



TSUKISHIMA HOLDINGS



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Integrated Report 2025

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Disclosure Framework

Editorial policy

Changing economic policies, climate change, and rising geopolitical risks are generating growing uncertainty in the current business environment. Amid these conditions, the Tsukishima Group has published this Integrated Report to deepen understanding among shareholders, investors, and all other stakeholders of our Purpose—Building a Better Tomorrow with Environmental Technologies—and of the medium- to long-term strategies intended to achieve sustained growth. In preparing this Report, we referred to the Integrated Reporting Framework that is proposed by the International Financial Reporting Standards (IFRS) Foundation and the Guidance for Collaborative Value Creation issued by the Ministry of Economy, Trade and Industry of Japan.

Public Relations Office,
Tsukishima Holdings Co., Ltd.

Note on prospects

This Report includes forward-looking statements which present numerous potential risks, uncertainties, and assumptions. The contents of this Report, both explicit and implicit, may differ substantially from actual figures and conditions. We advise readers not to make decisions based solely on these statements. In addition, the Company is not obligated to update or revise the information provided in this Report in the event of any future developments.

Period covered by this Report

This Report covers the period April 1, 2024 – March 31, 2025. Where appropriate, information from before or after this period may be referenced.



Financial information

IR materials

- Securities Report
- Financial highlights
- Financial briefing materials

<https://www.tsk-g.co.jp/en/ir/file/>



Non-financial information



Integrated Report
2025

Sustainability website

- Sustainability information
- Corporate Governance Report

<https://www.tsk-g.co.jp/en/esg/>

Corporate website

<https://www.tsk-g.co.jp/en/>



PURPOSE

Building a Better Tomorrow with Environmental Technologies

Long-term Vision

Realizing a comfortable, sustainable society while contributing to lives and culture

Tsukishima Holdings' Business Domains

Since our founding, we have applied environmental technologies to advance industrial progress and environmental solutions across a wide range of sectors, including public infrastructure, energy, chemicals, food stuffs, and steel.

We are committed to building a society in which all can enjoy healthy, vital, and prosperous lives.



How Tsukishima Holdings Intends to Realize the Long-term Vision

Solutions to various social challenges are essential to realizing the sustainable society called for in the long-term vision. By creating social value through our businesses, the Group contributes to solutions to these challenges.



Issue 1

Aging water infrastructure and technician shortages

Contributing to the sustainability of the water infrastructure by drawing on the expertise built up over the years

Our strengths:

Water Environmental Business

Design and construction of water purification plants, sewage treatment plants, sludge recycling processes, and machinery and plants for facilities that use biomass

Operational management, maintenance, and repairs of plants and machinery (operating, managing, and maintaining some 160 sites under contract in Japan)

The Group first entered the water and sewer field in Japan during the 1960s. We offer a wealth of expertise in related machinery and plants and in management, maintenance, and operations.

Developing safe and reliable water infrastructure

◆ Public-private partnership (PPP)

◆ National resilience

◆ Digital transformation (DX) in operational management

Accounting for approximately

1/3

of Japan's daily sewage treatment volume^{*1}

Issue 2

Accelerating climate change

Using advanced technologies to reduce environmental impact:

Our strengths:

Water Environmental Business

Turbocharged sludge incineration systems, biogas (digestive gas) power generation business, sewage sludge-to-fuel systems, energy-creating sludge incineration systems

Industrial Business

Equipment related to secondary lithium-ion battery production

Group efforts to bring decarbonization still closer encompass energy conservation and renewable energy supply technologies such as equipment for reducing greenhouse gas emissions from sewage treatment plants and equipment for producing materials for the secondary lithium-ion batteries powering eco-friendly electric vehicles.

Contributing to a decarbonized society

◆ Growing decarbonization-related businesses

◆ Meeting mobility needs (ultrafine particle crystallization)

No.1^{*2}

market share in Japan for incinerators for sewage treatment plants, biogas (digestion gas) power generation business, and sewage sludge-to-fuel systems

Issue 3

Resource and energy issues

Making effective use of resources and energy

Our strengths:

Water Environmental Business

Recovery of fertilizer ingredient (phosphorus) from sewage

Industrial Business

Acid recovery from waste acid; making effective use of ammonia; energy recovery from waste

To make the most of limited resources and energy, the Tsukishima Group provides technologies and services that help create the infrastructure for a cyclical society in fields like resource recovery and energy generation from waste.

Building infrastructures for a cyclical society

◆ Recovering valuable materials from waste

Waste liquid combustion systems

No.1^{*2}

market share in Japan

^{*1} Calculated as daily sewage treatment volume at sewage treatment facilities to which Tsukishima JFE Aqua Solution Co., Ltd. delivered equipment / daily sewage treatment volume in Japan
^{*2} Market shares based on Tsukishima Holdings research

Realizing Sustained Growth by Continually Creating Value for Society

Since its founding 120 years ago, the Tsukishima Group has steadily improved on its business performance while contributing to industrial progress and environmental solutions driven by technological innovations. In recent years, we've expanded our business domains through M&A involving companies whose affinities to the Group businesses and technologies hold the promise of future synergies. The Group will continue to contribute to environmental conservation and more prosperous lives while achieving sustained growth.

FY2024 results

Net sales	139.2 billion yen
Operating profit	8.9 billion yen
ROIC	5.2 %
ROE	7.4 %

Current Medium-term Management Plan (FY2026 plan)

Net sales	160 billion yen
Operating profit	12 billion yen
ROIC	7 % or higher
ROE	8 % or higher

Next Medium-term Management Plan (FY2029 plan)

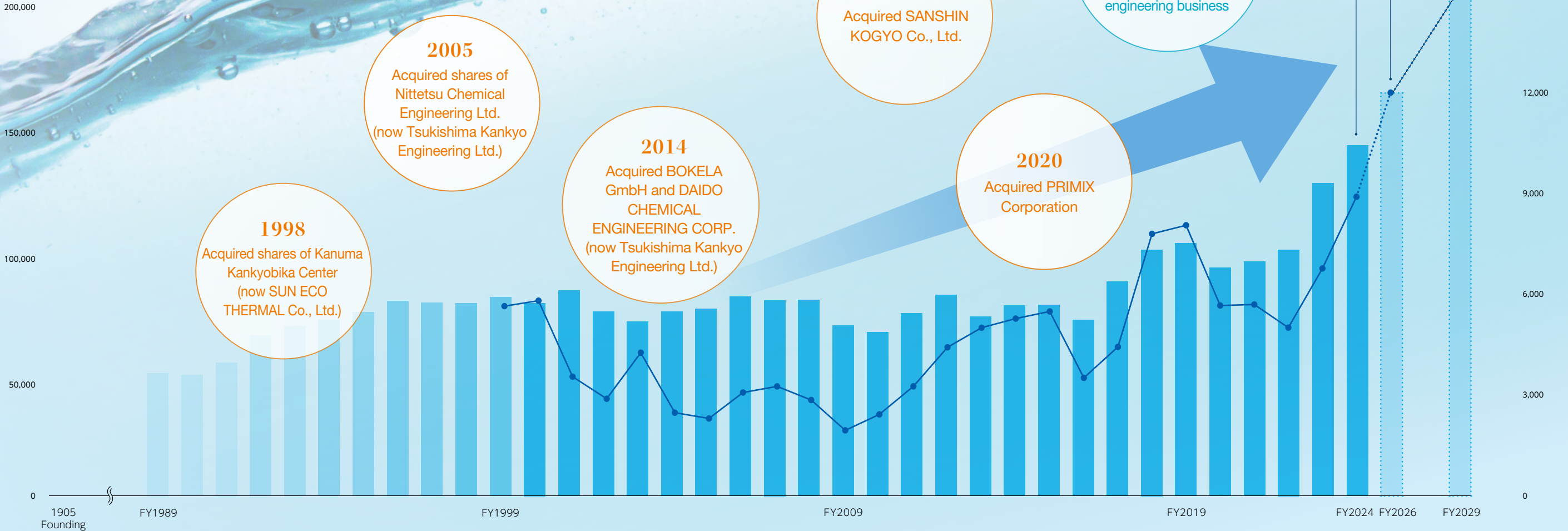
Net sales	200 billion yen
Operating profit	15 billion yen
ROIC	8 % or higher
ROE	9 % or higher

Long-term Vision (2030)

Realizing a comfortable, sustainable society while contributing to lives and culture

Business growth and history of M&A

(Million yen) Net sales



Policy and Strategic Structure

Tsukishima Holdings: Building a more prosperous future for people and the planet

With its transition to a holding company structure in April 2023, the Group clarified its course of action and reason for being and defined its Purpose as Building a Better Tomorrow with Environmental Technologies. It also redefined its Corporate Policy as the Group Corporate Policy and established a Long-Term Vision for 2030: Realizing a comfortable, sustainable society while contributing to lives and culture.

As we strive to achieve continuing growth, we have formulated a Medium-term Management Plan (FY2023–2026) based on the basic policies of Promoting sustainability management, Enhancing business domains and strengthening the Group's earning capabilities, and Improving capital efficiency and enhancing returns to shareholders. We will strive to strengthen corporate value by promoting this plan.

