

Furthermore, the company performs aircraft maintenance work and is certified by the Civil Aviation Bureau of the Ministry of Land, Infrastructure, Transport and Tourism as an "Approved Organization" for "maintenance and inspection" and "maintenance or alteration" of Dornier and Cessna aircraft.

TOPICS

**TOHO AIR SERVICE contributes to society through contracted operation and maintenance of disaster prevention helicopters**

In the wake of the Noto Peninsula earthquake in January 2024, the "Michinoku" disaster prevention helicopter, which is owned by the Tohoku Regional Development Bureau and operated under contract by TOHO AIR SERVICE, responded swiftly at the request of the Hokuriku Regional Development Bureau. Furthermore, following the heavy rain in northern Noto in September of the same year, Toyama Prefecture's "Toyama" firefighting and disaster prevention helicopter, which TOHO AIR SERVICE also operates under contract, was deployed at the request of the Fire and Disaster Management Agency and rescued people who had taken shelter in evacuation centers.



Toyama Prefecture's "Toyama" firefighting and disaster prevention helicopter during training

Others net sales (fiscal year ended March 31, 2025)

**9,798 million yen (up 11.7% YoY)**

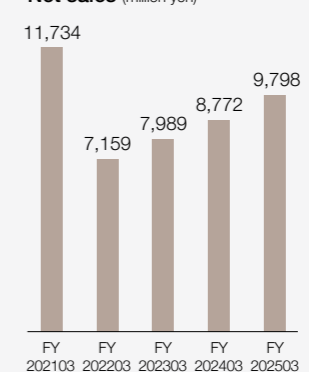
Others operating loss (fiscal year ended March 31, 2025)

**172 million yen (operating loss of 436 million yen in the previous fiscal year)**

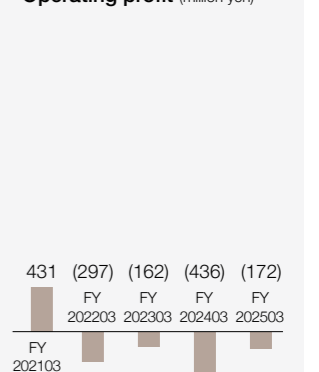
Main business activities

- Manufacturing and sales of bridge expansion joints
- Air transport services and aerial work services
- Aircraft repair and maintenance, as well as transportation and maintenance contract business

Net sales (million yen)



Operating profit (million yen)



\*Until the fiscal year ended March 31, 2021, the Solution Segment was included in "Others."



## Our software-related business, opening up new possibilities for society through the KAWADA Group's initiatives

A securities analyst brings an investor's perspective to an interview with the management at KAWADA TECHNOSYSTEM, the company behind the software-related business that is key to the growth of the Group. The discussion focuses on the history behind the growth and the policies and strategies for future growth.



**Nagahiro YAMANO**  
Representative Director and Chairperson  
KAWADA TECHNOSYSTEM CO., LTD.

Apr. 1985  
Jun. 2005  
Jan. 2010  
Jun. 2025  
Personal motto  
Recently read book

Joined KAWADA INDUSTRIES, INC. General Manager of Osaka Branch and General Manager of Osaka Sales Department, KAWADA TECHNOSYSTEM CO., LTD.  
Representative Director and President, KAWADA TECHNOSYSTEM CO., LTD.  
Representative Director and Chairperson, KAWADA TECHNOSYSTEM CO., LTD. (present position)  
Always aim higher  
Takeharu SENO, *The Future Is Predetermined, and Personal Will Is Nonexistent: Psychological Determinism* (Japanese)

**Katsushi KUDO**  
Representative Director and President  
KAWADA TECHNOSYSTEM CO., LTD.

Apr. 1990  
Apr. 2017  
Jun. 2025  
Personal motto  
Recently read book

Joined KAWADA INDUSTRIES, INC. General Manager of Enterprise Solution Center, KAWADA TECHNOSYSTEM CO., LTD.  
Representative Director and President, KAWADA TECHNOSYSTEM CO., LTD. (present position)  
God helps those who help themselves  
Hiroyuki KOJIMA, *The World Is Made of Prime Numbers* (Japanese);  
Simon SINGH, *The Code Book*

**KAWADA TECHNOSYSTEM CO., LTD.**

Establishment January 1970  
Capital 399 million yen  
Net sales 7.308 billion yen (fiscal year ended March 31, 2025)  
Number of employees 163 (as of April 1, 2025)  
Main business System integration, in-house product development, sales, and consulting (digital transformation policy, IT strategy, and management strategy) related to the survey, planning, design, maintenance, and management of public infrastructure (industrial and residential infrastructure)

**Q.** KAWADA INDUSTRIES had focused on the bridge business. Why in 1970 did it establish a company that would later become KAWADA TECHNOSYSTEM and enter the software-related business? Can you please explain the reasons for this decision, along with the historical context of the time?

**YAMANO** KAWADA TECHNOSYSTEM's origins trace back to Tadaki KAWADA, who was President of KAWADA INDUSTRIES. Seeing a future in computer use, he introduced computer-based design and drafting ahead of other bridge manufacturers. Bridge design is still the cornerstone of KAWADA TECHNOSYSTEM's business even now.

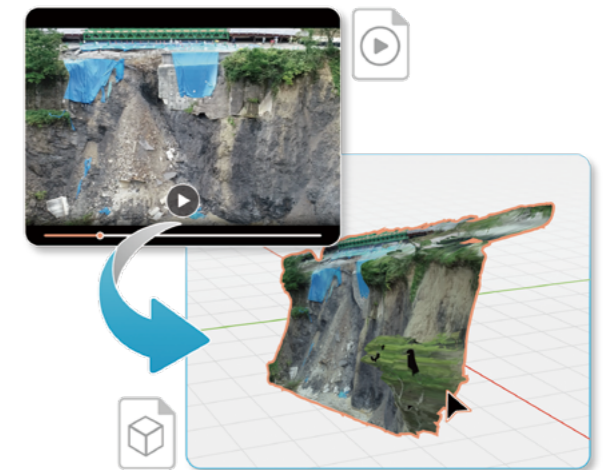
Our full-scale entry into the software-related business began in 1983, when we launched the civil engineering design calculation system called the "SUCCE Series." It adopted a conversational interface between the system and the user, which was groundbreaking at the time. Net sales was around 300 million yen in 1985 but increased to over 1 billion yen in approximately four years. The system became a driving force behind our first phase of growth.

**Q.** In 2011, you released one of your current flagship products, a 3D computer-aided design (CAD) system. What was the idea behind this?

**YAMANO** Our system development business grew in the field of analyzing, designing, and drafting civil engineering structures, and in 1995, we released a 2D general-purpose CAD system for construction. However, public works spending was expected to decline from the

late 1990s. For this reason, the company decided to shift to system development in broader fields covering the whole construction industry. One of the outcomes of this shift was the development and launch of a 3D CAD system that leveraged the know-how we accumulated through the development of 2D CAD. The 3D CAD system was intended to help enhance productivity across the civil engineering industry and had a wide range of anticipated uses.

Traditionally, IT was developed for specific applications—a use case was identified, and then IT was developed specifically to accomplish that purpose. Examples include the development of a CAD system for drafting or the development of a calculation software for design. In recent years, however, we are turning this concept on its head, including with our 3D CAD system. That is, instead of application-specific IT, we are taking the approach of "multi-case IT." In other words, we aim to develop our company's IT into technologies that are compatible with a variety of uses and purposes and that inspire the emergence of new businesses.



A recorded video is converted into a 3D model

**Makoto MITSUYA**  
Interviewer



Certified Member Analyst of the Securities Analysts Association of Japan. Master's degree from Waseda University Graduate School. After starting at Nomura Investor Relations, he worked as an IR consultant at Mitsubishi UFJ Morgan Stanley Securities and Mitsubishi UFJ Trust and Banking. He became independent in 2018. His books include *Bokura no Keizai Minshushugi* [Our Economic Democracy] (NHK Publishing).





When IT is developed for a specific use, its applicability to other uses becomes limited, which in turn tends to constrain the technology's potential. IT is like water. Its possibilities become limitless by adapting it to market needs. The virtual technology we are now developing to digitize spatial information is an extension of this idea of "multi-case IT."

**Q.** Yes, I understand that this technology converts videos of spaces into models, and it seems to have a broad range of applications. While I am sure a number of factors contributed to the company's growth, I believe it would not be where it is today without this idea of "multi-case IT." The two of you have been in your new roles since June 2025. What are your aspirations as you make this handover?

**KUDO** We will continue to uphold our existing management policies and remain committed to transforming into an Information Services Consultant and further enhancing our value in the market. We believe this requires a business model that is focused on net sales, and we have accumulated a wealth of information assets that make this possible. Going forward, we will not only accumulate but also manage, optimize, share, and utilize information in fulfilling our role as an Information Services Consultant.

3D CAD is an effective tool for these purposes. By allowing information to be visualized in three dimensions and sharing and leveraging this information across the supply chain, designs can be made from a comprehensive perspective that transcends organizational boundaries. Additionally, there is currently a government-led effort to visualize the arrangement and configuration of social infrastructure systems, such as electricity,

gas, and water systems, and KAWADA TECHNOSYSTEM has strengths that allow it to meet these new needs.

**Q.** You mentioned that the social infrastructure market is your primary market. What do you consider as your unique competitive advantages?

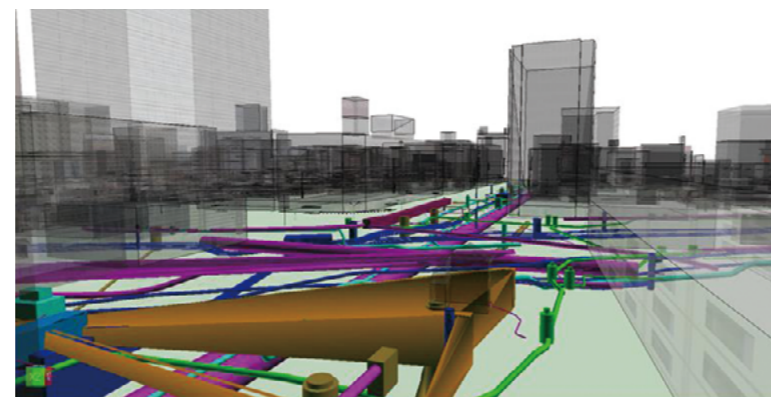
**KUDO** Developing software for social infrastructure requires not only IT skills but also a high level of expertise, including knowledge of civil engineering design. We have personnel who have both IT skills and specific expertise, and this is one of our strengths. Our corporate associates come up with ideas, polish strategies and plans, and put them into practice. We believe that these small daily steps build up into their individual growth and into a stronger organization. Indeed, net sales per engineer is at a very high level, and I think I can say that we have realized an efficient and high-value-added business.

The structure in Japan is one in which local governments, including prefectures, cities, towns, and villages, follow in the footsteps of the national government and adopt the system policies that it establishes. We pursue our development activities taking this dynamic into account, and our ability to foresee these evolving trends provides us with an advantage.

**Q.** KAWADA TECHNOSYSTEM has conducted business primarily in Japan. What are your plans for expanding overseas? As the KAWADA Group looks increasingly toward global markets, which countries or regions are you considering entering into?

**KUDO** We have begun taking steps toward expanding overseas with a goal to "make our business visible to the world and establish ourselves as a company that has value in the Japanese economy."

There are still few software packages outside of Japan, and we believe that countries and regions would find our systems



3D models are automatically generated from subsurface survey data (product name: MAISETSU\_Kit)

easy to incorporate under the right conditions. While providing help desk support and other customer services used to be a challenge overseas, we expect that AI will resolve these issues.

Currently, we are preparing to offer our services in India. India experiences a relatively high frequency of natural disasters, and as it implements measures to build a more resilient nation, we expect an increasing demand for systems that support social infrastructure development.

**Q.** Your business themes extend beyond software development and are highly innovative. In which direction do you plan to take your business and research and development?

**KUDO** Our business competencies are Knowledge, Technology, and Science, or "KTS" for short, which is also our company abbreviation. By harnessing these strengths, we are working to develop the "multi-case IT" that was mentioned earlier.

As you noted, the themes are highly innovative. In recent years, we have been focusing on water and soil. Unlike solid structures such as bridges, water and soil have fluidity and plasticity, making them extremely difficult to manage. In the future, we aim to capture business opportunities in the domain of rivers. First, we will approach this domain from the perspective of an Information Services Consultant. We will also invest in research and development while leveraging our technological collaboration with universities.

**Q.** Many IT companies are struggling to recruit talent. How are you securing and training personnel to create highly innovative businesses?

**YAMANO** KAWADA TECHNOSYSTEM applies the "three S" principle, which stands for employee satisfaction, customer satisfaction, and quality satisfaction. In particular, we give the highest priority to employee satisfaction, based on the belief that employees are the ones who can deliver satisfaction to our customers. As a result, in our annual employee satisfaction survey, more than 90% of corporate associates responded that they are "satisfied" overall, while 89% responded "Yes" to "Do you take any actions voluntarily to help your colleagues?" These actions by corporate associates collectively shape our corporate culture and climate.

We also offer various training programs and plenty of self-development support, with the aim of improving the retention of personnel and strengthening their sense of belonging. Furthermore, we established the Branding Office. Through television commercials and other promotional content, we are enhancing our name recognition and highlighting our growth



potential to accelerate efforts to attract outstanding talent.

Underlying these initiatives is our own wish as management to work at such a company. We view human resources and corporate culture as one of our competitive strengths.