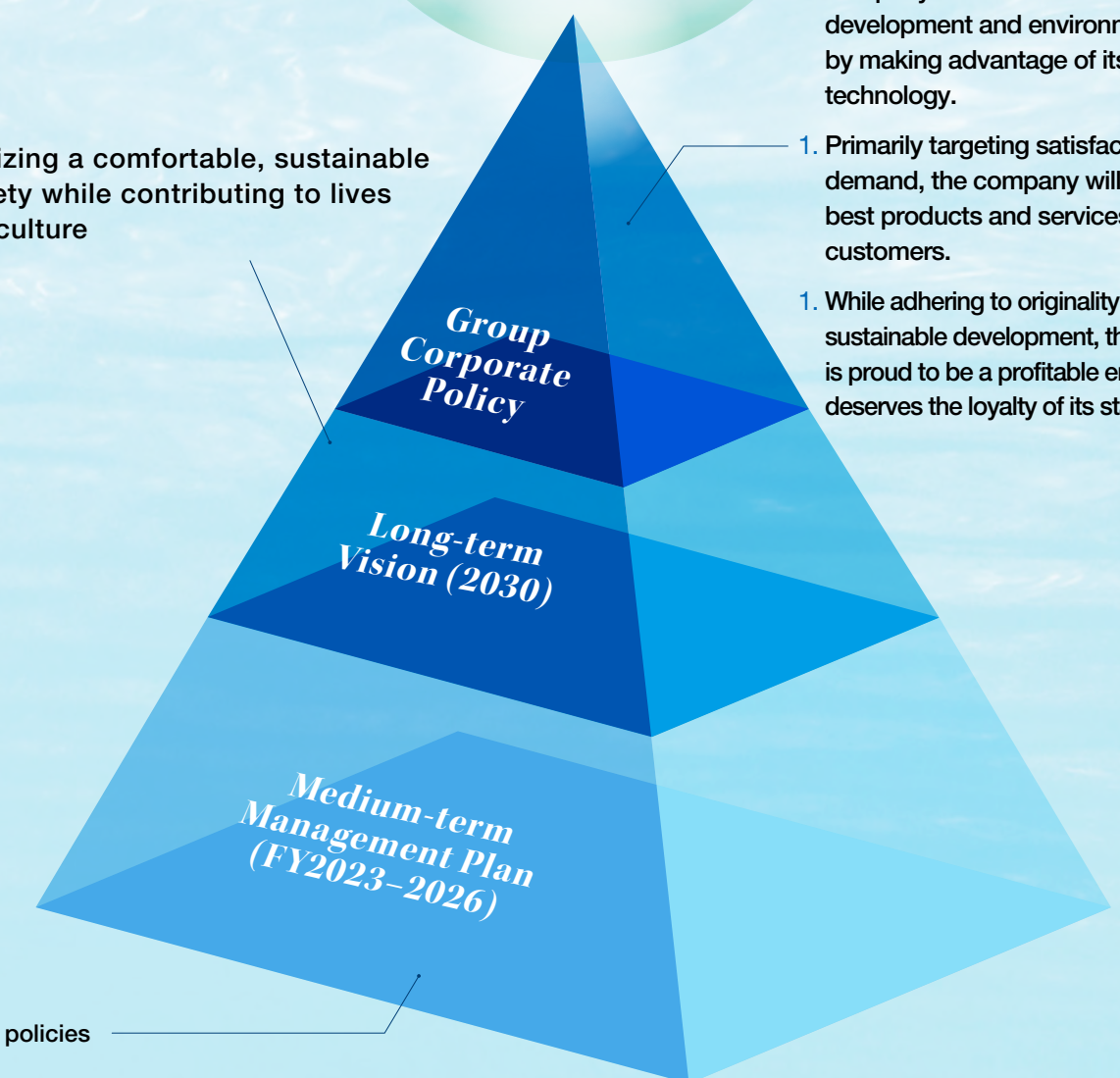


The meaning behind our logo

Embodying the concept of learning from history, our logo is based on the Japanese character for *tsuki* (the Moon) in Tsukishima, the name of our hometown. The color scheme has a keynote of blue, our corporate color, accented with green to represent the environment and ecology. The circular outline represents circularity and recycling, made up of the three elements of customers, employees, and our suppliers and partners.

PURPOSE — Building a Better Tomorrow with Environmental Technologies

Realizing a comfortable, sustainable society while contributing to lives and culture



1. To make contribution to the society, the company will dedicate to the industry development and environmental protection by making advantage of its leading edge technology.

1. Primarily targeting satisfaction of market demand, the company will provide best products and services possible to customers.

1. While adhering to originality and vitality-based sustainable development, the company is proud to be a profitable enterprise that deserves the loyalty of its staff.

Basic policies

1. Promoting sustainability management
2. Enhancing business domains and strengthening the Group's earning capabilities
3. Improving capital efficiency and enhancing returns to shareholders



By demonstrating the Group's potential to the fullest based on the mission described in our Purpose—Building a Better Tomorrow with Environmental Technologies—we will contribute to environmental conservation and safety and security in daily life.

Jun Kawasaki

President, Representative Director

Message from the President

The Foundations of Tsukishima Holdings' Purpose

The Tsukishima Group has identified as its Purpose to create the society of the future through the provision of solutions to various issues, centered on the environment. Rather than short-term responses to the prevailing social conditions, the Purpose serves as the Group's unchanging banner, one rooted in our strong sense of mission to protect the environment.

Climate change is shaking the very foundations of not just human society, but the world's entire ecosystem. From my youth I recall the lovely ebb and flow of nature through the four seasons, but in recent

years it seems as if the natural world itself is becoming a threat, such as the dramatic growth in the number of days on which temperatures exceed 30°C. Since this issue was caused by our generation, we feel a strong sense of responsibility to solve it during our generation.

Seeking to achieve a sustainable planet, the Group promotes sustainability management based on our Purpose. We plan to make steady progress toward the future with a strong desire in our hearts to strengthen corporate value through provision of diverse solutions to restore the bountiful natural environment of the past.

Business activities in pursuit of the Purpose

Starting with the Industrial Business, the Tsukishima Group has grown by meeting society's environmental needs by applying technologies developed by that section to the Water Environmental Business. We are also achieving growth by creating synergies through M&A. By linking this business growth to our Purpose, we plan to achieve ongoing progress as a company that helps safeguard the earth's environment.

The Water Environmental Business provides public water infrastructures for water, sewage, and other services that ensure a comfortable water environment and related sewage, including operational management. By optimizing both equipment adoption and maintenance management, we play a vital role in protecting the water environment. In particular, we recognize the maintenance of robust water and sewage infrastructures to be directly connected to the sustainability of regional infrastructures. Since water and sewage facilities use large volumes of electricity and generate greenhouse gases, we are reducing their environmental impact through technologies for generating and conserving energy along with services

that make facilities more durable, and automatic. Although we are still analyzing the Group's greenhouse gas emissions, Scope 3 emissions are likely to account for a very large share of total emissions. This means we must make continuing efforts to conserve energy and create renewable energy at water and sewage facilities.

The Industrial Business improves the quality of life and wellbeing by providing and maintaining the machinery and plants used to produce materials critical to daily comfort and prosperous lives. It is also helping to establish a cyclical society and sustainable future by providing efficient waste treatment, resource recycling, and other environmental solutions.

Across fields ranging from decarbonization and mobility through pharmaceuticals, cosmetics, and semiconductors, the Group technologies provide behind the scenes support for daily life and help create comfort and prosperity. These initiatives help to realize the future called for in our Purpose and the comfortable, sustainable society targeted by the Long-term Vision; they also serve as the foundations for the growth of the Group.

Contributing to a more robust national infrastructure through the Water Environmental Business

As highlighted by the 2024 Noto Peninsula Earthquake, Japan's aging public infrastructures developed in the postwar years of rapid economic growth have emerged as a pressing issue. Other infrastructure-related issues are also rapidly emerging, such as frequent large-scale disaster caused by climate change and the road subsidence incident in Yashio, Saitama Prefecture. It takes considerable labor and advanced technologies to support these infrastructures. These disasters and accidents remind us of the importance of our water and sewage infrastructure. The Group's Water Environmental Business plays an important role in maintaining the water and sewage infrastructure. As we move ahead, we intend to propose a new vision for the water infrastructure, including labor-saving and decarbonization technologies.

The Group's greatest strength lies in a combination of diverse technologies, abundant expertise, and a proven track record in areas ranging from product supply to management and maintenance. We draw on this strength to demonstrate our comprehensive abilities in the domains of water infrastructure development and aftersales services, particularly in the area of water-related

public-private partnerships (PPPs), a field in which these comprehensive abilities are essential. We are one of the few true experts in providing machinery and plants as well as aftersales services and operational expertise in water and sewage infrastructure. With the growing trend toward shifting water and sewer infrastructure operations to the private sector, customers face a pressing need to reduce labor and power demands amid the aging infrastructure, shortages of technicians, and other significant societal issues. We are committed to contributing to provision of solutions to field work by promoting the adoption of labor-saving technologies, including remote monitoring, drones, and robots, while also strengthening aftersales services.

Issues for the future include the need to further enhance technologies to contribute to a decarbonized society, promote digital transformation (DX) to support labor saving and automation in the field, and strengthen cooperation with other technical domains, including electricity, civil engineering, and construction. Against this backdrop, we will focus on DX and on complementing technical resources with those from other fields.

FY2024 results and progress of the Medium-term Management Plan

In FY2024, most of our major operating companies achieved their initial targets for financial results. The Water Environmental Business in particular achieved notably positive performance, as its proposals to contribute to more efficient business operations bore fruit and revision of order unit prices contributed to higher profits. A partnership with JFE Engineering Corporation has made it possible to provide integrated water purification plant renovation solutions that combine JFE's water purification technologies for cleaner water with Tsukishima's specialty, wastewater treatment technologies, for sludge generated in the water purification process. We strengthened our capacity to propose solutions in the sewage field by expanding our product lineup for sludge treatment, in which both companies have strengths. Synergies between the two

companies have also generated steadily improving results in research and development. The life cycle business, which handles operational management contracts for customer water purification and sewage treatment plants, continues to grow. In the area of sewage sludge treatment equipment in particular, we are developing practical proposals to introduce cost-saving equipment and efficient maintenance and management services, with the aim of optimizing operations and also contributing to a decarbonized society. We believe these efforts will help reduce the burden on users while expanding the benefits they can enjoy.

In the Industrial Business, the core operating company Tsukishima Kikai Co., Ltd. is rebuilding steadily through stronger marketing and the contributions of the newly established aftersales services section. Together with

PRIMIX Corporation, a manufacturer of high-speed agitators joined to the Group through M&A activities, we are generating synergies in product development and proceeding with technological advances. In the environmental field, positive order flows for the solid waste incinerators, waste gas treatment equipment, and wastewater treatment equipment for semiconductor plants provided by Tsukishima Kankyo Engineering Ltd. contributed to results.

To improve capital efficiency and boost corporate value still further, we are promoting management based on a keen awareness of capital costs and share price. In particular, we see a pressing need to improve ROE and PBR. Based on the recognition that our low ROE is due to

low total asset turnover, we plan to achieve improvements in business portfolio management and strategic investments while reducing non-business assets, alongside other efforts to strengthen balance sheet management. As the head of management, I intend to take responsibility for improving PBR.

To enhance shareholder returns, we have revised our dividend policy and adopted as a new KPI the ratio of dividends on equity (DOE). To continue dynamic stock buybacks, we have begun purchasing a new tranche of 12 billion yen in treasury shares. Through these initiatives, we seek to meet the expectations of our shareholders and other stakeholders.

Toward future sustained progress

We consider our human capital to be a central and critical management resource for the Group's sustained growth. Based on this understanding, we are enhancing our investment in human capital, including increasing base pay and other measures, while strengthening midcareer hiring.

To position the Group's human resources so that they can demonstrate their performance to the fullest, I believe we must indicate clear courses of action for management and align the mindset and personal goals of employees with the management vision. From this point of view, widespread employee understanding of the Purpose remains a work in progress. For individual Group employees to realize the importance of the Purpose, we must give them a feel for and a deeper understanding of how closely their own work is related to the Purpose. Our goal is to build an organization capable of providing customers and stakeholders with added value while steadily promoting sustainable management based on our Purpose along with employees who take pride in the Purpose.

I am confident that strengthening employee engagement through the Group management and inspiring employees to work as a united team to realize management rooted in the Purpose will strengthen corporate value. I would like us to become an enterprise that pursues the challenge of maximizing total Group power and of building businesses which we can pass on

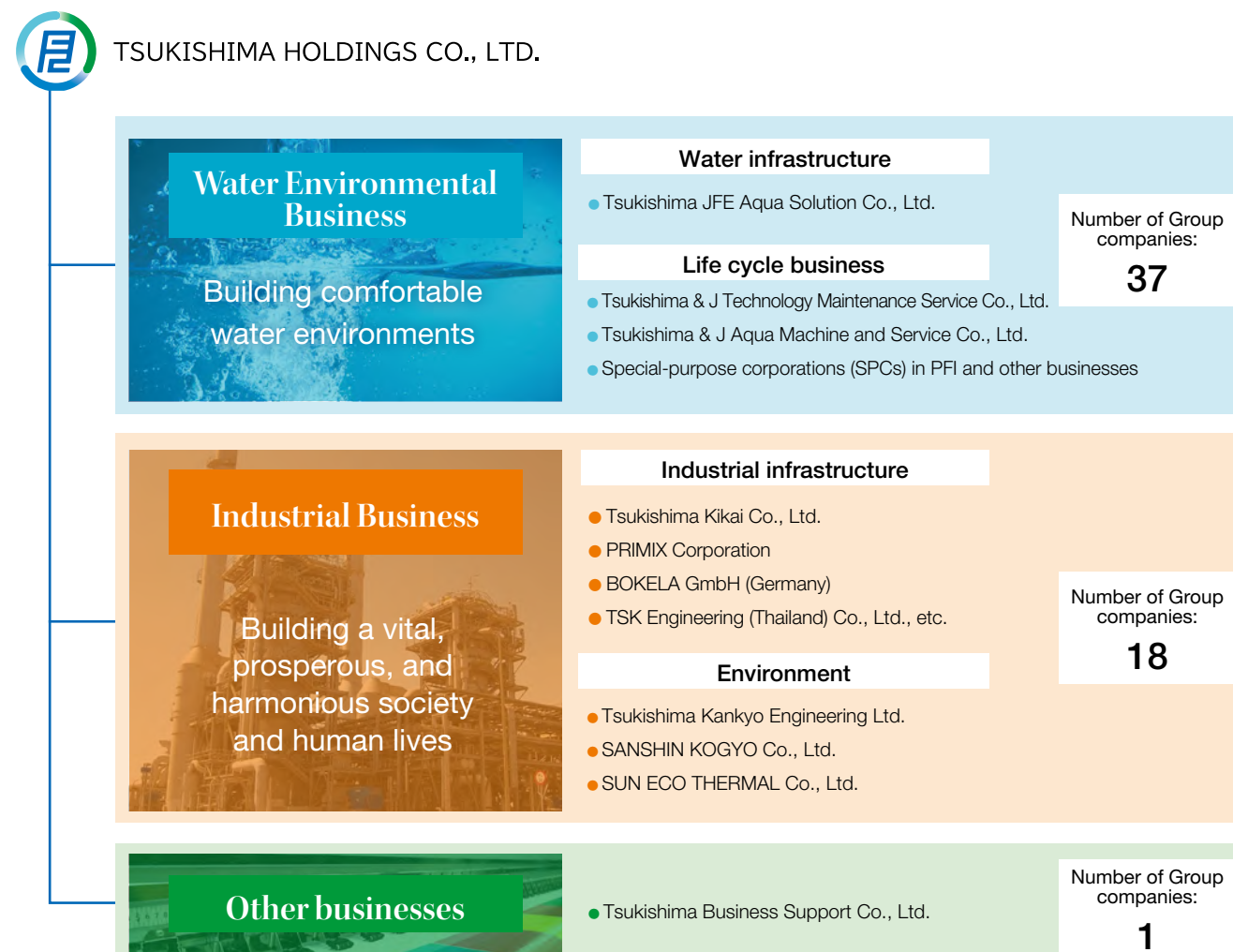
to future generations with pride.

We ask for the continuing support of our stakeholders for our activities and management policies.

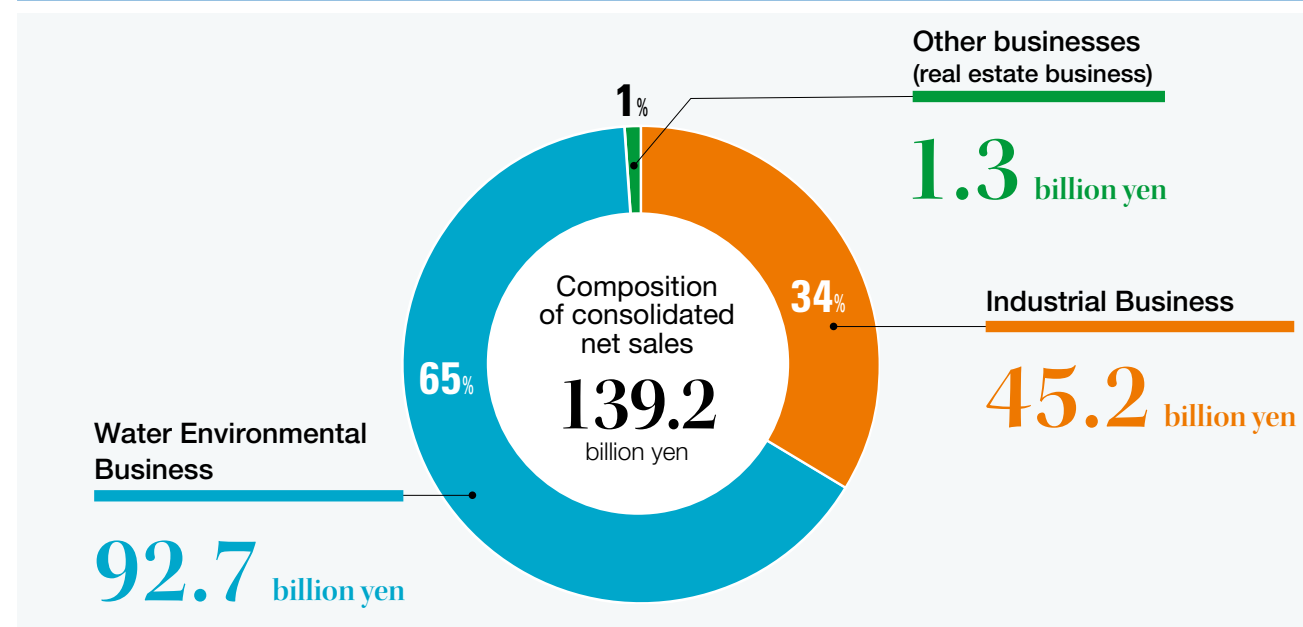


Tsukishima Holdings at a Glance (FY2024 Data)

Group organizational structure



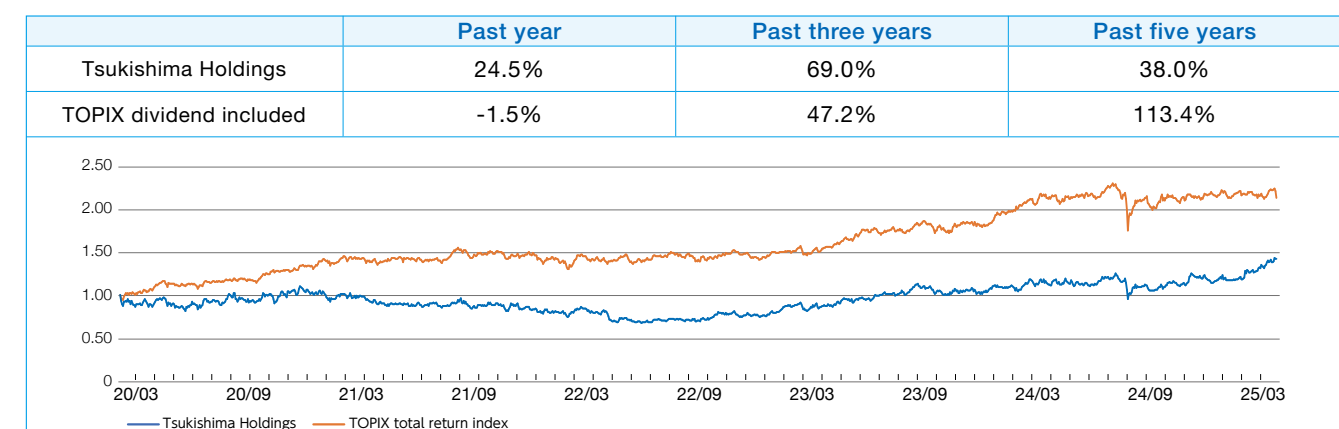
Composition of consolidated net sales



Financial highlights (consolidated)



TSR trends



Group position (market shares based on Tsukishima Holdings research)



Strengths and Value Creation Progress

Rise of modern industry

Industrial development

Rapid economic growth, pollution problems

Entered the energy and life sciences fields

Founding Domestic production of industrial machinery

Business expansion Expanding into the chemical and iron & steel fields

Expanding into the environmental field Expanding into the field of water supply and sewage systems

Toward new domains Business expansion through M&As

1900s

Machinery manufacturing business

1915 Success in the domestic production of sugar refining equipment
Responded to increasingly advanced market needs by building on our core technologies, including crystallization and filtration



Centrifuge for sugar refining (used to separate sugar crystals)
We have delivered more than 1,000 sets worldwide.