**Q.** As a member of the KAWADA Group, how do you intend to contribute to the Group's overall growth?

**KUDO** KAWADA Group companies are managed with respect for their independence.

As the entire Group pursues growth through the creation of a conglomerate premium, we recognize that our role is to promote the Group's overall growth by aiming to expand our business scale, and as a result, contribute to the growth of consolidated net sales and profit.

In terms of business synergy, we can provide support that leverages our characteristic as an Information Services Consultant. For example, when a Group company develops a new product or service, we can certainly provide support by drawing on the technological capabilities and information assets we have cultivated.

We have created unique value by integrating advanced IT with specialized expertise. Going forward, we will continue to promote business expansion in Japan and overseas, along with new research and development, under the three pillars of Knowledge, Technology, and Science. Additionally, we will aim to train and retain diverse personnel in a corporate culture that emphasizes employee satisfaction. Furthermore, by offering solutions to the challenges facing social infrastructures, which form the foundation of daily life and society, we will strive to achieve further growth toward the realization of a sustainable society.

## Technology and R&D

The driving force behind the business growth of the KAWADA Group is its wealth of technology and tireless research and development (R&D). The synergy created throughout the Group leads not only to the sharing and improvement of knowledge, but also to the speeding up of development and the achievement of creative products and services.

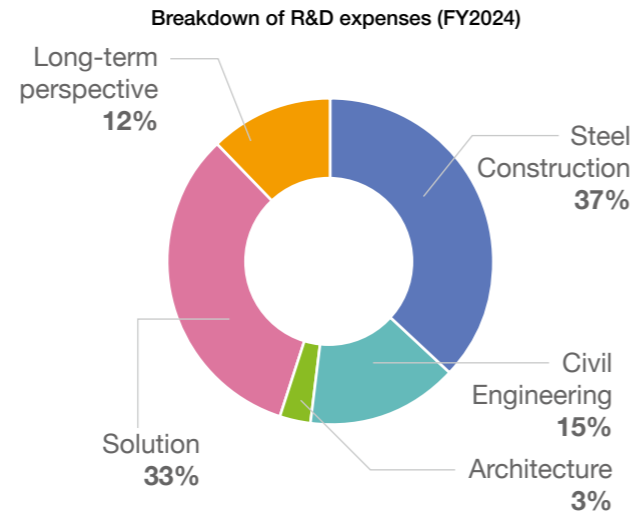
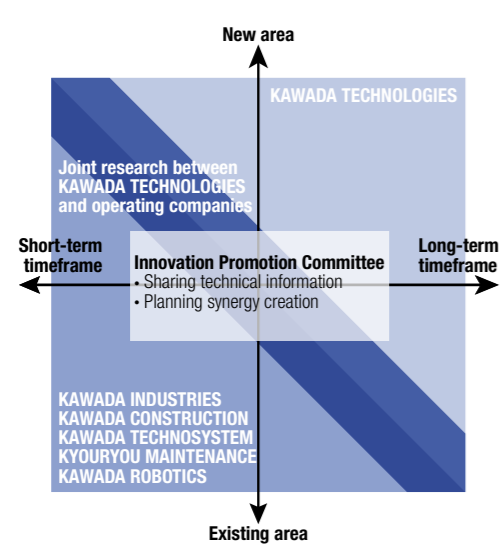
### R&D structure that supports growth and Basic policies

In terms of the R&D structure of the KAWADA Group, KAWADA TECHNOLOGIES takes the lead in developing technologies for improving productivity across the entire Group and advanced technologies that will help open up new markets, while Group companies are engaged in R&D directly connected with their business activities. The progress and results from each company's R&D activities are shared via the Innovation Promotion Committee, a cross-Group organization, enabling strategic planning and promotion for the Group-wide deployment of developed technologies and synergy creation.

As for basic policies for R&D, we are prioritizing the following

five policies centered on the "sustainable growth of core businesses" and "enhancement and creation of growing businesses" set out in the Third Medium-Term Management Plan.

- (1) Maintaining high levels of safety and quality and improving productivity
- (2) Creating added value
- (3) Maximizing synergies between Group companies
- (4) Actively collaborating with external organizations
- (5) Linking technology strategy and intellectual property strategy



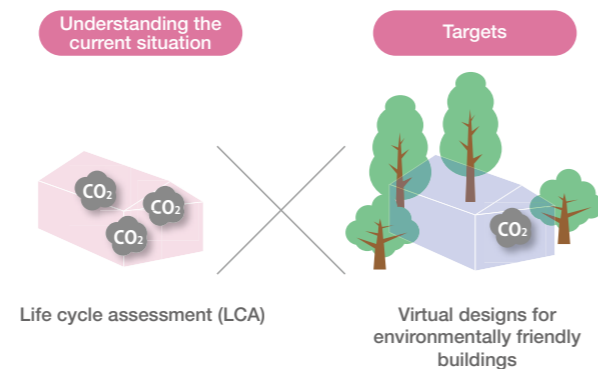
### Bottom-up synergy creation activities

#### Grand Challenge innovation creation program

The Innovation Promotion Committee implemented the Group-wide Grand Challenge project in FY2024. Junior corporate associates selected from each operating company formulated a vision for 10 years in the future, then used backcasting to identify topics requiring



immediate attention. This resulted in the launch of a project for creating virtual designs for environmentally friendly buildings based on building life cycle assessments (LCA) and identifying the core technologies that should be developed in the future.



### Group synergy initiatives for transforming construction sites

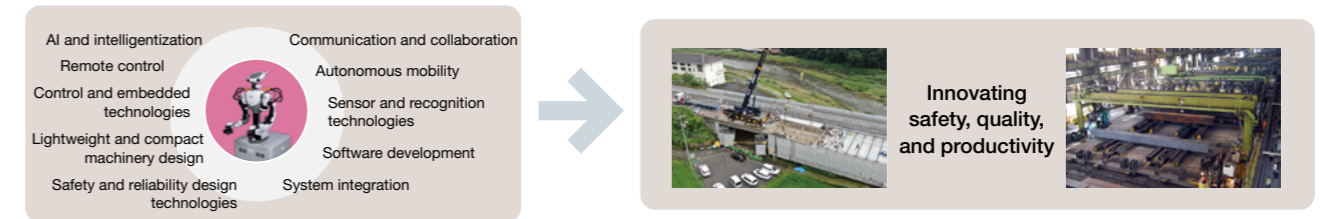
#### Applying robotics technology

KAWADA ROBOTICS possesses advanced technological capabilities in the fields of mechanical design, control, image processing, and software development. We have proactively deployed these core technologies in the KAWADA Group's main business of infrastructure construction and maintenance, achieving dramatic improvements in on-site safety, quality, and

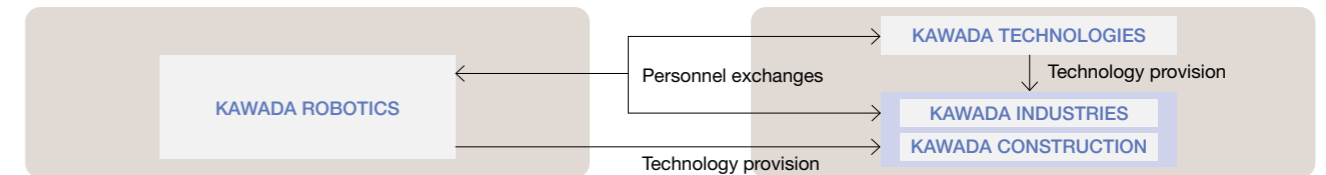
productivity.

This initiative involves much more than just technological collaboration. It enables us to quickly and effectively share insights and knowledge through personnel exchanges within the Group, and under the leadership of top management, accelerates the creation of innovation company-wide.

#### Targets to be achieved through synergies with robotics technologies



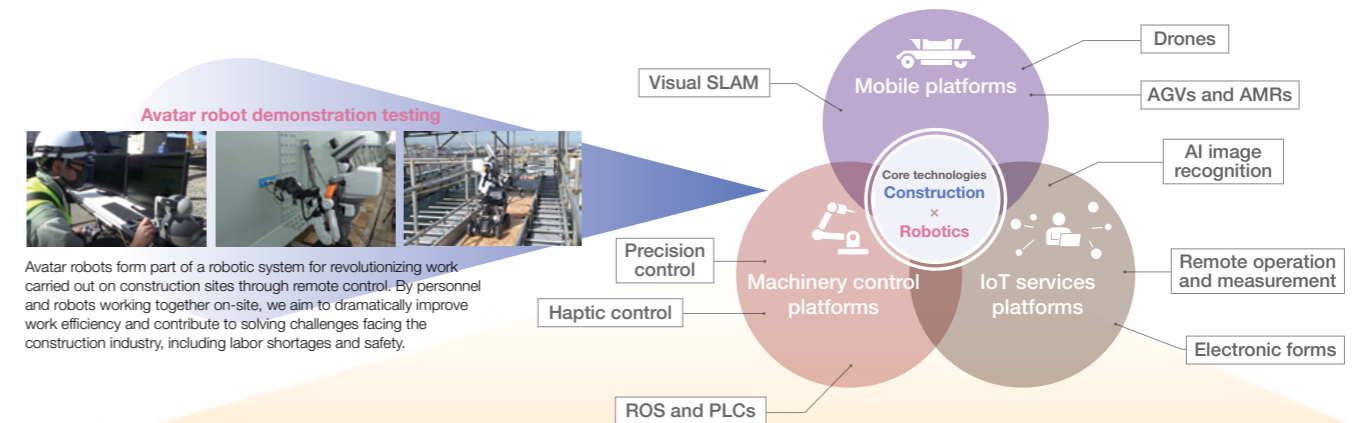
#### Plan for implementation



#### Introducing initiatives: Integrating robotics into construction

The core technologies cultivated through the development of avatar robots remotely operated to carry out on-site works have evolved into mobile platforms, machinery control

platforms, and IoT services platforms. These technologies are powerfully driving the realization of next-generation smart factories and smart sites.



#### Avatar robot demonstration testing

Avatar robots form part of a robotic system for revolutionizing work carried out on construction sites through remote control. By personnel and robots working together on-site, we aim to dramatically improve work efficiency and contribute to solving challenges facing the construction industry, including labor shortages and safety.

#### Examples of deployed core technologies



## Human capital management initiatives

### Basic policy

The KAWADA Group is a corporate group that has been contributing to society through technology for over 100 years since its founding. We believe that our mission is to provide society with safe and comfortable products and services through the transfer and further development of the technology we have developed. Recognizing that human resources are the most important factor in fulfilling this mission, the KAWADA Group established a basic policy on human capital and is undertaking various initiatives to achieve what is optimal for both the Group and individual operating companies. Our aim is to create an environment in which each and every corporate associate can work proudly and actively.

See our website for our human capital management policies: <https://www.kawada.jp/csr/guideline/human-resources/>

### Specific initiatives

#### Securing diverse human resources

The KAWADA Group considers it an integral management challenge to secure a diverse workforce. We have established indicators for the recruitment of women, mid-career hires, and non-Japanese nationals and is taking steps to achieve its targets. In particular, for mid-career hiring, we recognize the need to expand the pool of mid-level personnel to optimize our age composition. We have set a target to hire at least 30% mid-career hires as a ratio of all new recruits. As it becomes increasingly difficult to hire people every year, we are

implementing an array of recruitment activities. To increase the number of applicants, we have introduced referral hiring incentives, and to enhance recognition of our company name, we are using television and radio commercials, train station advertising, and social media. Additionally, through regular intra-Group information sharing, we promote the consideration of new hiring measures and collaboration with Group companies that have precedent cases for strengthening the Group's overall recruitment capability.

#### Human resource development

The KAWADA Group has an extensive training system to support the growth of corporate associates. Day-to-day training is provided mainly through on-the-job training. The Company also offers level-specific training, from new corporate associate training to manager training. Furthermore, trainings are held regularly on such themes as sustainability, compliance, and information security. In addition to efforts to deepen corporate associates' knowledge and improve the corporate culture, including strengthening corporate ethics and governance, we have designated mandatory qualifications for some business operations and have programs to help corporate associates obtain these qualifications.

Given that the Group employs corporate associates in a

diverse range of industries and job types, we not only offer Group-wide foundational training and qualification support, but also actively plan and implement programs for corporate associates to gain the knowledge and skills required by each company and job type. These include level-specific training tailored to that company, departmental training designed to resolve the challenges facing one's department, and cross-departmental training.



Group-wide training for newly appointed chiefs

Going forward, the wellness management initiatives practiced at KAWADA INDUSTRIES will be rolled out across the entire Group, and each Group company will be promoting wellness management.



URL: [https://www.meti.go.jp/english/press/2025/0310\\_003.html](https://www.meti.go.jp/english/press/2025/0310_003.html)

### Work-life balance

The KAWADA Group is committed to promoting work style reform and enhancing the health and productivity of corporate associates. We aim to create a workplace environment where corporate associates can thrive, both by ensuring that they have sufficient time to rest during their daily work and

opportunities to refresh themselves, and by helping them balance work with childcare and family care. We have considered and introduced a variety of programs tailored to the challenges faced by each Group company. In recent years, the following programs have been introduced.

- Limits on overtime work : Work interval system (9–11 hours)
- Expansion of leave programs : Anniversary leave (one day per year; may be taken on any chosen anniversary)  
Refresh leave (five days for every 10 years of continuous service)  
Accumulated leave (expiring annual leave can be carried forward and stored indefinitely up to a certain number of days)
- Support for balancing work and childcare/family care: Relaxation of requirements for bringing family members during assignments to construction site

### Male childcare leave



Kohei KASAI  
Tokyo Construction Section, Tokyo Construction Department,  
Construction Management Department, Bridge Division,  
KAWADA INDUSTRIES, INC.