1930s

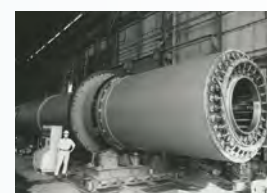
Entered the chemicals and steel fields

1931 Success in the domestic production of equipment for producing fertilizer (ammonium sulfate)



Double-propeller (DP) crystallizer

Tsukishima Kikai is Japan's leader in crystallization technology, and this model is representative of its crystallization line up.



Large-scale industrial dryer
(Steam tube dryer)

1960s

Business expansion to pollution-prevention equipment and tanks

1950s-1970s

Technical alliances with overseas firms in exhaust desulfurization equipment, gas holders, tanks, etc.



Exhaust desulfurization equipment



Gas holder
Highly earthquake-resistant dry sealed gas holder

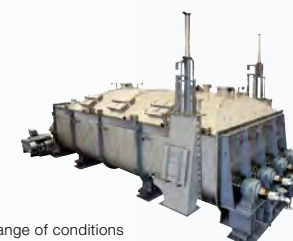
Entered the water and sewage fields

We deployed our filtration, drying, and incineration technologies accumulated in industrial fields in sludge treatment of water purification and sewage treatment plants.



Vertical filter press

Greatly reduces the water content of sludge at water purification and sewage treatment plants across Japan



Sewage sludge dryer

Dryer designed for a wide range of conditions and properties
Large-scale industrial dryer deployed overseas as well as in Japan

2000s

Business expansion through M&As

Energy field
(lithium ion batteries)



Ultrafine particle crystallization equipment

Life sciences field



Emulsifier for cosmetics

Entered the environmental and energy fields

2006 Started operation of Japan's first PFI business in the water supply and sewage systems field (Samukawa Water Service Co.)

Increase in orders received for energy-saving equipment



Pressurized fluidized bed incineration system

Developed businesses to generate clean energy.



Sewage sludge-to-fuel



Biogas power generation

Industrial Business

Water Environmental Business

Tsukishima Holdings' origins

Tsukishima Holdings was founded in 1905 in today's Tsukishima (Chuo Ward, Tokyo), as Tokyo Tsukishima Kikai Seisakusho. Beginning with domestic production of sugar refining equipment and ammonium sulfate production equipment, it entered the fields of chemical fibers and salt production as its businesses grew.



The Group's efforts to meet changing market needs

Contributing to the domestic production of industrial machinery, when most of which were imported

We were among the first companies to succeed in domestic production of machinery for the foodstuffs and chemical industries, at a time when Japanese industry relied on machinery imported from overseas.

Trends in society

- Adoption of mechanized production in cotton and silk spinning
- Rise of the steelmaking, automotive, and machinery industries

Contributing to the modernization of industrial machinery

We contributed to the modernization of Japanese industry by growing our business through advancing into fields such as textiles, fertilizer, and paper pulp.

Supporting the improvement of the environmental infrastructure in response to pollution problems

As adoption of water supply and sewage systems grew, volumes of sludge also increased. As sludge disposal shifted from landfill to treatment, we boasted the top market shares in the dehydration of service water sludge and drying and incineration of sewage sludge.

1967 Basic Act for Environmental Pollution Control enacted

1971 Water Pollution Prevention Act enacted

1973 First oil shock

Providing comfortable water environments and clean energy, along with high-quality and efficient industrial machinery

As environmental destruction due to causes such as climate change and global warming has been a growing concern, we have contributed to society by applying our accumulated technologies to the fields of the environment and energy.

1999 Act on Promotion of Private Finance Initiative enacted, permitting use of private-sector expertise and funds

2000 Basic Act on Establishing a Sound Material-Cycle Society

2019 Water Supply Act amended to permit concessions

Value Creation Process

The market environment is changing rapidly in the face of climate change and other major environmental concerns and factors such as aging infrastructures and rapid globalization. The Group will strive to contribute solutions to the challenges confronting society while strengthening corporate value by realizing its Long-term Vision and deploying a range of management capital.

External environment

- Ageing water infrastructure and shortage of technicians
- Increasingly severe climate change
- Resource and energy issues

Businesses

Business development drawing on the environmental technologies of the Group

Water Environmental

Design and construction of water and sewage works and facilities that make use of night soil and biomass Sludge to fuel business

Operations, management, and repair of water and sewage works and facilities for making use of night soil and biomass

Digestion gas power generation business

Industrial

Manufacturing equipment and plants for lithium ion secondary battery materials

Mixers used in fields based on life science applications, like cosmetics and pharmaceuticals

Waste and waste gas treatment and recycling facilities

Industrial and general waste processing

FY2026 Targets

Net sales 160 billion yen
Operating profit 12 billion yen
Net profit 7 billion yen
ROIC 7 % or higher
ROE 8 % or higher

2030

Long-term Vision

Realizing a comfortable, sustainable society while contributing to lives and culture

Social value creation

Developing safe, dependable water infrastructure

Contributing to a decarbonized society

Infrastructure development for a cyclical society

Long-Term Vision/ Materiality Issues

Materiality issues in achieving the Long-Term Vision

Contributing to a decarbonized society

Sustainable use of resources

Contributing to a comfortable and sustainable society

Building attractive, rewarding workplace environments

Building governance structures to achieve sustainability management

Targets and strategies

Medium-term Management Plan strategies

(Basic policies of the Medium-term Management Plan)

Promoting sustainability management

Enhancing business domains and strengthening the Group's earning capabilities

Improving capital efficiency and enhancing returns to shareholders

Capital (FY2024)

Financial capital

- Shareholder equity: 93.1 billion yen
- Interest-bearing debt: 20.7 billion yen

Intellectual capital

- R&D costs: 1.4 billion yen
- R&D costs related to climate change included in above: 33%
- Patents held: 662

Manufacturing Capital

- Value chain capable of handling all processes from development, engineering, manufacturing, and services through project operations
- Deploying remote monitoring systems, DX, and other technologies in water and sewage facility operational management

PURPOSE
Building a Better Tomorrow with Environmental Technologies

Human capital

- Employees: 3,510 (consolidated)

Natural capital

- Sewage sludge and other biomass
- Solar power

Social and relationship capital

- High market share in sludge treatment in water and sewage works

Reinvestment of returns

Back casting

Materiality Issues

Having positioned sustainability at the core of its management strategies, the Group will strive to create social value and to offer solutions to global environmental challenges by realizing sustained business growth alongside its stakeholders via various environmental and social measures. We have identified five materiality issues for achieving the goals of our new Long-term Vision for 2030: Realizing a comfortable, sustainable society while contributing to lives and culture.

We will promote sustainability management by establishing KPIs for each materiality issue and implementing priority measures that target them.

Process of identifying materiality issues

The Group's materiality issues were identified through the following four steps. In Step 1, indicators and other materials from the leading ESG assessment agencies were referred to in identifying topics. In Step 2, these were narrowed down and materiality issues proposed through dialogue with stakeholders. In Steps 3 and 4, the final materiality issues were selected based on deliberations by the Sustainability Committee and Board of Directors.



Materiality issues, priority measures, and KPIs

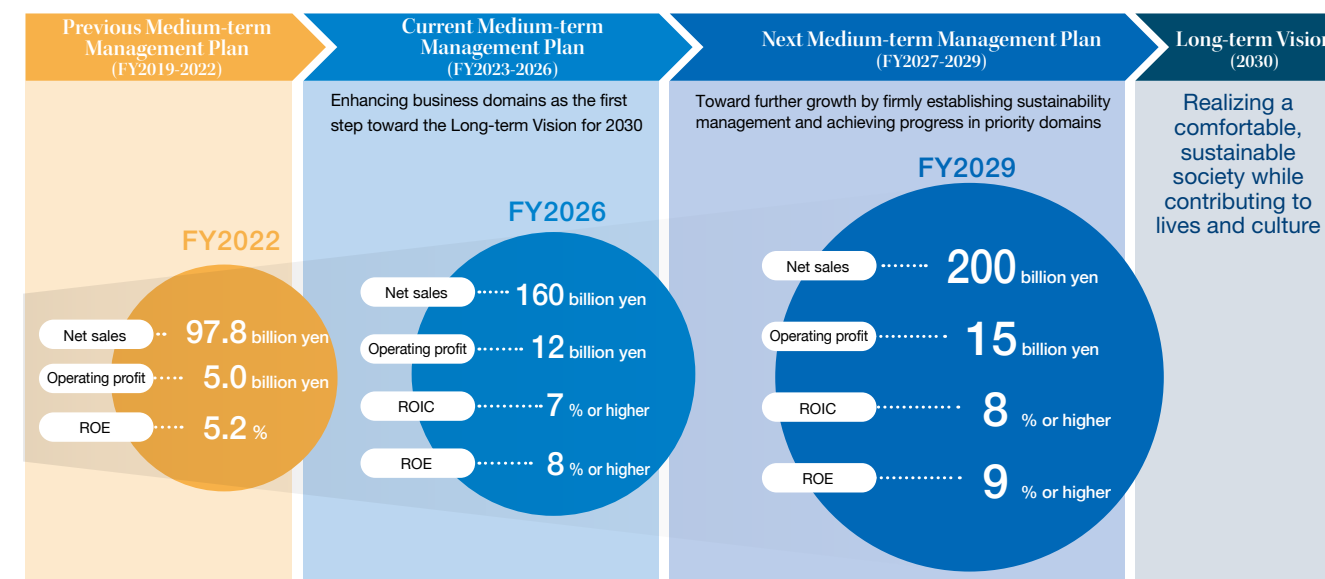
Materiality issues	Summary	Priority measures	Related SDGs	Most important KPIs	Targets	FY2024 results
I Contributing to a decarbonized society	Contributing to a decarbonized society by reducing greenhouse gas emissions through supplying technologies, products, and services for decarbonization	1. Expanding the deployment and use of waste-to-energy incineration systems 2. Generating energy from sewage sludge 3. Technological initiatives accompanying efforts to promote EVs 4. GX initiatives 5. Greenhouse gas reduction (reducing Scope 1 and 2 emissions)	7 7 RENEWABLE AND CLEAN ENERGY 13 13 CLIMATE ACTION	Sales ratio of businesses that contribute to a decarbonized society Water Environmental Business Industrial Business	20% or more 20% or more	39% 48%
II Sustainable use of resources	Supplying and enhancing development of technologies for sustainable resource use by putting limited energy and other resources to effective use	1. Enhancing R&D in environmental businesses 2. Advancing technologies for environmental protection 3. Recovering valuable materials 4. Boosting orders received for overseas industrial infrastructures	9 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Scopes 1 and 2 Scope 3 R&D expenses that contribute to a decarbonized society (vs. Group development expenses)	Establish roadmap for greenhouse gas reduction (Striving to achieve net zero by FY2050) Calculate and disclose by 2026	Formulation of roadmap to zero GHG emissions completed Scope 3 verification and implementation
III Contributing to a comfortable, sustainable society	Contributing to a comfortable, sustainable society through supply of safe, dependable, valuable water and social contribution activities	1. Boosting comprehensive orders for water supply, sewage facilities, and related services, promoting DX in maintenance and management, enhancing capacity to respond to natural disasters 2. Contributing to water safety and water infrastructure promotion and development efforts overseas 3. Social contribution activities	6 6 CLEAN WATER AND SANITATION 11 11 SUSTAINABLE CITIES AND COMMUNITIES 14 14 LIFE BELOW WATER	R&D expenses that contribute to a decarbonized society (vs. Group development expenses)	30% or more	33%
IV Attractive, rewarding working environments	Respecting human rights and diversity and maintaining attractive, rewarding working environments	1. Promoting respect for human rights, diversity, and inclusion 2. Hiring and developing diverse human resources 3. Promoting occupational health and safety management 4. Resolving labor and human rights issues along the supply chain	8 8 DECENT WORK AND ECONOMIC GROWTH 16 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promoting respect for diversity Ratio of women managers (Tsukishima Holdings standard) Percentage of men taking childcare leave Ratio of women on board of directors	FY2026 targets 6% or more 100% 15% or more	5.2% 90% 8.3%
V Developing a governance structure to realize sustainability management	Promoting sustainability management through the activities of the Sustainability Committee and enhancing governance	1. Establishing and promoting a Sustainability Committee 2. Appointing Directors and Corporate Auditors from diverse backgrounds 3. Addressing climate change risks 4. Securing and utilizing intellectual property	8 8 DECENT WORK AND ECONOMIC GROWTH 16 16 PEACE, JUSTICE AND STRONG INSTITUTIONS			

Medium-term Management Plan

Taking effect in FY2023, the new Medium-term Management Plan marks the first step toward achieving the goals of the Long-Term Vision for 2030: Realizing a comfortable, sustainable society while contributing to lives and culture.

By implementing this Medium-term Management Plan, the Group will strive to achieve sustained growth and continuing gains in corporate value.

Steps of the Medium-term Management Plan toward achieving the Long-Term Vision for 2030



Medium-term Management Plan: basic policies and progress

	Basic policies	Progress
01 Promoting sustainability management	- Contributing to a decarbonized society through businesses - Developing rewarding workplace environments and systems, promoting diversity and inclusion, and enhancing human resource development - Further enhancements in governance	Sustainability Committee activities Employee Engagement: Enhanced benefits programs, updated tiered training, held townhall meetings attended by management. Environment: Prepared roadmaps toward zero Scope 1 and 2 emissions, verified Scope 3 emissions. Human rights: Undertook human rights due diligence; formulated human rights handbook. Digital transformation (DX): Established DX Promotion Subcommittee; launched project to adopt a new core system, etc.
02 Enhancing business domains and strengthening the Group's earning capabilities	- Generating synergies with JFE Engineering Corporation (domestic water engineering business); enhancing energy creation businesses; enhancing PPP initiatives - Enhancing competitive strengths in fine particle manufacturing technologies in the battery business and other fields; decarbonization technology initiatives - Shifting business domains toward the environmental business to contribute to a decarbonized society and high-value-added domains with growth potential (priority domains)	Water Environmental Business: Generated synergies from merger with JFE Engineering Corporation. - The balance of ordered received (Water Environmental Business) reached a record high of 276.5 billion yen (start of FY2025). - Strengthened energy-generating businesses...Fused technologies for sewage sludge incinerators; achieved dramatic reductions in GHGs. - Strengthened PPP businesses...Integrated team handled large-scale projects; received two PPP orders; commenced two projects. Industrial Business: Enhanced competitive strength in particle manufacturing technologies, addressing decarbonization, expanded business domains. - Developed higher-performance machinery in battery materials production process. - Focused on securing semiconductor ammonia wastewater treatment projects and responding to inquiries for ammonia fuel projects. - Favorable receipt of orders for PRIMIX Corporation's high-speed agitators; made progress with rebuilding Tsukishima Kikai. Industrial Business: Generated synergies among operating companies. - Absorption-type merger with DAIDO CHEMICAL ENGINEERING CORP. by Tsukishima Kankyo Engineering Ltd. (October 2024) - Installed on-site testing equipment of PRIMIX Corporation at the R&D Center. - International Planning Office established, overseas business development enhanced.
03 Improving capital efficiency and enhancing returns to shareholders	- Adding ROIC as a KPI and setting ROIC and ROE figures in financial targets; improving PBR by improving capital efficiency and promoting corporate value management based on a keen sense of capital costs - Formulating a capital allocation policy: Implementing optimal allocation to investment and shareholder returns; ongoing reductions in cross-shareholdings - Proactive shareholder returns targeting a total return ratio of 50% or more and a dividend return ratio of 40% or more; continuing dividend increases and dynamic acquisition of treasury shares to control equity capital	Sold cross-shareholdings - Increased Medium-term Management Plan sales target from 7 billion yen or more to 12 billion yen or more - Sales during two years of Medium-term Management Plan: 4.4 billion yen Promoted sale of real estate Enhanced shareholder returns: Adopted ratio of dividends on equity (DOE) as new KPI for stable dividends level; maintained target total return ratio of 50% or higher. Dynamic stock buybacks: Established target of acquisition of 1.8 billion yen in treasury shares and began acquisition. → Established additional tranche of acquisition of up to 12 billion yen in treasury shares.

Results and financial targets for the period covered by the Medium-term Management Plan

	FY2023 actual	FY2024 actual	FY2025 plan	FY2026 targets
Net sales	1,242	1,392	1,440	1,600
EBITDA	104	127	133	152
Operating profit	68	89	95	120
Operating profit margin	5.4%	6.4%	6.6%	7.5%
Profit attributable to owners of parent	27	67	150*	70
ROIC	4.2%	5.2%	In the upper 5% range	7.0% or higher
ROE	3.2%	7.4%	Approx. 16%	8.0% or higher

* Includes extraordinary gains from sale of real estate.

Efforts to strengthen corporate value (updated)

Despite efforts to boost corporate value through five measures implemented in the two years since the launch of the Medium-term Management Plan, we were confronted with the need to address low total asset turnover (net sales / total assets) to improve ROE, which is essential to increasing the PBR. In response, we focused on measures promoting strategic investments that would boost sales and earning capabilities and on measures to strengthen balance sheet management by reducing total assets and controlling equity capital. We plan to improve total asset turnover and increase PBR through efforts to achieve an approach to management based on a keen awareness of capital costs and share price.

Measures	Business portfolio reforms	Strengthening earning capabilities	Enhancing shareholder returns	Sales of cross-shareholdings	Reducing capital costs
	- Reforming the business portfolio - Enhancing and growing priority domains	- Promoting digital transformation (DX), business efficiency improvements - Reducing costs and selling and administrative expenses	- Controlling equity capital through ongoing dividend increases and timely, appropriate, and dynamic stock buybacks - Dividend policy Total return ratio: 50% or higher Dividend return ratio: 40% or higher	Continuing sales of cross-shareholdings (3-5 billion yen)	- Enhancing disclosure - Strengthening IR activities
Results through the second year of Medium-term Management Plan	Formulated business portfolio rules and investment standards	- Merged with JFE Engineering Corporation's domestic water engineering business (October 2023). Developed incinerators fusing technologies from both companies - Strategic investment: 9.3 billion yen	- Expanded dividend return ratio Second year of Plan: 50% or higher - Acquired 1.1 billion yen in treasury shares - Continuous dividend increases (from 40 to 78 yen/share) - Total shareholder returns (dividends + stock buybacks) 6.3 billion yen	- Accelerated sales of cross-shareholdings (target increased to sale of 7 billion yen or more during period covered by the Plan) - Amount sold (actual) 4.4 billion yen	- Promoted sustainability initiatives - Enhanced dialogue with shareholders and investors - Strengthened efforts to grow individual investors

Distillation to two measures

starting with the third year of the Plan

...To address low total asset turnover (net sales / total assets)

Measures	Further promoting strategic investments: Measures to help boost net sales	Strengthening balance sheet management: Measures to optimize total assets
	- Business portfolio management Investing management resources in growth fields - Improving business efficiency and cutting costs through digital transformation (DX) promotion and IT-related investment - M&As: Implementing M&As and alliances to contribute to business growth - Investments in human capital Promoting investment targeting higher sales and increased earning capabilities	- Growing sales of cross-shareholdings Sales target during period covered by the Plan expanded from 7 billion yen or more to 12 billion yen or more - Promoting sales of real estate (approx. 22.3 billion yen from completed sales of logistic facilities) - Enhancing shareholder returns: Adopted ratio of dividends on equity (DOE) as a new KPI for stable dividends - Dynamic stock buybacks: Established an additional tranche of acquisition of 12 billion yen in treasury shares Reducing total assets and controlling equity capital

Achieve an improvement in total asset turnover through these measures

Medium-term Management Plan

Growth strategies in the Water Environmental Business

Business environment and risks

Business environment

- Solid demand for renovation due to aging water infrastructures
- Fiscal challenges for local governments, shortage of technicians
- Growing movement toward raising water rates
- Strong need for GHG reductions

Risks

- Declining water and sewer fee revenues due to shrinking population
- Construction delays attributable to labor shortages at construction sites and stronger overtime regulations
- More frequent earthquakes, torrential downpours, and other natural disasters
- Intensifying competition for orders

Core domains

Water infrastructure (EPC, equipment)

- High market share for sludge treatment machinery and plants (EPC) (approx. 30% share of Japanese market for sewage sludge incinerators)
- Highest net sales in Japan for water and sewage business/ machinery and equipment



Sewage sludge incinerator

Life cycle business (operational management, aftersales services)

- Orders received for operational management and maintenance at about 160 water purification plants and sewage treatment plants across Japan: currently holding leading market share (stable recurring business)
- Repair work and other aftersales services also contribute to earnings.