#### My experience

I took two weeks of childcare leave when my first child was born and another two weeks when my second child was born. At first, I was a little hesitant to take the leave in the middle of an assignment, but with encouragement from the site manager, who is also my supervisor, I was able to approach the decision in a positive way. I found it easy to take paternity leave for my second child, both because it was the second time around and because more of my colleagues were also taking leave.

Before my leave, a deputy was assigned to ensure that site operations would not be disrupted. I made sure that I understood what had to be done while I was away and that the deputy could carry it out. I also made various preparations at home in consultation with my wife.

During the leave, I gave milk to the baby and changed diapers. I also bathed the baby with the help of my wife. I have become a pro at shopping, and I am now a regular customer at baby supply stores. My wife and I covered for each other through the challenges and uncertainties. Watching over our newborn's growth every day from close by has changed how I think about childcare and has prompted me to rethink how I work. The extended period I spent with my family was an invaluable time, not only for childcare but also for my own life.

#### Message from the supervisor

Because only a select few are working at the site, I thought Kohei may hesitate to ask for a leave, especially a long one like childcare leave, so I went to him directly and encouraged him to take it. Once we knew when he would be on leave, we prepared by developing a staffing plan to ensure that the work gets done and by making sure that he had nothing to worry about. After taking his childcare leave, I could really tell that Kohei values spending time with his family. Now that a precedent has been set, I expect that more corporate associates will feel encouraged to take childcare leave.



Yoshinari TAKAI  
Senior Construction Manager of Tokyo Construction Department,  
Construction Management Department, Bridge Division,  
KAWADA INDUSTRIES, INC.

# Sustainable corporate growth envisioned by the KAWADA Group

The KAWADA Group promotes initiatives addressing sustainability issues in unison with its business strategies, guided by the Group Philosophy of “Creating a Safe, Comfortable, and Sustainable Society.” Our mission is not merely to pursue our own profits but to contribute to society while coexisting with all our stakeholders, including corporate associates, business partners, shareholders, customers and end-users, the environment, and financial institutions.

Guided by the spirit of Happo Yoshi, this management approach fosters a free and open corporate culture where each of our corporate associates can feel, think, and act independently. Through bottom-up organizational management, it gives rise to innovative ideas and dynamic growth. We aim to create a virtuous cycle in which customers recognize our value, thereby enabling corporate associates to find fulfillment in their work and become motivated to perform better. This in turn results in greater profits, enabling the growth of both the Company and our corporate associates while achieving an even more prosperous society.

Our Corporate Pledge of “Integrity, Technology, Certainty” further demonstrates that we place integrity, enhanced technological capabilities, and the reliable execution of duties at the center of our corporate activities. Further, the term “Ingenuity and Independence,” coined by second President Tadao KAWADA, symbolizes our spirit of challenge, which involves constantly keeping pace with changes over time and contributing to society through new technologies. These values

form the foundation underpinning our sustainability initiatives and sustainable corporate growth. Building trust by sincerely facing societal challenges, continually refining our technological capabilities, and reliably executing operations is at the very heart of sustainable development. Moreover, the spirit of “Ingenuity and Independence” incorporates the abilities to create new value through innovation and to respond flexibly to the changing times and societal needs.

The KAWADA Group believes that sustainability management means ensuring that our company’s existence and business activities are desired by society and naturally lead to Happo Yoshi, which in turn will allow us to achieve sustainable growth. Rather than simply pursuing short-term profits, we place importance on backcasting, an approach that involves first envisioning an ideal future goal, then working backward to determine what should be done right now to achieve that goal. It is also essential to continually demonstrate our ability to evolve as a company—flexibly adapting to environmental changes and constantly developing and transforming our organization to maintain competitiveness—in other words, our dynamic capability.

To achieve this, it is essential not only for the KAWADA Group but for all our stakeholders, including our customers, to engage in ethical actions—that is, actions toward building a better society for the future. It is precisely such social trends that are emerging right now. The KAWADA Group will vigorously back these trends while continuing to take on challenges toward achieving a sustainable society.

## Sustainability Basic Policy

The KAWADA Group, guided by its Group philosophy of “Creating a Safe, Comfortable, and Sustainable Society” and adhering to the spirit of Happo Yoshi, established its Sustainability Basic Policy in March 2022 with the goals of achieving a sustainable society and sustainable growth of the Group through dialogue and co-creation with all stakeholders.

1

### Solving social issues

We will contribute to society through technology at all times and strive to solve various social issues.

2

### Conservation and improvement of the global environment

We will strive to conserve and improve the global environment so that people can live comfortably.

3

### Maintaining and improving a safe and fair working environment

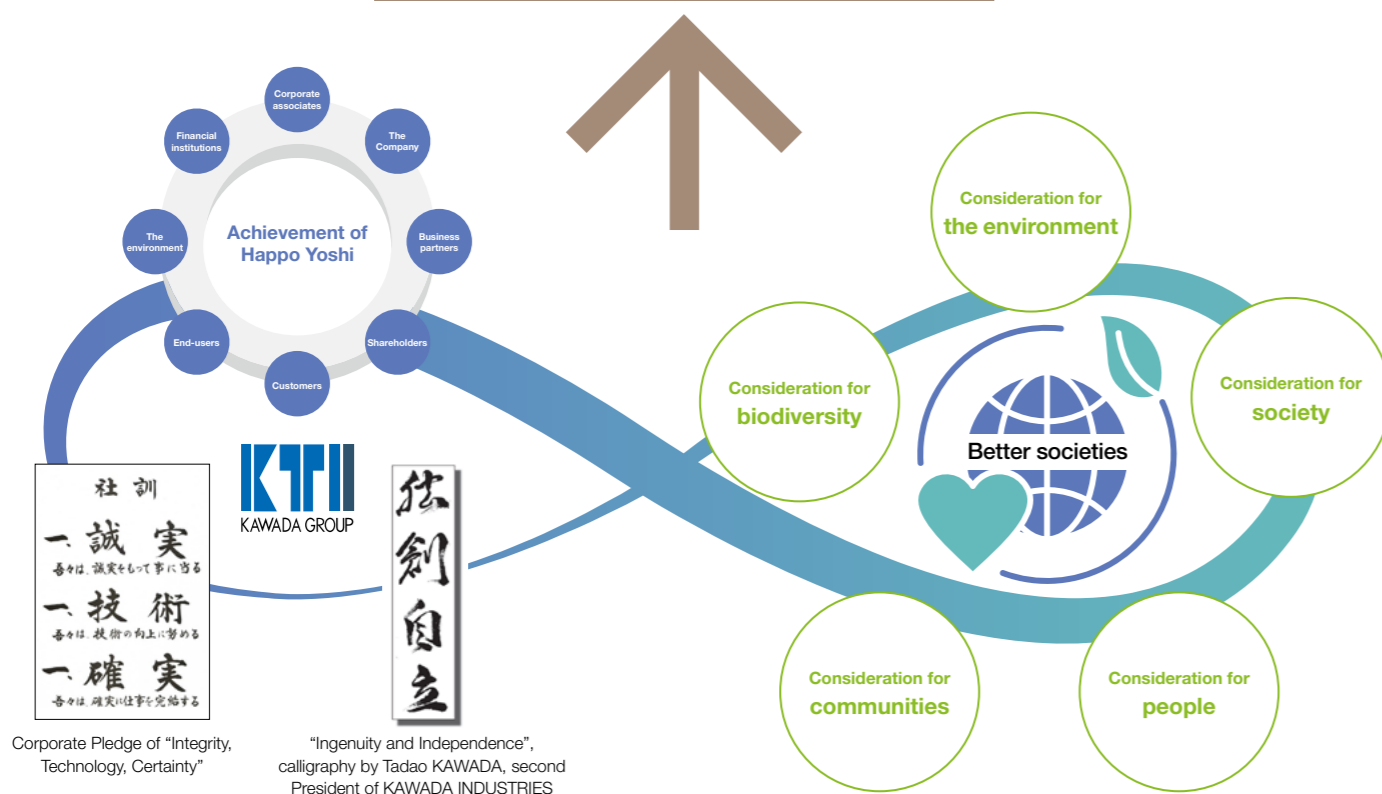
We will respect the dignity and rights of all people and strive to create workplaces and a supply chain where everyone can work safely and be treated fairly.

4

### Complying with corporate ethics and governance

In addition to complying with all applicable laws and regulations, we will also act in a manner consistent with social ethics and strive to ensure corporate governance in order to achieve both business growth and solutions to social issues.

## Sustainable growth of the KAWADA Group



Corporate Pledge of “Integrity, Technology, Certainty”

“Ingenuity and Independence”, calligraphy by Tadao KAWADA, second President of KAWADA INDUSTRIES

The unbroken DNA that flows through the KAWADA Group

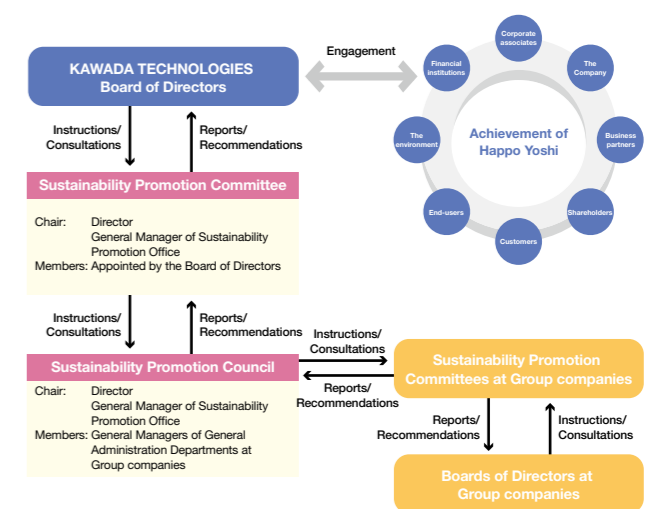
A society where everyone has an ethical mindset

## Sustainability implementation system

The Sustainability Promotion Committee was established in October 2021 as an advisory body to the Company’s Board of Directors. The Sustainability Promotion Committee meets monthly, in principle, to discuss risks and opportunities related to a wide range of sustainability issues and consider countermeasures based on the reports and recommendations given by the Sustainability Promotion Council, a subordinate organization, and the Sustainability Promotion Committees of Group companies, which are subordinate to the Council, in response to the Committee’s instructions and consultations. The Committee then reports and gives recommendations to the Company’s Board of Directors.

The Company’s Board of Directors deliberates and decides on important policies and issues, and monitors the content and progress of various activities. In addition, the Company’s Board of Directors assumes responsibility for directing and supervising to ensure sustainability initiatives, including those within the supply chain, are appropriately implemented.

In this manner, the Company’s Board of Directors, the Sustainability Promotion Committees, and the Sustainability Promotion Council work together organically to steadily promote sustainability management through their respective roles.

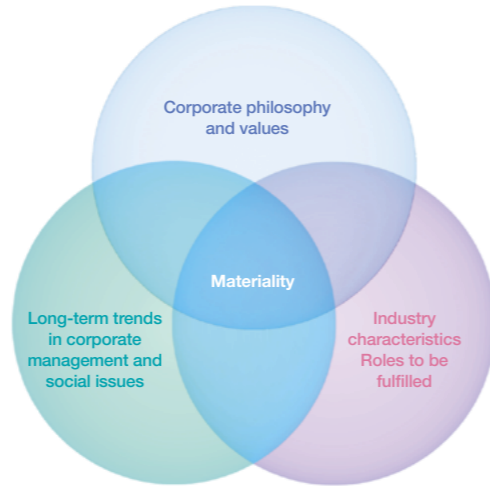


# Material issues (materiality)

## Identification of material issues (materiality)

The KAWADA Group focuses on long-term trends in corporate management and social issues, and identifies various risks and opportunities by considering the long-term outlook and vision for the business environment and social and global issues. We also look at the roles and social missions expected of the industry, and consider the responsibilities that companies should fulfill. Furthermore, we clarify the corporate philosophy and values shared throughout the organization, with actions aligned to these being required. Considering these factors, we identified material issues (materiality) relating to sustainability as an organization in March 2023. In addition, we established key issues to enable the organization and individuals to optimize resources and manage time effectively while addressing material issues.