Maintenance

Growth strategies

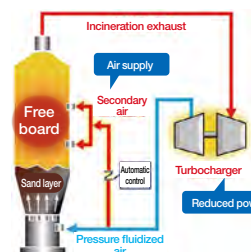
Priorities of the Medium-term Management Plan

- Generating synergies and enhancing capabilities to engage in public-private partnership projects through merger with JFE Engineering Corporation's domestic water engineering business
- Strengthening sewage sludge-to-fuel systems, biogas (digestion gas) power generation, power generating incinerators, and other energy-generating businesses

Keywords ● Contributions to decarbonization and a recycling-based society ● National resilience ● Public-private partnership (PPP)

Water infrastructure

- Decarbonization...Development of sludge incinerators capable of reducing GHGs by 99% compared to previous models (energy-generating sludge incinerators)
- Responding to larger projects... Business consolidation enhanced management resources, making it possible to handle large-scale projects through an integrated team.
- Promoting industry reorganization... Promoting further growth in business scale through mergers and alliances with others in the industry

OdySSEA-Turbo™ low-N₂O energy-generating fluidized bed incinerator

Life cycle business

- Digital transformation (DX) in operational management ... Strengthening DX in aftersales services based on the steady adoption of remote monitoring, drones, robots, etc.
- PPP... Strengthening organizational capabilities for PPP projects, customer inquiries for which are increasing



Iwaki sewage sludge recycling project (PFI project)

Growth strategies in the Industrial Business

Business environment and risks

Business environment

- The chemicals field is trending from mass production to small-scale, high-value-added products and elimination of plastics (biomaterials).
- Semiconductor-related markets are booming.
- The market for lithium-ion batteries remains flat, with slowing EV market growth.

Risks

- Impact of various geopolitical risks, including US tariff policies, the lengthening Russia's aggression against Ukraine, and Middle Eastern tensions
- Impact on economic activity of the slowing Chinese economy, high raw material prices, exchange rate fluctuations, and other factors

Core domains

Industrial infrastructure (EPC, equipment)

- High market shares in specific machinery fields, including dryers for chemicals and mixers for cosmetics
- Track record in Japan and overseas for plants (EPC), centered on the chemicals industry



Dryer



Overseas plant

Environment (EPC, maintenance)

- High market share in waste liquid combustion systems
- Aftersales services such as repair work and spare parts also contribute to sales



Waste liquid combustion system

Growth strategies

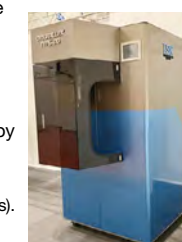
Priorities of the Medium-term Management Plan

- Serving high-value-added markets by enhancing fine particle manufacturing technologies for the battery business and other applications
- Growing green transformation (GX) solutions to move closer to full automation and a decarbonized society
- Growing stable earnings by enhancing aftersales services (machinery parts, repairs)

Keywords ● Decarbonization, mobility ● Pharmaceuticals, cosmetics ● Waste treatment ● Semiconductors ● Aftersales services

Industrial infrastructure

- Planned market introduction of higher-performance machinery (e.g., crystallization equipment) in the battery materials production process (responding to demand for higher performance and ultrafine particles)
- Enhancing sales of high-speed mixers, for which orders received remain strong, in life sciences fields like pharmaceuticals and cosmetics
- In recent years, customers have shifted investments toward high added value and small-scale production, in response to which we are handling contracted sample production by leveraging our extensive model lineup (contribution to rapid commercialization by customers).



Ultrafine particle crystallization equipment



High-speed mixer

Environment

- Focusing efforts on handling inquiries regarding use of ammonia as a fuel as an option for reducing GHGs
- Orders received are accumulating for ammonia waste fluid treatment at semiconductor plants. We plan to continue targeting projects in Japan and overseas.



Ammonia treatment equipment

Financial Capital Strategy (Message from the CFO)



Toru Takano

Representative Director,
Senior Executive Vice
President and Chief Financial
Officer (CFO)
Tsukishima Holdings Co., Ltd.

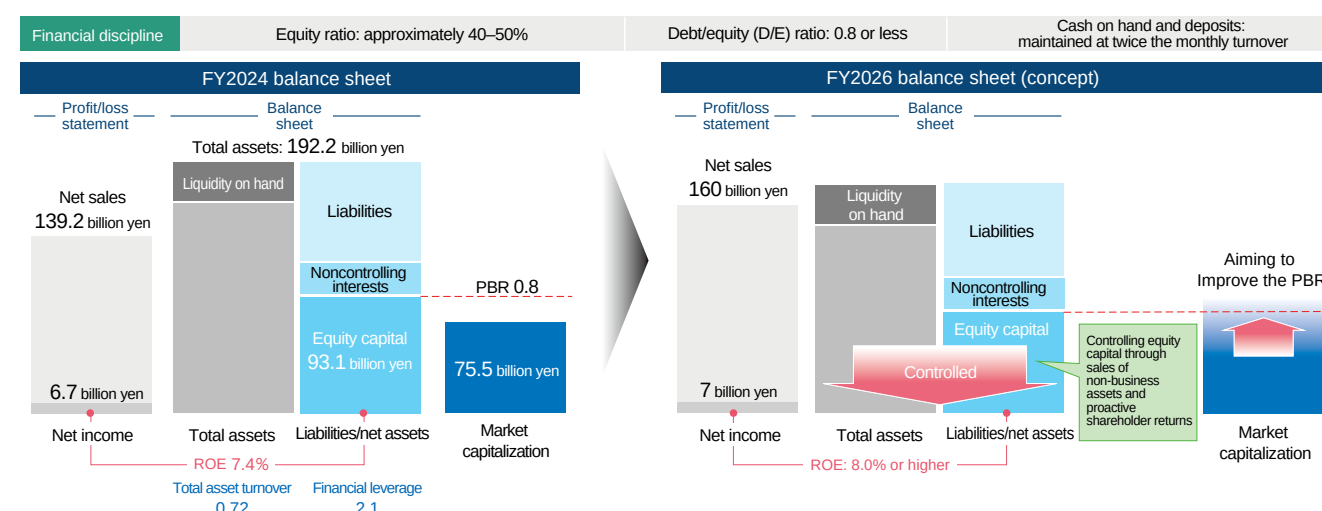
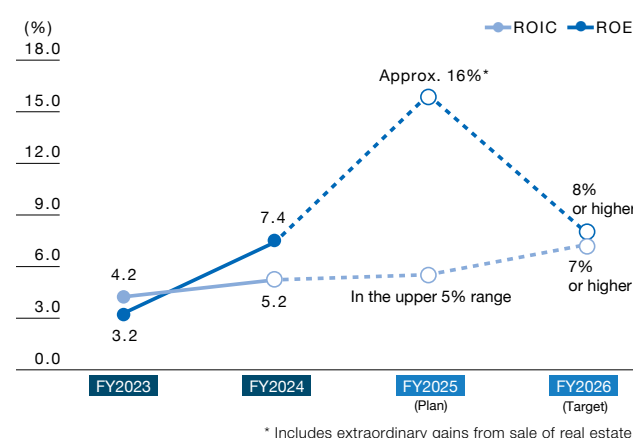
We plan to continue improving the PBR by achieving continuing gains in corporate value

Improving capital efficiency and enhancing returns to shareholders are among the basic policies of the Medium-term Management Plan launched in April 2023. In May 2025, the third year of the plan, we announced updates to our efforts to implement an approach to management based on a keen awareness of capital costs and share price. We will aim to improve ROE and increase PBR by continuing to promote strategic investments and strengthen balance sheet management.

Improving capital efficiency

Having identified return on invested capital (ROIC) and return on equity (ROE) as key financial performance indicators (KPIs), the Tsukishima Group is improving capital efficiency and promoting an approach to management based on an awareness of capital costs. In FY2026, the final year of the Medium-term Management Plan, we are targeting an ROIC of at least 7% and ROE of at least 8%.

We are also working to strengthen balance sheet management and optimize the capital structure as measures to increase corporate value. While maintaining the financial discipline essential to stable business operations, we will reduce total assets and control equity capital through proactive returns to shareholders funded by sales of non-business assets.



Sale of stock

In December 2024, the Group sold shares of common stock amid progress on revising cross shareholdings on the stock market. This sale was intended to increase corporate value by strengthening the Group's name recognition, diversifying its investor base, and improving the market liquidity of its shares. Some six million shares, including overallotment shares, were sold. This corresponds to about 13% of total outstanding shares. The sale expanded the number of shareholders by about 30% to roughly 8,000 shareholders. This sale has improved market liquidity, with share turnover trending higher than before the sale.

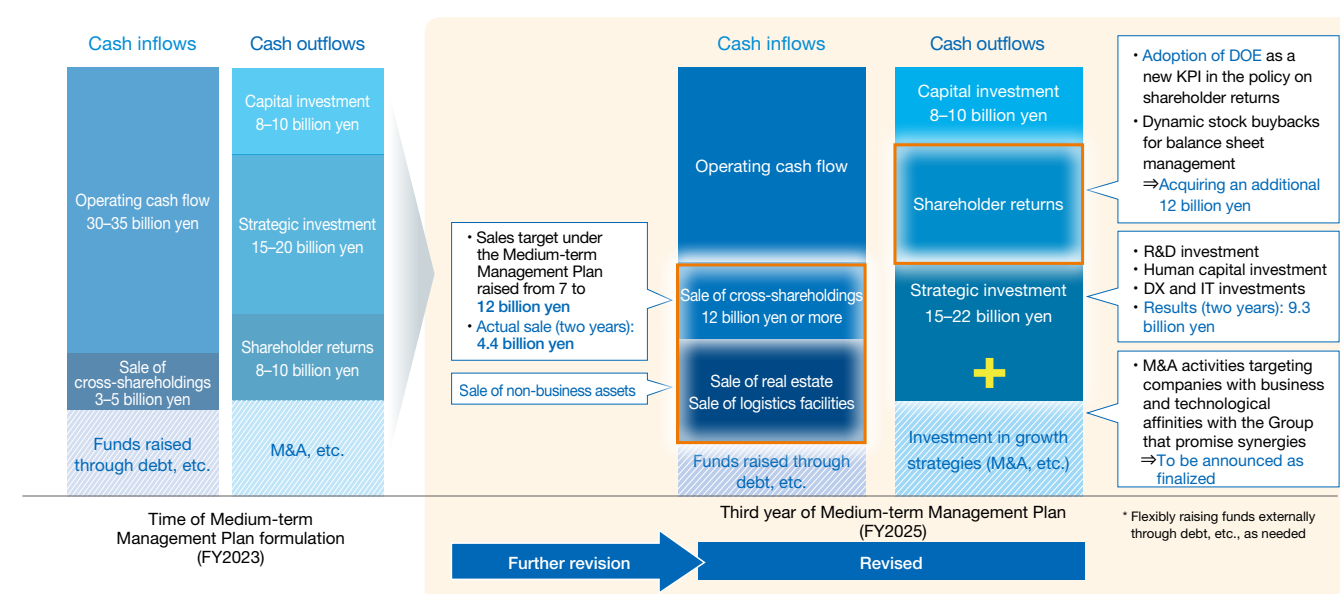
Further revisions to capital allocation

In the second year of the plan, after formulating capital allocation measures at the start of the Medium-term Management Plan, we raised the target for sales of cross-shareholdings and enhanced returns to shareholders. Furthermore, during the period from the third year of the plan through its final fiscal year of FY2026, we have expanded sales of cross-shareholdings and sold real estate (logistics facilities). We plan to allocate the cash generated through our business activities and sales of non-business assets to further enhance shareholder returns and to make strategic investments such as M&As.

With regard to shareholder returns, we have revised our

shareholder returns policy and adopted as a new KPI the ratio of dividends on equity (DOE). We are also implementing dynamic stock buybacks. In December 2024, we made the decision to purchase up to 1.8 billion yen in treasury shares. In May 2025, we made the decision to purchase a new tranche of up to 12 billion yen in treasury shares. The start of this measure was moved up in response to the cancellation of a planned M&A.

By strengthening earnings capabilities and enhancing returns to shareholders, we will continue to pursue sustained growth and increases in corporate value.

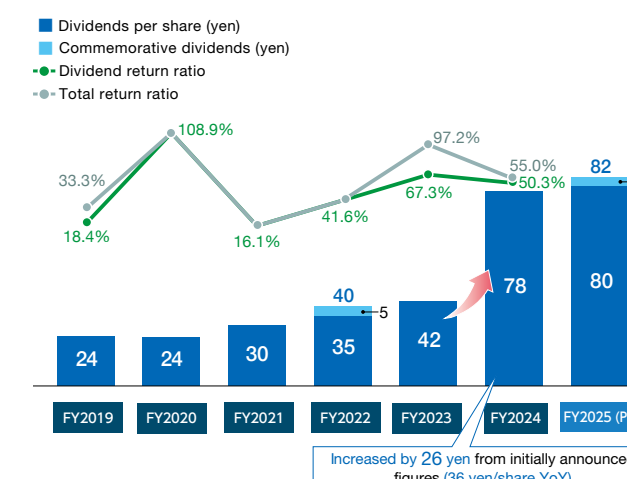


Expanding shareholder returns

The Medium-term Management Plan had targeted a total return ratio of 50% or higher and a dividend return ratio of 40% or higher; revisions of the policy for FY2024 shareholder returns now raise the target dividend return ratio to 50% or higher. In FY2025, we added DOE as a target KPI to demonstrate even more clearly our approach of paying stable dividends. The revised policy on shareholder returns calls for payments of stable dividends at levels at which DOE is no lower than 3.5% and the total return ratio is 50% or higher.

Dividends per share in FY2024 rose to 78 yen in response to the higher net income generated by positive business performance and sales of cross-shareholdings. We plan to pay dividends of 82 yen per share in FY2025 in accordance with the revised policy on shareholder returns, including a commemorative dividend of two yen per share to express our gratitude for shareholder support on the 120th anniversary of the Company's founding.

We plan to maintain our efforts to acquire treasury shares dynamically while paying stable and continually increasing dividends.

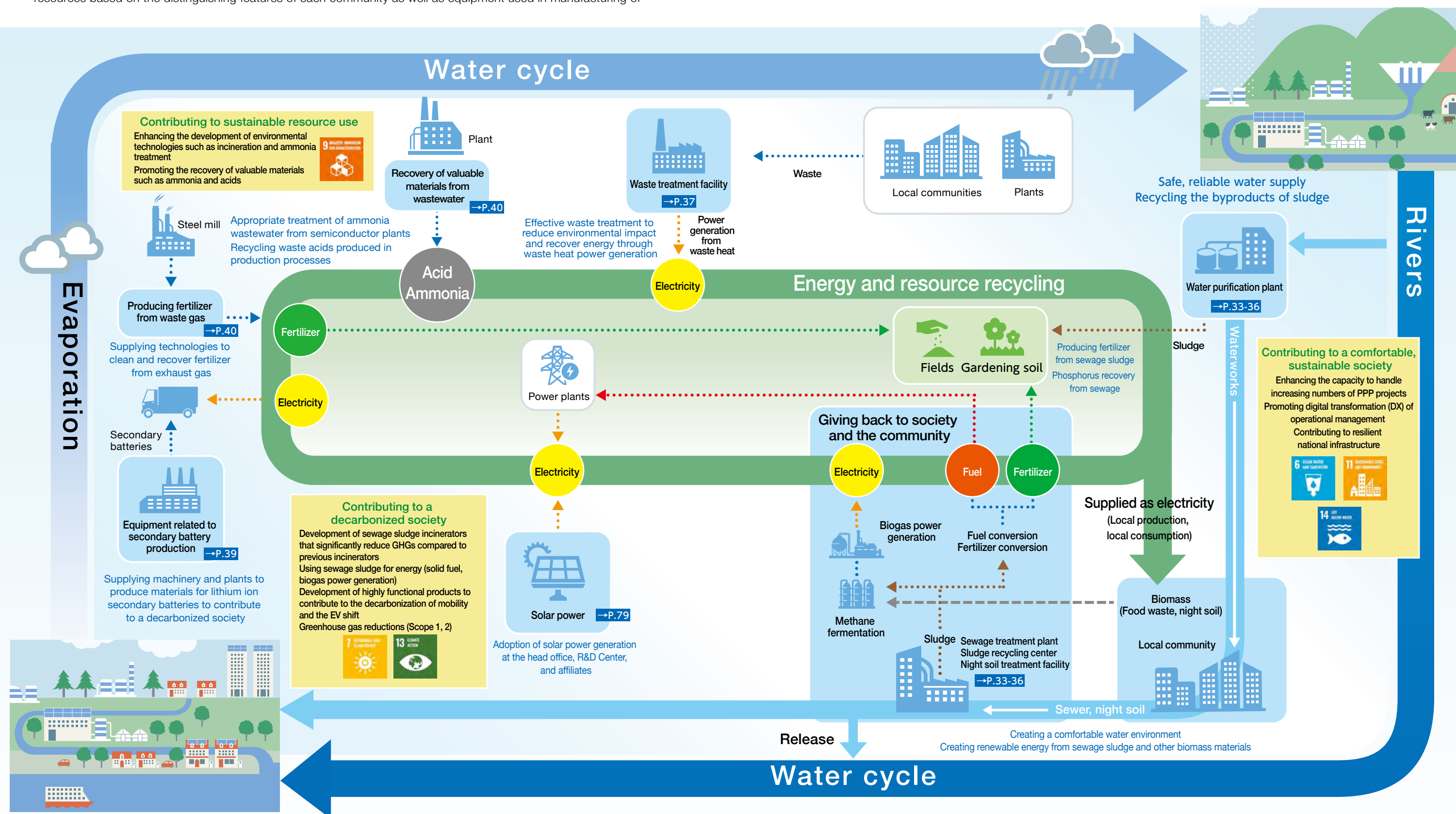


* In the fiscal year ended March 2021, the dividend return ratio stood at 108.9% due to impairments for PRIMIX Corporation. The figures would have been about 30% based on profit excluding impairments.
* FY2023: Effect of reductions in fixed assets of Tsukishima Kikai

The Recycling-based Society the Tsukishima Holdings Group Plans to Help Build

The Group seeks to promote a shift away from traditional economic systems and concentrated energy supply systems based on mass production and mass consumption to build a recycling-based society based on effective and cyclical use of the earth's limited energy and other resources. We also supply renewable energy (distributed energy) and resources based on the distinguishing features of each community as well as equipment used in manufacturing of

battery materials, including those used in lithium ion secondary batteries, which contribute to a decarbonized society. More effective use of resources through the technologies and services that we supply will help establish a sustainable society by creating new value, building community economic growth cycles, and reducing environmental impact.



Tsukishima Holdings' Businesses

Water Environmental Business

Business overview

Overview	Strengths
..... Water infrastructures - Operating company...Tsukishima JFE Aqua Solution Co., Ltd. - Business lines... - Design and construction of machinery and plants for water purification, sewage treatment, night soil treatment (raw sewage recycling centers), and facilities using biomass - Track record for water purification and sewage treatment plant equipment for overseas market   Sludge dehydrator (water purification) Dehydration and drying system	- Extensive track record in delivering machinery and plants for public water infrastructure - High market share in sludge treatment equipment for water purification and sewage treatment plants (top market share in Japan for sewage sludge incinerators at 30%) - Growing product lineup through merger with JFE Engineering Corporation's business
..... Life cycle business - Operating companies...Tsukishima & J Technology Maintenance Service Co., Ltd., Tsukishima & J Aqua Machine and Service Co., Ltd., special-purpose corporations (SPCs) in PFI and other businesses - Business lines ... - Operational management, maintenance, and (multiyear) comprehensive contracting for water and sewage treatment, night soil treatment, biomass plants; operational management for PPP projects (up to 20 years) - Sewage biogas (digestion gas) power generation business using the feed-in tariff (FIT) system (20 years)   Water purification PFI project Facility maintenance	- Top market share in Japan for water purification and sewage treatment plant operational management - Actively developing power generation business using biogas generated from sewage treatment plants (top market share in Japan) - Extensive track record in PPP projects (participation in 36 projects) combining facility construction and long-term operations (up to 20 years); experience with water PPP projects and participation in concessions

Technology and service advantages

Extensive lineup of technologies that contribute to a decarbonized society and cyclical resource use



◆Pressurized fluidized bed incineration system (sewage sludge incinerator)

These systems, which consume 40–60% less power than traditional sewage sludge incinerators and emit low levels of GHGs, are increasingly generating results thanks to their competitive advantages. (Results: 21 systems [cumulative])



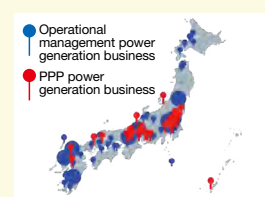
◆Sewage sludge-to-fuel business

This business converts sewage sludge to solid fuel for use in boilers and other facilities. We hold Japan's top share in this market, with a total of 13 orders received.