Factors to be considered for material issues (materiality)



## List of material issues (materiality)

Material issues (materiality)	Key issues	Approach
<b>[A] Solving social issues through technology</b>	Resilient infrastructure development	We will enhance the resilience of society by focusing our technological capabilities on the development of sustainable infrastructure to help combat natural disasters and emergencies.
	Strengthening of comprehensive safety and quality management systems	We will work to further strengthen safety and quality management systems, including measures against infectious diseases, in order to provide safety and comfort for all stakeholders.
	Response to technological innovation and regulatory changes	We will advance innovative technology development and actively respond to accompanying regulatory reforms to improve productivity, respond to an aging society, and address environmental issues.
<b>[B] Contribution to the global environment</b>	Active contributions to addressing climate change	We will actively contribute to addressing climate change through measures such as reducing greenhouse gas emissions and switching to sustainable energy sources.
	Active contributions to addressing natural capital and biodiversity issues	We will maintain the balance of ecosystems and actively contribute to the conservation of species through the preservation and enhancement of biodiversity.
	Active contributions to the formation of a recycling-oriented economy and society	We will actively contribute to the improvement of recycling not only in economic activities, but also in society as a whole through the reuse of resources, the reduction of waste, and the optimization of product life cycles.
<b>[C] Maintaining and improving a safe and fair working environment</b>	Thorough implementation of human capital management	We will respect the diversity of our employees and promote human capital management that draws out the full potential of each individual's abilities and motivation, and aim to create a work environment where everyone can actively participate.
	Thorough implementation of management that respects human rights	We will respect the human rights of all stakeholders, including employees, business partners, customers, and local communities, and aim to build an inclusive society by establishing a mechanism for addressing human rights violations and the handling of complaints.
<b>[D] Complying with corporate ethics and governance</b>	Strengthening of the corporate governance system	We aim to strengthen our corporate governance system in order to enhance the transparency and fairness of corporate management and to achieve sustainable growth and improve corporate value.
	Promotion of compliance and ethical management	We will comply with corporate ethics and governance, including measures to prevent corruption, in order to foster a corporate culture and climate in which all employees act with a high level of ethics.
	Optimization of risk and information management	We aim to optimize our risk management system, including the formulation of a BCP*, and our information management system, including privacy protection and information security, in order to improve the stability and transparency of corporate management.
<b>[E] Co-creation of value with stakeholders</b>	Contribution to local communities	We aim to contribute to the development of local communities by actively working with them, including through educational support, sponsorship of local events, and environmental conservation activities.
	Strengthening of relationships with stakeholders	We aim to build stronger relationships of trust through initiatives that foster mutual understanding with all stakeholders, including customers, partners, and local communities.

\*BCP refers to a business continuity plan for companies and organizations in the event of an emergency such as a disaster.

# Report on activities up until now

## [A] Solving social issues through technology

Key issues	Approach	Initiatives	Specific details	Indicators	Targets	FY2023 results	FY2024 results
<b>Resilient infrastructure development</b>	We will enhance the resilience of society by focusing our technological capabilities on the development of sustainable infrastructure to help combat natural disasters and emergencies.	Construction of infrastructure that contributes to disaster prevention and mitigation and national resilience	Promotion of the development of resilient infrastructure construction and disaster recovery and differentiation technologies	Testing and research expenditure ratio	No change	1.0%	1.2%
				Number of patent applications	Increase	13	15
<b>Strengthening of comprehensive safety and quality management systems</b>	We will work to further strengthen safety and quality management systems, including measures against infectious diseases, in order to provide safety and comfort for all stakeholders.	Thorough prevention of accidents  Promotion of quality improvement activities	Elimination of occupational accidents  Improvement of construction performance scores and customer satisfaction	Injury frequency rate <sup>1</sup>	Reduction	1.34	0.83
				Construction performance average score	Improvement	83	83
<b>Response to technological innovation and regulatory changes</b>	We will advance innovative technology development and actively respond to accompanying regulatory reforms to improve productivity, respond to an aging society, and address environmental issues.	Promotion of digital transformation (DX) and green transformation (GX)  Promotion of work sharing	Utilization of BIM/CIM <sup>2</sup> and digital management tools  Utilization of communication tools, etc.	DX and GX site coverage rate	FY2030 100%	• BIM/CIM site coverage rate: 10.3% • Digital management tool site coverage rate: 40.6%	• BIM/CIM site coverage rate: 28.6% • Digital management tool site coverage rate: 77.9%
				Work sharing site coverage rate	FY2030 100%	8.5%	75.9%

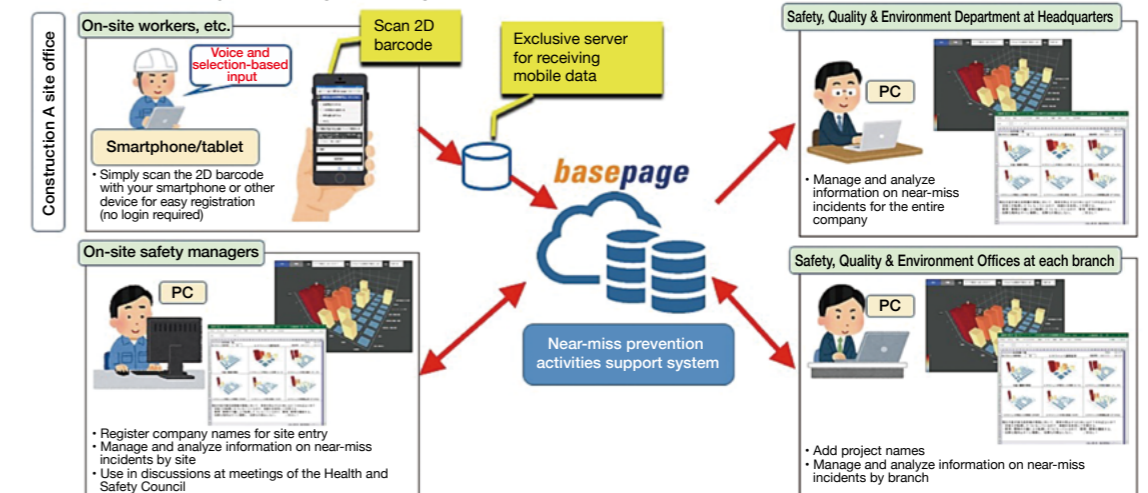
\*1: Injury frequency rate indicates the frequency of accidents occurring and refers to the number of injuries and fatalities caused by occupational accidents per million total actual working hours. It is calculated as: (number of injuries and fatalities caused by occupational accidents ÷ total working hours) × 1,000,000.  
\*2: BIM/CIM is an initiative that facilitates information sharing among all parties involved across an entire project through the introduction of 3D models from the planning, investigation, and design phases, then linking and developing these models in the subsequent construction and maintenance phases. This aims to improve the efficiency and sophistication of interlinked construction, production, and management systems.

## Utilizing the near-miss prevention activities support system

Preventing serious incidents at construction sites requires collecting and sharing near-miss experiences that could have led to serious incidents (near-miss information), analyzing the causes, and utilizing the information in safety training. KAWADA INDUSTRIES, KAWADA CONSTRUCTION, and others are working hard to prevent incidents by implementing the near-miss prevention activities support system jointly developed by KAWADA Group companies for preventing occupational accidents. We organized near-miss information accumulated within the

Group and used "basepage," KAWADA TECHNOSYSTEM's information-sharing cloud service, to digitalize the tasks of reporting, aggregation, and analysis, which had been previously carried out manually. The implementation of this system enables near-miss information to be shared with workers in a timely manner, thereby significantly contributing to the elimination of occupational accidents and increasing opportunities for acquiring orders, making it an extremely important initiative for the Group.

Operational diagram of near-miss prevention activities support system using "basepage"



[B] Contribution to the global environment

Key issues	Approach	Initiatives	Specific details	Indicators	Targets	FY2023 results	FY2024 results	
Active contributions to addressing climate change	We will actively contribute to addressing climate change through measures such as reducing greenhouse gas emissions and switching to sustainable energy sources.	Promotion of activities that combine the three elements of "improving the efficiency of energy consumption," "switching to renewable energy," and "creating clean energy"	Reduction in total CO <sub>2</sub> emissions	Greenhouse gas emissions (Covers Scope 1 and 2 <sup>1)</sup> )	FY2030 12,734 t-CO <sub>2</sub> (Down 42% compared to FY2022)	22,140 t-CO <sub>2</sub> (Up 0.1% compared to FY2022)	21,346 t-CO <sub>2</sub> (Down 3.5% compared to FY2022)	
			Utilization of sustainable and alternative energy	Ratio of renewable energy		FY2030 100%	10.6%	53.6%
				SAF <sup>2</sup> usage rate		FY2030 10%	0.03%	0.05%
				Expansion of use of electric furnace materials	Weight ratio of electric furnace materials purchased	Improvement	11.2%	10.9%
Active contributions to addressing natural capital and biodiversity issues	We will maintain the balance of ecosystems and actively contribute to the conservation of species through the preservation and enhancement of biodiversity.	Support for carbon sequestration <sup>3)</sup> projects	Cooperation with forest improvement projects	Greenery Donation Funds amount	Increase	1.1 million yen	1.7 million yen	
Active contributions to the formation of a recycling-oriented economy and society	We will actively contribute to the improvement of recycling not only in economic activities, but also in society as a whole through the reuse of resources, the reduction of waste, and the optimization of product life cycles.	Promotion of resource utilization for industrial waste	Strengthening of mixed waste <sup>4)</sup> sorting	Mixed waste emission rate	Reduction	1.04 t/100 million yen	0.99 t/100 million yen	

\*1: Scope 1 refers to the direct greenhouse gas emissions from our company, while Scope 2 refers to indirect emissions resulting from the use of electricity, heat, and steam supplied by other companies.  
 \*2: SAF is a biofuel made from plants and waste oils that can reduce carbon dioxide emissions by approximately 80% compared to conventional fossil-based fuels.  
 \*3: Carbon sequestration refers to the process of capturing carbon dioxide (CO<sub>2</sub>) from the atmosphere through natural processes using plants and soil, and stabilizing that carbon.  
 \*4: Mixed waste refers to waste that is a mixture of various types of materials.  
 For example, when disposing of projectors, there is no such thing as a "projector disposal company" that can process the projector as is; instead, we check what materials the entire projector is made of. If there are several different types of materials, such as a plastic outer frame, metal parts like bolts, and a glass lens, the item is classified as "mixed waste" comprising waste plastic, scrap metal, and waste glass. A company capable of handling mixed waste will then be contracted to take care of disposal.

Presented with a letter of appreciation from the Director-General of the Forestry Agency

Forests enrich our lives and give us many wonderful things, such as clean air, delicious water, and mental and physical relaxation. They also help prevent global warming. However, Japanese forests are unable to function properly due to insufficient maintenance and other factors. In response to this issue, the Greenery Donation Funds contribute to revitalizing a diverse range of forest and community development activities.

KAWADA TECHNOSYSTEM has continually carried out activities to raise donations for the Greenery Donation Funds. In recognition of these activities, we were presented in February 2025 with a letter of appreciation from the Director-General of the Forestry Agency. We were also given the opportunity to discuss disaster recovery support and environmental conservation following the presentation ceremony.

The KAWADA Group will continue its efforts through such activities to contribute to the achievement of the SDGs and the realization of a sustainable society.



Letter of appreciation presentation ceremony



A pleasant conversation with the Director-General of the Forestry Agency

[C] Maintaining and improving a safe and fair working environment

Key issues	Approach	Initiatives	Specific details	Indicators	Targets	FY2023 results	FY2024 results
Thorough implementation of human capital management	We will respect the diversity of our employees and promote human capital management that draws out the full potential of each individual's abilities and motivation and aim to create a work environment where everyone can actively participate.	Hiring of diverse personnel	Promotion of hiring of women, mid-career hires, and foreign nationals	Percentage of women among total hires	Average of 20% or more over three years (FY2023-FY2025)	23.2%	28.1%
				Percentage of mid-career hires among total hires	Average of 30% or more over three years (FY2023-FY2025)	34.3%	41.2%
				Hiring of foreign personnel	15 people over three years (FY2023-FY2025)	5	7
		Human resource development and support for career building	Support for acquiring necessary qualifications with a focus on career development	Support implementation rate for eligible employees	FY2025 100%	100%	100%
Thorough implementation of management that respects human rights	We will respect the human rights of all stakeholders, including employees, business partners, customers, and local communities, and aim to build an inclusive society by establishing correction and grievance mechanisms for addressing human rights violations.	Continuous promotion of a work-life balance and wellness and productivity management	Encouragement of acquisition of the Certification Test for Mental Health Management II (Managers' Course)	Percentage of managers who have obtained the Certification Test for Mental Health Management II (Managers' Course)	FY2025 100%	87.8%	94.8%
				Encouragement of male workers to take childcare leave	Percentage of male workers taking childcare leave	FY2025 60% or more	67.3%
		Fostering of an awareness of human rights	Provision of human rights education to deepen empathy and understanding	Rate of participation in human rights awareness training	FY2025 100%	61.2%	98.8%

\*The Certification Test for Mental Health Management is a registered trademark of the Osaka Chamber of Commerce and Industry.

Implementation of human rights awareness training

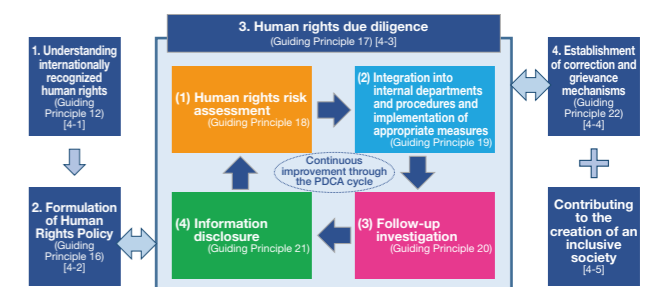
The KAWADA Group established its Human Rights Policy in March 2024 under one of the key issues, "thorough implementation of management that respects human rights." Along with paying serious consideration to international human rights norms based on the United Nations' Guiding Principles on Business and Human Rights, the policy sets out the implementation of human rights due diligence and the provision of related education and training for all Directors and employees. It also clearly states that in cases where the company has caused or contributed to adverse impacts on human rights, either directly or indirectly, the company will strive to correct and remedy the situation through appropriate means.

Moreover, we have set the "rate of participation in human rights awareness training" as an indicator for this key issue and have been providing training for KAWADA Group Directors and employees since FY2023. In particular, in FY2024 during the first training sessions held since we established our Human Rights Policy, we explained the background behind formulating the policy and the details of its contents in order to ensure that trainees understood the policy inside and out. The rate of participation in training was 98.8% in FY2024, a significant

improvement over the rate from the previous year (61.2%). Also, as an additional initiative to ensure that the policy was thoroughly digested, we had trainees take a comprehension test once the training was completed.

Going forward, the KAWADA Group will continually provide training in order that each and every Director and employee maintains a sense of ownership toward human rights and fulfills their responsibility to respect human rights.

Overview of human rights due diligence system



Taken from Keidanren's "Handbook for Management that Respects Human Rights"

See our website for our Human Rights Policy: [www.kawada.jp/global/corporate/policy/human-rights/](http://www.kawada.jp/global/corporate/policy/human-rights/)

[D] Complying with corporate ethics and governance

Key issues	Approach	Initiatives	Specific details	Indicators	Targets	FY2023 results	FY2024 results
<b>Strengthening of the corporate governance system</b>	We aim to strengthen our corporate governance system in order to enhance the transparency and fairness of corporate management and to achieve sustainable growth and improve corporate value.	Complying with Japan's Corporate Governance Code (the Code)	Verifying and disclosing the status of compliance with each principle in the Code	Rate of compliance with the Code	FY2030 100%	97.5%	97.5%
<b>Promotion of compliance and ethical management</b>	We will comply with corporate ethics and governance, including measures to prevent corruption, in order to foster a corporate culture and climate in which all employees act with a high level of ethics.	Development and effective management and supervision of various guidelines, etc.	Utilization of online learning	Rate of compliance training participation	FY2030 100%	88.1%	98.5%
<b>Optimization of risk and information management</b>	We aim to optimize our risk management system, including privacy protection and information security, in order to improve the stability and transparency of corporate management.	Establishment of a comprehensive risk management system	<b>Formulation of BCP centered on Group sites in Japan and implementation and training of the BCP</b>	Response rate for safety confirmation drills at business sites	FY2030 100%	96.5% *Not yet implemented at one company	92.1%
			Establishment of an information governance system	Fostering of an information security culture	Number of evacuation drills and BCP emergency operation drills	<ul style="list-style-type: none"> <li>Evacuation drills: Implemented at all sites</li> <li>BCP emergency operation drills: Increase in the number of sites with a formulated BCP and implementation of training at all such sites</li> </ul>	<ul style="list-style-type: none"> <li>Evacuation drills: Conducted at 46 out of 74 sites</li> <li>BCP emergency operation drills: Conducted at 11 out of 13 sites</li> </ul>
				Rate of participation in information security training	FY2030 100%	85.5%	96.5%

Enhancing safety measures with an evacuation route navigation system using 2D barcodes

The KAWADA Group considers that in preparing for large-scale disasters such as the Nankai Trough earthquake, it is essential that comprehensive safety measures cover visitors as well as Directors and employees. For this reason, we formulate, disseminate, and implement our business continuity plan (BCP) and conduct regular evacuation drills that simulate various disaster scenarios.

KAWADA INDUSTRIES' Shikoku Plant has adopted an evacuation route navigation system using 2D barcodes for the purposes of ensuring the safety of visitors and improving its emergency response capabilities. More specifically, it has prepared visitor cards that provide comprehensive information on what to do in an emergency, such as 2D barcodes giving directions to evacuation areas, site precautions outlining safety rules for plant tours, and maps showing the locations of AEDs, entrances and exits, and evacuation routes.

This system is just one part of our specific and effective efforts to enhance safety measures. Through this, we aim to prepare for disasters, ensure the safety of all related parties—including visitors—and improve our emergency response capabilities.



Precautions for plant tours and guidance on emergency evacuation routes

[E] Co-creation of value with stakeholders

Key issues	Approach	Initiatives	Specific details	Indicators	Targets	FY2023 results	FY2024 results
<b>Contribution to local communities</b>	We aim to contribute to the development of local communities by actively working with them, including through educational support, sponsorship of local events, and environmental conservation activities.	Promotion of information dissemination	<b>Sponsorship of local events, etc.</b>	Number of times held	Increase	<ul style="list-style-type: none"> <li>Sponsored events, etc.: 54</li> <li>Plant and site tours: 39</li> </ul>	<ul style="list-style-type: none"> <li>Sponsored events, etc.: 90</li> <li>Plant and site tours: 106</li> </ul>
		Support for maintaining infrastructure functions	Promotion of disaster recovery support	Number of disaster support agreements, etc. signed	Increase	111	119
				Number of times disaster support, etc. was dispatched	(Reference figures)	7	1
				Number of cases where systems were provided free of charge in disaster events	(Reference figures)	<ul style="list-style-type: none"> <li>CAD and other software: 86</li> <li>"basepage" registered companies: 3 offices (67 users)</li> </ul>	<ul style="list-style-type: none"> <li>CAD and other software: 248</li> <li>"basepage" registered companies: 2 offices (46 users)</li> </ul>
<b>Strengthening of relationships with stakeholders</b>	We aim to build stronger relationships of trust through initiatives that foster mutual understanding with all stakeholders, including customers, partners, and local communities.	Improvement of added value throughout the supply chain	Compliance with desirable trade practices with partner companies	Number of KAWADA Group companies (the Company and its eight consolidated subsidiaries) registered under the Declaration of Partnership Building <sup>1</sup>	FY2030 9 out of 9 companies	2 out of 9 companies	2 out of 9 companies

<sup>1</sup>: The Declaration of Partnership Building is an initiative in which companies, regardless of size, declare their own business policies from the perspective of the ordering party.

Supporting young people shaping the future

The KAWADA Group actively engages in activities to support young people responsible for the future.

The Company sponsored the World Robot Olympiad (WRO) 2024 Japan Final held on August 24 and 25, 2024, as a platinum sponsor. WRO is an international robot programming competition for children. Elementary, junior high, and high school winners of regional qualifiers across Japan face off at the Japan Final, with the top-ranking teams going on to represent Japan at the International Final. In FY2024, the Final was held in Toyama City. Participants gave their all in the

competition for the chance to participate in the International Final in Turkey.

The Company presented its sponsor award to an elementary school team that competed in an event involving racing self-made robots on special courts while completing missions in a battle of points and speed. In addition, the KAWADA Group facilitates a broad range of inquiry-based learning initiatives, including tours of its construction sites, plants, and aircraft hangars, as well as visiting lectures.



Competitors giving their all in the contest



Standing with the Toyama Prefecture team SMNT (Sawayaka Mint)

## Roundtable discussion with Outside Directors

In order to achieve the sustainable growth of the Group and enhance its corporate value over the medium to long term, the Company is continuously working to enhance and strengthen its corporate governance to achieve transparent, fair, quick, and resolute decision-making. Three of the Independent Outside Directors who advance these efforts in an objective capacity met to discuss the role and functions of the Board of Directors of the KAWADA Group.



**Koichi TAKAKUWA**  
Outside Director

**Takahisa YAMAKAWA**  
Outside Director

**Keiko FUKUCHI**  
Outside Director who is an Audit and  
Supervisory Committee Member

### The role of an Outside Director

**Q.** Could you please share your personal background and what you consider to be the role of an Outside Director?

**YAMAKAWA** I worked with KAWADA INDUSTRIES for many years as an attorney, and I was asked to serve as an Outside Director in 2015, after it transitioned to a holding company structure. I recognize that an Outside Director's primary role is to protect the interests of diverse stakeholders. Business execution is entrusted to Internal Directors, and Outside Directors have the important role of giving opinions on its legality and appropriateness in light of social norms and other factors.

**TAKAKUWA** I met President KAWADA when I was still at Hokuriku Electric Power Company, and I was interested in the Group's business diversification efforts, robots, and environmental actions. In 2016, after retiring from Hokuriku Electric Power Company, I was approached about becoming an Outside Director. Precisely because the KAWADA Group is constantly taking on new challenges, I believe that oversight by Outside Directors on compliance and other issues represents the final line of defense. It is also important to look at the broader picture in assessing whether Directors and corporate associates are fulfilling their respective roles.

**FUKUCHI** I was aware that the KAWADA Group has a history of over 100 years and is a company with industry-leading bridge technologies. Since I also knew that the Group was a sound company based on business and financial analysis, I accepted the offer to become an Outside Director. I concurrently serve as an Audit and Supervisory Committee Member, and I believe my role is to provide verification and input as a finance and tax expert in an independent capacity.

### Points kept in mind as an Outside Director

**Q.** What points do you keep in mind as an Outside Director?

**YAMAKAWA** Well, our basic mission is to provide opinions from an objective standpoint. When it is deemed that an objective perspective is required, I state my views directly, even to the management that has long led the Group's business within KAWADA's corporate culture. My 10 years as an Outside Director of the KAWADA Group have deepened my understanding of its businesses, and I believe this experience will continue to be useful in securing stakeholder interests.

**TAKAKUWA** I agree. Those inside the company may become immersed in the corporate culture and, at times, lose objectivity. The KAWADA Group's customers include

government-related organizations, such as the Ministry of Land, Infrastructure, Transport and Tourism. While the Group is engaged in businesses that serve end-users, it has limited direct contact with them. I make an effort to express opinions from the perspective of the broader public. Internal Directors listen to these views and, in some cases, reconsider or revise policies and plans. Their sincere approach is outstanding. At the same time, as someone who has long served as an Outside Director, I worry about the risk of losing objectivity myself. To ensure that I do not, I attend university lectures and participate in volunteer activities to expose myself to common sense and public opinion.

**FUKUCHI** I share the same view. I am mindful of making observations and speaking objectively on matters related to governance, compliance, and finance.

### The operation and effectiveness of the Board of Directors

**Q.** What is your view on the operation and effectiveness of the Board of Directors?

**TAKAKUWA** The operation of the Board of Directors has improved considerably compared to when I became an Outside Director nine years ago. At the time, advance explanations of agenda items were limited. Now, even matters requiring reconsideration are handled flexibly and appropriately.

**YAMAKAWA** I also highly rate the Board's operation. Materials related to the agenda items are shared in advance, and Directors are able to speak openly at any time. The President, who serves as Chair, also gives consideration to ensure that views can be exchanged freely. If a matter needs to be discussed at length, it will be carried over to the next meeting rather than forcing a resolution in a single meeting.

**FUKUCHI** Thanks to the open atmosphere, I also find it easy to express my views. When objective materials are lacking, internal staff prepare them as needed, which helps maintain the Board's effectiveness.

**YAMAKAWA** The effectiveness of the Board is evaluated once a year through a questionnaire. My evaluation is that the Board is generally operated efficiently, and the effectiveness of governance and related functions is ensured.

**TAKAKUWA** For agenda items requiring a high level of expertise, experts in that field are sometimes invited to conduct study sessions. I can see that the company is making efforts to enhance the effectiveness of the Board.

**FUKUCHI** With respect to the Audit and Supervisory Committee, as well, three-way communication among the Audit and Supervisory Committee Members, the Audit Office,



and the Financial Auditor is conducted smoothly, and the effectiveness of the committee has improved. Matters identified by the Financial Auditor as necessary for sound financial management are discussed by the Audit Office and the Audit and Supervisory Committee and then reported to the Board of Directors.

**TAKAKUWA** As a result of transitioning to a company with an Audit and Supervisory Committee, Outside Audit and Supervisory Board Members became Audit and Supervisory Committee Members. From a compliance perspective, I think it is highly beneficial that those who conduct audits can engage in discussions at the same level as Directors. Both the number and ratio of women Directors have also increased. The challenge ahead will be the development of Directors with technical backgrounds. I believe that developing technically skilled corporate associates who can take part in management into Internal Directors would also incentivize them.

**FUKUCHI** The ratio of Internal and Outside Directors is appropriate. However, to improve the quality and diversity of the Board, I believe the appointment of women as Internal Directors is necessary.

Chair of the Board of Directors

Q. What should be the Chair's function in facilitating the Board of Directors' meetings?

**YAMAKAWA** Although it seems that outside directors are serving as board chairs at some companies in recent years, I do not believe that an outside individual is appropriate in all situations.

**TAKAKUWA** In normal circumstances, I would say it is fine for

anyone to chair the meetings. However, if a problem arises, we could, as a possibility, have the Chair be an outside director who can view the company more objectively. Since the Company is not in such a situation, I think it is suitable to have the current structure, in which the President administers the Board's meetings based on the various discussions that take place across the Group.

**YAMAKAWA** I agree. The Chair's role is to facilitate, not to lead the Board's discussions. President KAWADA consistently facilitates meetings so that many viewpoints are expressed, rather than listening only to internal opinions.



**FUKUCHI** If objective and highly transparent decision-making is conducted at the Board, as we do at the KAWADA Group, I do not believe the Chair has to necessarily be an outside director.

The KAWADA Group's challenges and initiatives

**TAKAKUWA** One of the major agenda items of the Board meetings in recent years was the formulation of the Third Medium-Term Management Plan. In formulating the plan, we discussed the ever-declining birthrate, decreases in the construction of new social infrastructure including bridges, the downward demand in Japan, and global expansion. As much of Japan's social infrastructure ages, the Group's business has been largely shifting from new construction to maintenance. Maintenance is primarily on-site work, and it requires training a range of personnel with diverse and varied knowledge.

**FUKUCHI** I believe that management plans should be formulated with a long-term outlook, with consideration given to the balance sheet, rather than focusing solely on short-term revenue. In that sense, I highly value the Third Medium-Term Management Plan. As the plan progresses, I have been providing recommendations based on financial analysis that

considers both profitability and capital efficiency. Regarding risk management, I have provided advice on the importance of maintaining constant awareness of risks, from the individual level to the level of organization-wide security, and ensuring that each person addresses these risks as a personal responsibility. As for human resources, while the KAWADA Group hires a high ratio of women corporate associates, there are still not enough women managers. Therefore, I hold meetings with corporate associates to discuss about women in the workplace and collect wide-ranging opinions. Fostering women managers requires long-term planning. There must also be women in management positions who can serve as role models.

**YAMAKAWA** There is awareness of a number of issues. Even though the KAWADA Group had record-high profits in the previous fiscal year and has strong business results, active discussions are still taking place for achieving further growth. The Internal Directors have a very high level of awareness of the issues, and our job as Outside Directors is to properly verify the feasibility of the growth strategies as well as their advantages and disadvantages. To be able to do this, I attend Board meetings as well as visit plants and exchange views with general managers of plants and senior personnel in manufacturing departments.

**TAKAKUWA** The KAWADA Group's businesses are highly diverse. If they collaborate more closely, significant potential can be unlocked. The way the Group responds to changes in society through such collaboration will depend on the quality of the management's ideas and planning. There is plenty of potential to create a conglomerate premium.

**YAMAKAWA** Yes, collaboration between the KAWADA Group's core businesses has demonstrated strengths and future potential. The key challenge going forward will be how to link businesses such as aviation and robotics. We must further consider how the diverse businesses can contribute to the Group's further growth.

**TAKAKUWA** In that regard, governance is another key point. Robust governance systems are needed, but what is most necessary is a high level of ethical awareness among individuals. This awareness is ultimately demonstrated by the conduct of the management. At the heart of governance lies the management's commitment to creating a sound corporate culture and a sound company, displaying discipline, and setting an example for corporate associates.

**YAMAKAWA** I cannot agree with you more. Even if systems and entities are created, they will not function without a passion behind them. Whether the mechanisms function or not depends on the management.

**FUKUCHI** I share your view. When frank exchanges of views take place grounded in objective data and based on each individual's high level of ethical awareness, management and financial strategies will be executed as a result. Quality

governance will be maintained, as well. This, I believe, would be the ideal state. It will also lead to business management that enhances both profitability and capital efficiency.



Message to stakeholders

Q. Lastly, what is your message to the stakeholders?

**YAMAKAWA** I will continue to fulfill my role as an Outside Director to protect the interests of all stakeholders.

**FUKUCHI** The President, other Directors, and staff are continually making efforts to ensure that all stakeholders regard the KAWADA Group as an attractive corporate group with prospects for sustainable growth. I, too, intend to dedicate myself further to this effort.

**TAKAKUWA** The KAWADA Group has potential and is carrying out many exciting projects for the future, including advancing infrastructure development technologies. I would like to propose hosting company tours, among other initiatives, and I have high expectations for the Group's success going forward. I hope that all stakeholders will share in these expectations.

## Corporate governance

In order to achieve the sustainable growth of the Company and the Group and enhance their corporate value over the medium to long term, the Company is continuously working to enhance and strengthen its corporate governance to achieve transparent, fair, quick, and resolute decision-making.

### Basic stance

1. Respect the rights of shareholders, and work on improving the environment in which shareholders can exercise their rights appropriately and securing substantial shareholder equality.
2. Consider the interests of various stakeholders, including shareholders, customers, local communities, business partners, and employees, and work appropriately with these stakeholders.
3. Disclose company information in a timely and appropriate manner and ensure transparency.
4. We will endeavor to ensure the effectiveness of the supervision function of the execution of duties by the Board of Directors as the core holding company of the Group.
5. In an effort to achieve constructive dialogue with shareholders, we will work to improve the structure and gain an understanding of the structure of shareholders to promote constructive dialogue with shareholders.

### (1) Corporate governance system

The Company changed its corporate governance structure in June 2020 by transitioning to a company with an Audit and Supervisory Committee. In addition to the Board of Directors, we have established the Nomination and Compensation

Committee as an advisory body to the Board, along with other committees for formulating opinions on various measures to enhance corporate governance across the entire Group.

#### (i) Board of Directors

The Board of Directors is chaired by the Representative Director and President and as a rule meets once a month. Based on our Group Philosophy, Guidelines, Corporate Governance Basic Policy, and KAWADA Group Compliance Charter, the Board deliberates and makes decisions on management strategies and plans, as well as other key matters. It also works to enhance corporate governance by regularly overseeing the progress of business execution and verifying the progress of management plans, etc.

#### (ii) Audit and Supervisory Committee

The Audit and Supervisory Committee is chaired by a Full-time Audit and Supervisory Committee Member and as a rule meets once a month. The responsibilities of Audit and Supervisory Committee Members include attending Board of Directors meetings, auditing and supervising the execution of duties by Directors through internal control systems, and holding interviews with internal audit departments and other relevant parties. Additionally, a Secretariat for the Audit and Supervisory Committee has been independently established as a framework for gathering information from Directors and facilitating information sharing at important internal meetings.

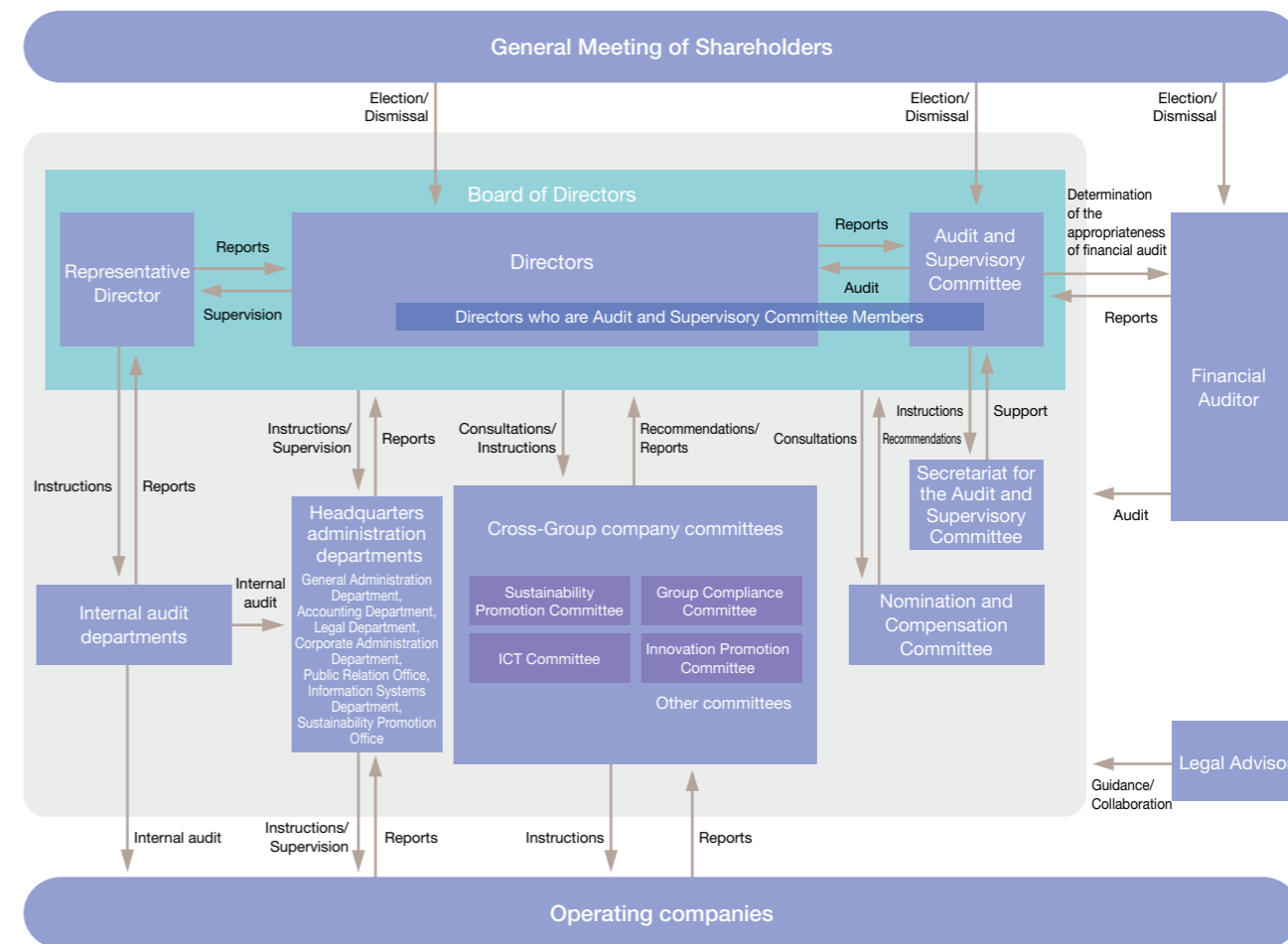
#### (iii) Nomination and Compensation Committee

The Nomination and Compensation Committee is chaired by an Independent Outside Director. Its responsibilities include submitting recommendations to the Board of Directors on matters to be submitted at the General Meeting of Shareholders, such as proposals for Director candidates, appointment or removal of Representative Director candidates, and proposals on Director compensation. Committee meetings are held as necessary in response to requests for consultation from the Board of Directors. Their purpose is to ensure objective and rational decision-making in the Board's nomination of executive director candidates and determination of their compensation, thereby helping to achieve sound corporate governance.

#### (iv) Other committees

We have established various other committees, including the Group Compliance Committee, ICT Committee, and Innovation Promotion Committee, which are chaired by the Directors responsible for each committee's respective area and attended by the general managers and other members of relevant departments at Group companies. The aim of these committees is to provide reports and feedback on requests for consultation regarding various policy proposals from the Board of Directors. This further enhances corporate governance across the Group through the Board of Directors and enables the Board to make decisions on a range of effective measures and deploy them across Group companies.

Corporate governance system diagram



Composition of each organization

Name	Position	Independent Director <sup>1</sup>	Board of Directors	Audit and Supervisory Committee	Nomination and Compensation Committee
Tadahiro KAWADA	Representative Director and President		● <sup>2</sup>		●
Satoru WATANABE	Managing Director		●		
Takuya KAWADA	Director		●		
Katsuhito TADA	Director		●		●
Takahisa YAMAKAWA	Outside Director	●	●		● <sup>2</sup>
Koichi TAKAKUWA	Outside Director	●	●		●
Hidenori MUGINO	Outside Director	●	●		●
Toshinari OKADA	Director (Audit and Supervisory Committee Member)		●	● <sup>2</sup>	
Keiko FUKUCHI	Outside Director (Audit and Supervisory Committee Member)	●	●	●	
Megumi KATSUNO	Outside Director (Audit and Supervisory Committee Member)	●	●	●	

<sup>1</sup>: Independent Directors are appointed in accordance with independence assessment criteria that listed companies are mandated to uphold by the Tokyo Stock Exchange.

<sup>2</sup>: ● indicates the chairperson of each committee.

**(2) Nomination policy and compensation for Directors**

**(i) Nomination policy for Directors**

When appointing Directors, we nominate individuals possessing broad insight, extensive experience, a sense of mission and responsibility, the ability to drive reform, and other such qualities. Nominees must also be capable of sustaining shareholders' trust and appropriately executing their duties as Directors.

We expect Outside Directors to participate in and supervise decision-making regarding all aspects of the Company's management based on their extensive experience and insight. Further, we expect Outside Directors who are Audit and Supervisory Committee Members to supervise and audit the business execution of Directors (excluding Directors who are Audit and Supervisory Committee Members) from an independent standpoint.

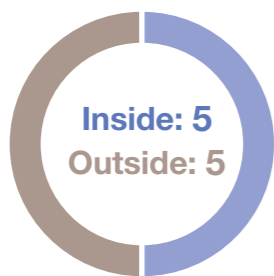
**(ii) Director compensation**

Limits on Director compensation are established by resolution at the General Meeting of Shareholders in accordance with the Company's Articles of Incorporation. The Nomination and Compensation Committee, an advisory body to the Board of Directors, deliberates on the allocation of said compensation based on the position, duties, and experience of recipients, along with other factors.

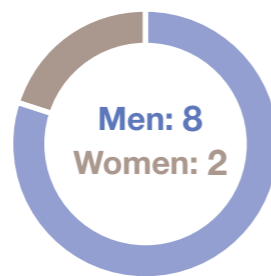
Compensation for executive directors comprises a fixed base compensation and a variable performance-linked compensation. Of these, the variable compensation is adjusted in consideration of the degree of achievement of operating profit for realizing the Group's target ROE, keeping in mind the ROE management approach endorsed by the Group.

Compensation for Directors who are Audit and Supervisory Committee Members is determined through consultation among said Directors in consideration of their status as full-time or part-time members, the division of audit responsibilities, and similar factors. Compensation is set within the limits established by resolution at the General Meeting of Shareholders in accordance with the Company's Articles of Incorporation.

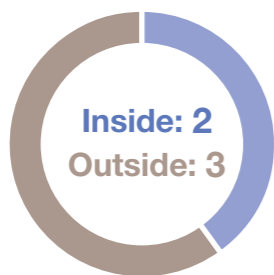
Composition of Board of Directors



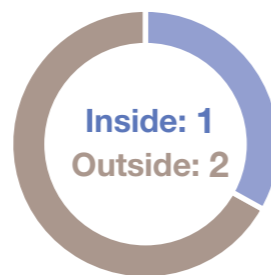
Gender ratio of Board of Directors



Composition of Nomination and Compensation Committee



Composition of Audit and Supervisory Committee



**(3) Policy on cross-shareholdings**

The KAWADA Group's basic policy is to acquire and hold shares of business partners should such acquisition or holding be recognized as contributing to enhancing the Group's corporate value. Such decisions are made after verifying the business partner's creditworthiness and safety and after comprehensive consideration from the perspectives of strengthening business relationships, facilitating transactions, and implementing financial policies with the business partner in order to achieve the Group's medium- to long-term

management strategy and enhance corporate value.

Cross-shareholdings are reviewed annually on an individual basis by each company's Board of Directors to evaluate the rationale and economic rationality of holding the shares. This is followed by an examination into whether to continue holding the shares, with each Board striving to reduce shares in cases where the rationale behind holding them is considered unsatisfactory.

**(4) Status of dialogues with shareholders and investors**

We promote constructive dialogues with our shareholders and investors in order to contribute to sustainable growth and the medium- to long-term enhancement of corporate value. Moreover, we provide feedback on issues raised through such

dialogue to the Board of Directors as a way of facilitating information-sharing with management. Results for the period of April 1, 2024, to March 31, 2025, are as follows.

Activity details	Implementation period, etc.	Times held	Members
Roundtable gatherings with shareholders	After the General Meeting of Shareholders	1	President
Financial results briefings for institutional investors*	May and December	2	President, Directors in charge of IR
Individual meetings with institutional investors*	After financial results presentations	87	Directors in charge of IR, others
Small meetings with institutional investors*	Same as above	3	Directors in charge of IR, others
Plant and site tour meetings	As necessary	1	Directors in charge of IR, others

\*Includes analysts

Key points brought up during dialogue	Measures implemented to enhance corporate value
<ul style="list-style-type: none"> <li>Current status, challenges, and future outlook for each business segment</li> <li>Progress of the Medium-Term Management Plan and direction for the following plan</li> <li>Policies and approaches in respect of equity-method affiliates</li> <li>Performance trends of equity-method affiliates</li> <li>Policies and approaches in respect of shareholder returns, such as dividends and share buybacks</li> </ul>	<p>To enhance shareholder returns,</p> <ul style="list-style-type: none"> <li>we introduced an interim dividend system.</li> <li>we set a minimum dividend amount for the duration of the Third Medium-Term Management Plan.</li> </ul> <p>To more proactively provide information to our stakeholders,</p> <ul style="list-style-type: none"> <li>we began publishing Integrated Reports in both Japanese and English.</li> <li>we held plant tours for institutional investors and others.</li> </ul>

**Risk management**

**Basic approach**

The KAWADA Group continually ensures the soundness of its business activities by correctly recognizing risks, reducing their likelihood of occurrence, and addressing them appropriately. To fulfill our social responsibilities in respect of all our stakeholders, including shareholders, investors, customers, business partners, end-users, local communities, and employees, we have established a risk management system to continuously implement risk management practices.

**Key risks that could potentially have a significant impact**

(1) Market risk	(7) Credit risk of business partners	(13) Risk due to reliance on interest-bearing debt and interest rate fluctuations
(2) Revenue fluctuation risk	(8) Exchange rate fluctuation risk	(14) Risks related to information security
(3) Risks associated with incidents	(9) Risks associated with labor shortages	(15) Improper financial reporting risk
(4) Risks of flaws and other issues due to quality defects	(10) Risks from natural and other large-scale disasters	(16) Risks related to climate change
(5) Risk of construction delays	(11) Risks related to impairment of fixed assets	(17) Human rights-related risks
(6) Risks related to laws and regulations	(12) Market value fluctuation risk of held assets	(18) Human capital-related risks

See our Securities Report for details: [https://www.kawada.jp/ir/securities/pdf/20250624\\_01.pdf](https://www.kawada.jp/ir/securities/pdf/20250624_01.pdf)

## List of Directors



**Hidenori MUGINO**  
Outside Director

**Keiko FUKUCHI**  
Outside Director who is an Audit and Supervisory Committee Member

**Koichi TAKAKUWA**  
Outside Director

**Takuya KAWADA**  
Director

**Takahisa YAMAKAWA**  
Outside Director

**Tadahiro KAWADA**  
Representative Director and President

**Katsuhito TADA**  
Director

**Satoru WATANABE**  
Managing Director

**Toshinari OKADA**  
Director who is an Audit and Supervisory Committee Member

**Megumi KATSUNO**  
Outside Director who is an Audit and Supervisory Committee Member

Management structure

List of Directors



**Tadahiro KAWADA**  
Representative Director and President

**Present position in the KAWADA Group**

- Representative Director and President, the Company
- Representative Director and President, KAWADA INDUSTRIES, INC.
- Director, KAWADA CONSTRUCTION CO., LTD.
- Director, KAWADA TECHOSYSTEM CO., LTD.
- Director, KYOURYOU MAINTENANCE, INC.
- Director and Chairperson, KAWADA ROBOTICS CORPORATION

May 1985 Joined KAWADA INDUSTRIES, INC.  
 Jun. 1997 Director, General Manager of Aviation Division, KAWADA INDUSTRIES, INC.  
 Jun. 2003 Managing Director, Deputy General Manager of Business Administration Division, General Manager of Aviation and Machinery Division, KAWADA INDUSTRIES, INC.  
 Jun. 2005 Representative Director and President, KAWADA INDUSTRIES, INC. (present position)  
 Feb. 2009 Representative Director and President, the Company (present position)  
 Jun. 2018 Representative Director and President, KAWADA ROBOTICS CORPORATION  
 Jun. 2025 Director and Chairperson, KAWADA ROBOTICS CORPORATION (present position)



**Satoru WATANABE**  
Managing Director

**Present position in the KAWADA Group**

- Managing Director, the Company
- Representative Director and Executive Vice President, KAWADA INDUSTRIES, INC.
- Audit & Supervisory Board Member, KAWADA CONSTRUCTION CO., LTD.
- Director, KYOURYOU MAINTENANCE, INC.
- Audit & Supervisory Board Member, TOHO AIR SERVICE CO., LTD.
- Director, KAWADA ROBOTICS CORPORATION

Apr. 1983 Joined KAWADA INDUSTRIES, INC.  
 Jun. 2001 Director, General Manager of Accounting Department, KAWADA INDUSTRIES, INC.  
 Mar. 2003 Audit & Supervisory Board Member, SATO KOGYO CO., LTD.  
 Jun. 2005 Managing Director, General Manager of Accounting Department, KAWADA INDUSTRIES, INC.  
 Apr. 2008 Managing Director, in charge of Management Planning, Finance, Investor Relations, KAWADA INDUSTRIES, INC.  
 Feb. 2009 Director, in charge of Management Planning, Finance and Investor Relations, the Company  
 Sept. 2009 Director, SATO KOGYO CO., LTD. (present position)  
 Jun. 2011 Managing Director, in charge of Management Planning, Finance, Investor Relations, the Company  
 Jun. 2019 Senior Managing Director, in charge of Management Planning, Finance and Investor Relations, KAWADA INDUSTRIES, INC.  
 Jun. 2025 Managing Director, in charge of Management Planning, Finance, Investor Relations, and ICT, the Company (present position)  
 Representative Director and Executive Vice President, KAWADA INDUSTRIES, INC. (present position)



**Toshinari OKADA**  
Director who is a Full-time Audit and Supervisory Committee Member

**Present position in the KAWADA Group**

- Director who is a Full-time Audit and Supervisory Committee Member, the Company
- Audit & Supervisory Board Member, KAWADA INDUSTRIES, INC.

Apr. 1981 Joined KAWADA INDUSTRIES, INC.  
 Apr. 2013 General Manager of Management Department, in charge of Management and Operation, Steel Construction Division, KAWADA INDUSTRIES, INC.  
 Sept. 2015 Full-time Audit & Supervisory Board Member, KAWADA INDUSTRIES, INC.  
 Jun. 2016 Audit & Supervisory Board Member, the Company  
 Jun. 2022 Director who is a Full-time Audit and Supervisory Committee Member, the Company (present position)  
 Audit & Supervisory Board Member, KAWADA INDUSTRIES, INC. (present position)



**Keiko FUKUCHI**  
Outside Director who is an Audit and Supervisory Committee Member

**Present position in the KAWADA Group**

- Outside Director who is an Audit and Supervisory Committee Member, the Company
- Audit & Supervisory Board Member, KAWADA INDUSTRIES, INC.

Apr. 1981 Joined Tokyo Regional Taxation Bureau  
 July 2008 Professor, National Tax College  
 July 2013 Director (Mutual Agreement Procedures), International Operations Division, Commissioner's Secretariat, National Tax Agency  
 Mar. 2018 Regional Commissioner, Kanazawa Regional Taxation Bureau  
 Aug. 2019 Registered as a Certified Public Tax Accountant  
 Representative of Tax Accountant Office (present position)  
 Jun. 2020 Outside Director who is an Audit and Supervisory Committee Member, the Company (present position)  
 Audit & Supervisory Board Member, KAWADA INDUSTRIES, INC. (present position)  
 Outside Audit & Supervisory Board Member, ASKA Pharmaceutical Holdings Co., Ltd.  
 Jun. 2025 Independent Outside Audit & Supervisory Board Member, Oji Holdings Corporation (present position)



**Takuya KAWADA**  
Director

**Present position in the KAWADA Group**

- Director, the Company
- Representative Director and President, KAWADA CONSTRUCTION CO., LTD.

Apr. 1991 Joined KAWADA INDUSTRIES, INC.  
 Jun. 2001 Director, General Manager of Accounting Department, KAWADA CONSTRUCTION CO., LTD.  
 Mar. 2003 Director, in charge of Management Planning, SATO KOGYO CO., LTD.  
 Jun. 2005 Executive Officer, General Manager of Tokyo Sales Department, Bridge Division, KAWADA INDUSTRIES, INC.  
 Mar. 2008 Managing Executive Officer, General Manager of Bridge Division, KAWADA INDUSTRIES, INC.  
 Jun. 2010 Director, General Manager of Osaka Branch, KAWADA INDUSTRIES, INC.  
 Jun. 2012 Representative Director and President, KAWADA CONSTRUCTION CO., LTD. (present position)  
 Jun. 2017 Director, the Company (present position)



**Katsuhito TADA**  
Director

**Present position in the KAWADA Group**

- Director, the Company
- Director, KAWADA INDUSTRIES, INC.
- Director, TOHO AIR SERVICE CO., LTD.

Apr. 1994 Joined KAWADA INDUSTRIES, INC.  
 Jun. 2010 Director, General Manager of General Administration Department, TOHO AIR SERVICE CO., LTD.  
 Jun. 2013 Deputy General Manager, in charge of managing Tochigi Plant, Engineering Management Department, Steel Construction Division, KAWADA INDUSTRIES, INC.  
 Apr. 2017 General Manager of Corporate Administration Department, in charge of corporate administration, the Company  
 Jan. 2019 Managing Director, TOHO AIR SERVICE CO., LTD.  
 Jun. 2020 Director, General Manager of General Administration Department, and in charge of Compliance, KAWADA INDUSTRIES, INC.  
 General Manager of General Administration Department, the Company  
 Oct. 2020 Director, General Manager of General Administration Department, and in charge of Compliance and Wellness Management, KAWADA INDUSTRIES, INC.  
 Jun. 2025 Director, General Manager of General Administration Headquarters, General Manager of General Administration Department, General Manager of Sustainability Promotion Office, and in charge of Compliance, the Company (present position)  
 Director in charge of General Administration, Compliance, and Wellness Management, KAWADA INDUSTRIES, INC. (present position)



**Megumi KATSUNO**  
Outside Director who is an Audit and Supervisory Committee Member

Oct. 2000 Registered as an Attorney-at-Law (Admitted to the Daini Tokyo Bar Association)  
 Joined Anderson & Mori (currently: Anderson Mori & Tomotsune)  
 Apr. 2002 Re-registered as an Attorney-at-Law (Admitted to the Tokyo Bar Association)  
 Joined Renaisss Law Office  
 Mar. 2011 Engaged as partner at Maeda Law Office  
 Sept. 2015 Outside Audit & Supervisory Board Member, KAWADA ROBOTICS CORPORATION  
 July 2021 Co-founded Fukuda&Katsuno Law Office (present position)  
 Jun. 2022 Outside Audit & Supervisory Board Member, NineSigma Holdings, Inc. (present position)  
 Jun. 2024 Outside Director who is an Audit and Supervisory Committee Member, the Company (present position)



**Takahisa YAMAKAWA**  
Outside Director

Apr. 1985 Registered as an Attorney-at-Law (Admitted to the Tokyo Bar Association)  
 Joined Hiroshi Ishihara Law Office  
 Mar. 2001 Outside Statutory Auditor, Bell-Park Co., Ltd. (present position)  
 Apr. 2002 Co-founded Renaisss Law Office (present position)  
 May 2015 Outside Director, MINSTOP Co., Ltd.  
 Jun. 2015 Outside Director, the Company (present position)



**Koichi TAKAKUWA**  
Outside Director

Apr. 1974 Joined Hokuriku Electric Power Company  
 Jun. 2007 Managing Director, Hokuriku Electric Power Company  
 Jun. 2009 Full-time Audit & Supervisory Board Member, Hokuriku Electric Power Company  
 Jun. 2016 Outside Director, the Company (present position)  
 Apr. 2017 Visiting Professor, School of Economics, University of Toyama (present position)



**Hidenori MUGINO**  
Outside Director

Apr. 1979 Joined The Hokuriku Bank, Ltd.  
 Jun. 2009 Director, Executive Officer, The Hokuriku Bank, Ltd.  
 Jun. 2010 Director, Senior Executive Officer, The Hokuriku Bank, Ltd.  
 Jun. 2013 Director, Hokuohoku Financial Group, Inc.  
 Chairman, The Hokuriku Bank, Ltd.

Apr. 2017 Chairman, Toyama Association of Corporate Executives (present position)  
 Jun. 2018 Representative Director and Vice Chairperson, Toyama International Center (present position)  
 Jan. 2021 Chairperson, TOYAMA Environment Foundation (present position)  
 Jun. 2022 Supreme Advisor, The Hokuriku Bank, Ltd. (present position)  
 Jun. 2024 Outside Director, the Company (present position)

Skills and expertise of Directors

Name	Corporate management	Finance, accounting & taxation	Legal affairs & risk management	Industry knowledge & research and development	IT & digitalization	Sustainability & ESG	Internationality
Tadahiro KAWADA	●			●	●	●	●
Satoru WATANABE	●	●	●	●	●		●
Takuya KAWADA	●	●		●			●
Katsuhito TADA	●	●	●	●		●	●
Takahisa YAMAKAWA	●		●				
Koichi TAKAKUWA	●		●		●	●	
Hidenori MUGINO	●	●		●			●
Toshinari OKADA			●	●			
Keiko FUKUCHI		●				●	●
Megumi KATSUNO	●		●				

(Note) This does not represent all of the knowledge and experience of the Directors.

## 10-year trends for key indicators

		Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
<b>Consolidated data</b>											
Orders received	(million yen)	121,589	108,392	122,177	141,585	106,384	118,978	119,584	127,657	131,241	148,202
Net sales	(million yen)	95,153	103,473	107,250	118,369	127,048	115,545	103,760	118,086	129,127	132,905
Operating profit	(million yen)	3,052	5,904	4,436	6,065	6,759	5,565	6,412	5,025	8,734	9,684
Operating profit margin	(%)	3.2	5.7	4.1	5.1	5.3	4.8	6.2	4.3	6.8	7.3
Ordinary profit	(million yen)	2,632	8,701	4,586	8,541	8,543	8,048	7,689	6,298	10,538	12,616
Profit attributable to owners of parent	(million yen)	1,674	8,140	4,070	6,063	6,449	6,340	5,176	4,231	7,541	11,107
Total assets	(million yen)	105,918	108,754	123,583	128,062	139,093	147,408	133,337	162,158	160,216	165,511
Net assets	(million yen)	35,682	43,859	48,761	55,245	60,630	66,964	71,921	76,697	82,341	91,569
Net assets per share <sup>1</sup>	(yen)	2,065.13	2,502.87	2,768.09	3,103.06	3,395.07	3,740.50	4,009.61	4,288.11	4,753.28	5,238.20
Earnings per share <sup>1</sup>	(yen)	97.98	474.64	234.24	347.08	366.23	359.10	292.54	239.94	434.06	642.96
Total dividends	(million yen)	173	350	351	590	472	473	591	1,234	2,256	2,516
Annual dividends per share <sup>1</sup>	(yen)	10.00	20.00	20.00	33.33	26.67	26.67	33.33	70.00	131.00	145.00
Dividend payout ratio	(%)	10.2	4.2	8.5	9.6	7.3	7.4	11.4	29.2	30.2	22.6
Equity	(million yen)	35,290	43,407	48,122	54,526	59,856	66,102	71,001	75,615	81,878	91,062
Equity ratio	(%)	33.3	39.9	38.9	42.6	43.0	44.8	53.2	46.6	51.1	55.0
ROE	(%)	4.8	20.7	8.9	11.8	11.3	10.1	7.6	5.8	9.6	12.8
Interest-bearing debt	(million yen)	29,435	24,746	28,639	19,479	26,122	35,525	20,674	36,514	29,636	25,385
Capital investments	(million yen)	2,304	3,977	3,755	2,763	3,844	3,323	2,554	4,087	3,892	2,648
Research and development expenses	(million yen)	749	763	1,384	1,050	908	941	1,318	1,006	1,343	1,555
Cash flows from operating activities	(million yen)	7,623	13,855	3,328	13,031	(4,126)	(2,547)	20,391	(9,673)	13,320	9,839
Cash flows from investing activities	(million yen)	(1,822)	(3,338)	(3,232)	(3,811)	(2,764)	(4,183)	(1,948)	(1,504)	(2,553)	(2,981)
Cash flows from financing activities	(million yen)	(6,781)	(8,223)	2,774	(9,847)	5,535	8,220	(15,811)	12,213	(10,337)	(8,659)
Number of employees	(people)	2,165	2,216	2,256	2,294	2,322	2,338	2,375	2,357	2,373	2,376
<b>Segment data</b>											
<b>Orders received</b> (million yen)											
Steel Construction Segment		62,192	47,312	62,606	54,719	42,056	65,193	59,006	63,192	64,091	70,983
Civil Engineering Segment		29,013	30,809	29,058	51,234	38,498	31,315	31,405	36,879	31,516	44,137
Architecture Segment		17,940	18,297	18,235	22,811	13,479	10,390	15,715	12,719	18,936	15,398
Solution Segment <sup>2</sup>		—	—	—	—	—	—	6,276	6,992	7,692	8,053
Others <sup>2</sup>		12,442	11,973	12,277	12,819	12,349	12,078	7,181	7,873	9,003	9,628
<b>Net sales</b> (million yen)											
Steel Construction Segment		42,447	45,940	52,788	53,044	61,691	61,287	50,033	56,071	61,519	63,172
Civil Engineering Segment		24,696	28,921	31,266	33,385	36,662	34,625	33,037	35,035	35,432	38,622
Architecture Segment		17,562	18,308	12,818	21,489	19,951	10,647	9,607	14,158	17,601	15,473
Solution Segment <sup>2</sup>		—	—	—	—	—	—	5,603	6,371	7,550	7,949
Others <sup>2</sup>		12,128	12,101	12,563	12,401	12,641	11,734	7,159	7,989	8,772	9,798
<b>Operating profit</b> (million yen)											
Steel Construction Segment		2,628	4,161	3,771	4,567	4,307	4,406	5,425	4,097	4,648	6,274
Civil Engineering Segment		258	914	1,871	1,789	2,968	2,524	2,380	2,067	2,891	2,106
Architecture Segment		1,615	2,306	825	1,555	1,376	648	56	(423)	1,574	1,444
Solution Segment <sup>2</sup>		—	—	—	—	—	—	1,252	2,047	2,919	2,982
Others <sup>2</sup>		81	200	(26)	414	668	431	(297)	(162)	(436)	(172)
<b>Balance carried forward</b> (million yen)											
Steel Construction Segment		75,280	76,652	86,469	88,144	68,510	72,416	77,869	84,990	87,561	95,372
Civil Engineering Segment		32,802	34,689	32,481	50,330	52,166	48,855	47,256	49,100	45,184	50,700
Architecture Segment		11,857	11,847	17,264	18,586	12,114	11,857	17,965	16,526	17,862	17,788
Solution Segment <sup>2</sup>		—	—	—	—	—	—	2,734	3,355	3,498	3,603
Others <sup>2</sup>		1,507	1,379	1,093	1,510	1,218	1,562	508	391	623	452

<sup>1</sup>: A 3-for-1 stock split of common shares was conducted on April 1, 2024. All figures are calculated based on the assumption that the stock split was conducted at the beginning of the period shown.

<sup>2</sup>: Starting from the fiscal year ended March 31, 2022, the "Solution Segment" that was previously included under "Others," has been reclassified as a reportable segment due to its increased quantitative importance.

## Company information (as of March 31, 2025)

Company name	KAWADA TECHNOLOGIES, INC.
Main business	Management planning and administration of Group companies, related tasks, and technological research and development
Establishment	February 2009
Location of headquarters	Tokyo Headquarters 1-3-11 Takinogawa, Kita City, Tokyo 114-8563, Japan Toyama Headquarters 4610 Nojima, Nanto City, Toyama 939-1593, Japan
Capital	5.3 billion yen
Stock exchange listing	Tokyo Stock Exchange Prime Market (Securities code: 3443)
Fiscal year end	March 31
Number of employees	Consolidated: 2,376 Non-consolidated: 94
Website	<a href="https://www.kawada.jp/global/">https://www.kawada.jp/global/</a>
Inquiries regarding this report	Corporate Administration Department TEL: +81-3-3915-7722 (main)

### Main sponsorship activities

The KAWADA Group provides various types of sponsorships and technical support, centered on support for people with disabilities and contributions to the local community.

#### Support for people with disabilities



#### Regional contribution (environmental beautification and conservation)



The Beautiful Toyama Bay Club



Pirika, Inc.



Green Fund

#### Regional contribution (sports organizations)



TOYAMA GROUSES (Basketball)

Universal Sports Experience Session in Kita City, Tokyo

## Shareholder information (as of March 31, 2025)

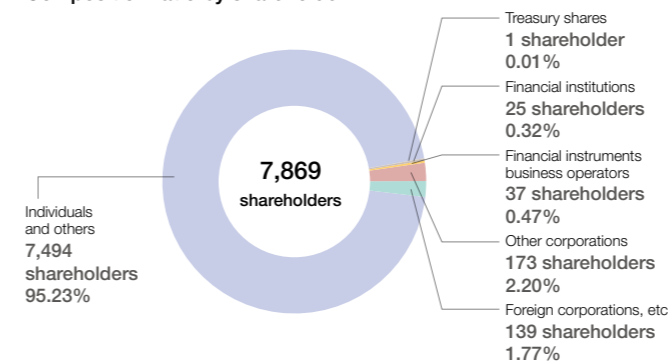
Number of shares authorized	60,000,000 shares
Number of shares issued	17,474,210 shares (including 89,873 treasury shares)
Number of shareholders	7,869

### Major shareholders

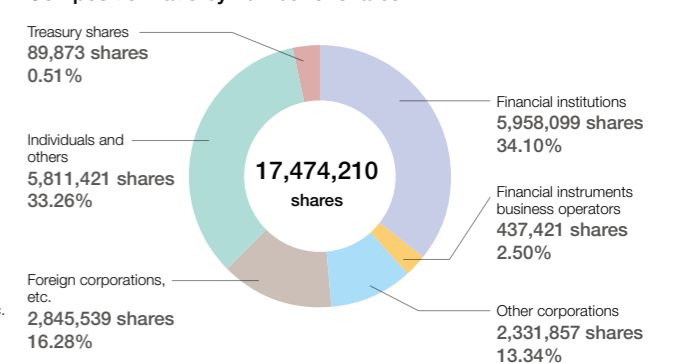
Name of shareholder	Number of shares held (thousand shares)	Shareholding ratio (%) <sup>*1</sup>
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,552	14.68
Custody Bank of Japan, Ltd. (Trust Account)	824	4.74
MUFG Bank, Ltd.	700	4.03
KAWADA TECHNOLOGIES' employees' stock ownership association	632	3.64
The Hokuriku Bank, Ltd.	511	2.94
Fujimae Trading Co., Ltd.	425	2.45
Tadahiro KAWADA	307	1.77
RE FUND 107-CLIENT AC	300	1.73
NIPPON STEEL CORPORATION	280	1.61
DFA INTL SMALL CAP VALUE PORTFOLIO	269	1.55

\*1: The shareholding ratio is calculated with treasury shares (89,873 shares) excluded.

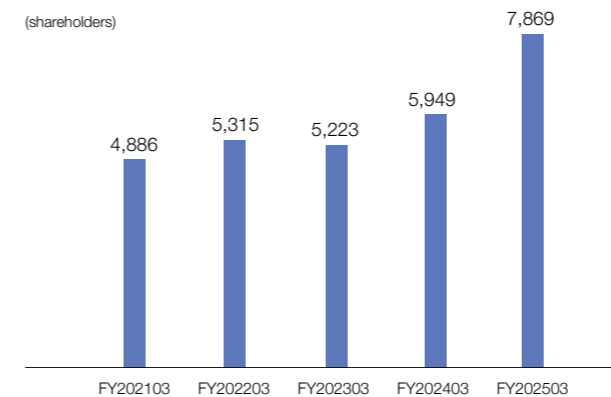
### Composition ratio by shareholder



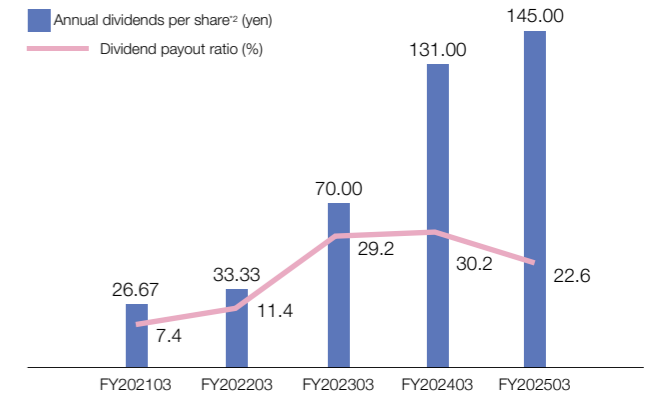
### Composition ratio by number of shares



### Number of shareholders



### Annual dividends per share/dividend payout ratio



<sup>2</sup>: A 3-for-1 stock split of common shares was conducted on April 1, 2024.  
All figures are calculated based on the assumption that the stock split was conducted at the beginning of the period shown.