◆Biogas (digestion gas) power generation business

This power generation business uses biogas (digestion gas) generated through methane fermentation of sewage sludge. We hold Japan's top share in this market, with a total of 27 orders received.



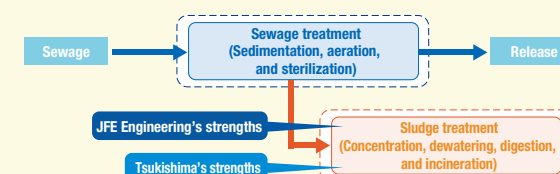
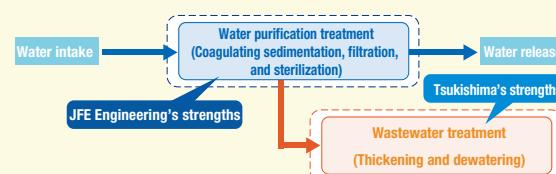
◆Operational management, maintenance

We handle operational management and maintenance under contract for some 160 water purification, sewage treatment, night soil treatment, and other facilities (Japan's top share in this market). Together with repair work, this business contributes to stable revenues.

◆Generating synergies through merger with JFE Engineering Corporation's business

Water field...Both companies' complementary technologies enable comprehensive handling of water purification plant upgrade projects.

Sewage field...Enhanced product lineup strengthens solutions capabilities and grows market share.



Growth strategies

Priorities of the Medium-term Management Plan

- Generating synergies and enhancing capabilities to engage in public-private partnership projects through merger with JFE Engineering Corporation's domestic water engineering business
- Strengthening sewage sludge-to-fuel systems, biogas (digestion gas) power generation, power generating incinerators, and other energy-generating businesses

Keywords

- Contributions to decarbonization and a cyclical society
- Public-private partnerships (PPPs)
- Resilient national infrastructure

Contributing to a decarbonized society

- Fusing the technologies of both companies to develop sewage sludge incinerators with the potential to significantly reduce GHGs
- Promoting the sewage sludge-to-fuel business and digestion gas power generation business, in which we hold leading market shares

▶ P.35

Contributing to a cyclical society

- Japan depends on imports for fertilizer. We are currently undertaking demonstration testing of technologies to recover fertilizer ingredients (phosphorus) from sewage as part of efforts to secure a stable resource supply and increase domestic self-sufficiency.

▶ P.49

Enhancing the capacity to handle large-scale projects

- PPP projects, which have been increasing in recent years, are also growing in scale. Their handling requires management resources and business operational know-how.
- ⇒The merger has strengthened our management resources and provides a wealth of business know-how to actively handle projects through an integrated team.

Contributing to resilient national infrastructure

- Promoting digital transformation (DX) of operational management to address the issues of aging water infrastructure and shortage of on-site technicians

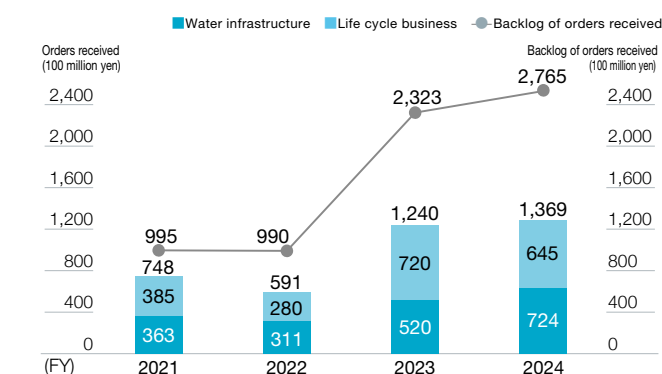
▶ P.36

Leading industry reorganization

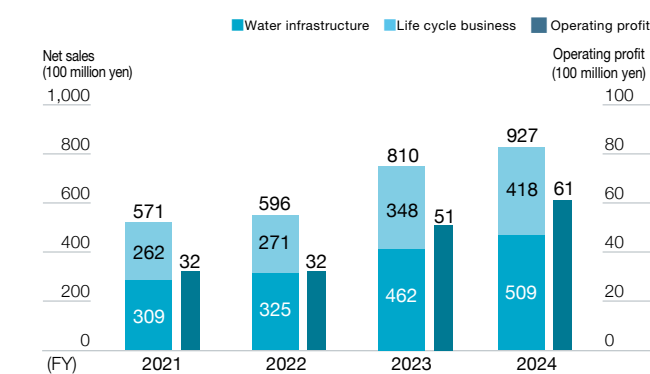
- Having set the goal of becoming the leader in the domestic water industry, we will pursue growth in business scales through various means, including additional mergers and alliances with firms in the industry, in addition to organic growth.

Trends in business results

Orders received / Backlog of orders received



Net sales / Operating profit



FY2024 business results

Thanks to large-scale orders received and steady progress on projects, both sales and profit increased. Orders received, backlog of orders received, net sales, and profit all grew to record highs.

Orders received

136.9 billion yen (up 10% YoY)

Backlog of orders received

276.5 billion yen (up 19% YoY)

Net sales

92.7 billion yen (up 14% YoY)

Sales grew due to steady progress on a number of projects for which orders have already been received for sewage sludge incinerators, sludge-to-fuel equipment, operational management, repair work, etc.

Operating profit

6.1 billion yen (up 20% YoY)

Profit increased due to sharp growth in sales, even as selling, general, and administrative expenses rose due to the merger and investment in human capital.

Tsukishima Holdings' Businesses

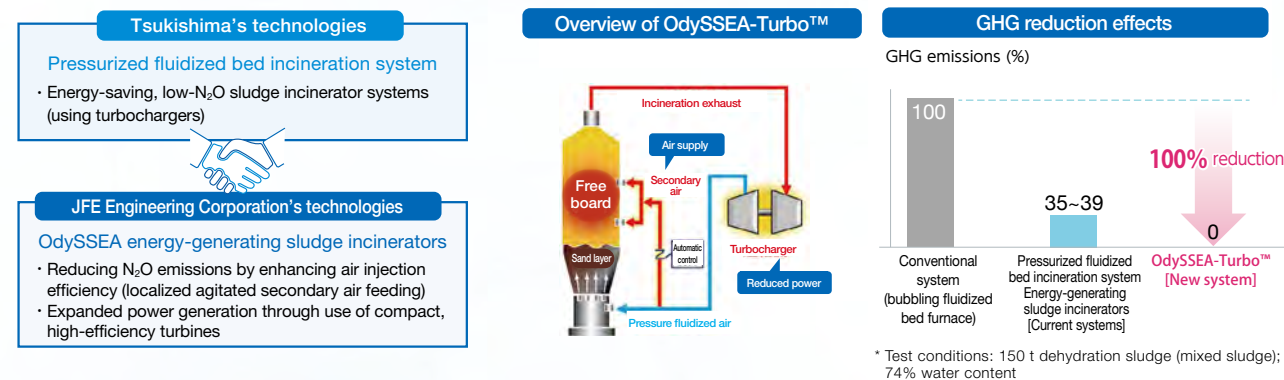
Contributing to a decarbonized society

Energy-generating sludge incinerators: development resulting from merger synergies

Sewage sludge incinerator generates dinitrogen oxide (N_2O), a greenhouse gas approximately 300 times more potent than CO_2 . Reducing N_2O is vital to cutting GHGs.

One example of the synergies generated by the merger of Tsukishima Aqua Solution and JFE Engineering Corporation's water business is Tsukishima JFE Aqua Solution's development of OdySSEA-Turbo™, a new low- N_2O energy-generating fluidized bed incinerator derived from a combination of

both companies' technological strengths in incineration. It significantly reduces environmental impact by eliminating 100% of GHG emissions. We are committed to helping to establish a decarbonized society by deploying OdySSEA-Turbo™ solutions along with our current major product lines of pressurized fluidized bed incineration system and power-generating sewage sludge incinerators.



Sewage sludge-to-fuel business

This business involves the conversion of sewage sludge to solid fuel as renewable energy for use in power plants, boilers, and other facilities. We offer low-temperature carburization systems for medium- to large-scale sewage treatment plants and dehydration and drying systems for small- to medium-scale sewage treatment plants.

Based on the production of approximately 54,000 t/year of solid fuel when all 13 systems for which orders were received are operating, these systems can reduce GHGs by the equivalent of approximately 29,000 t/year of coal. The GHG reduction achieved from using this solid fuel in place of coal to generate electricity would be roughly 68,000 t- CO_2 /year, equivalent to GHG emissions from some 40,000 ordinary households.

The 12 systems currently online produced 39,000 t/ year of solid fuel in FY2024, reducing GHGs by 49,000 t- CO_2 /year.

(These calculations are based on calorific values of 26 MJ/kg for coal and 14 MJ/kg for solid fuel converted from sewage sludge, and CO_2 emissions intensity of 2.33 t- CO_2 /t for coal.)



Biogas (digestion gas) power generation business

We are undertaking a 20-year power generation business based on purchases of carbon-neutral biogas (digestion gas) from municipalities, generated through the methane fermentation of sewage sludge, and the sale of electricity using the feed-in-tariff (FIT) system. Revenues from electricity sales are used for purchase of digestion gas and investment in power generation facilities.

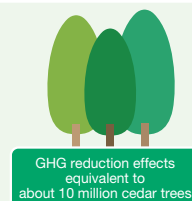
The 27 projects for which orders have been received in this business have a total generating capacity of approximately 20,000 kW, equivalent to the power consumed by approximately 32,500 ordinary households. The total generating capacity of the 26 projects now online is approximately 98 million kW/ year, resulting in a greenhouse gas reduction of some 41,000 t- CO_2 /year. (Reductions in greenhouse gas emissions estimated based on Japan's national annual average coefficient of 0.000423 t- CO_2 /kWh in FY2023)



GHG reduction effects of sewage sludge-to-fuel and biogas power generation businesses

The sewage sludge-to-fuel and biogas power generation businesses together reduce GHGs by about 90,000 t- CO_2 /year. This is equivalent to the CO_2 absorption of about 10 million cedar trees, or a cedar forest of approximately 10,000 hectares—1.6 times the area enclosed by the Yamanote Line railway (approx. 6,300 ha) in Tokyo.

(Figures from the Japan Forestry Agency website were used to calculate the CO_2 absorption of cedar trees: https://www.rinya.maff.go.jp/j/sin_riyou/ondanka/20141113_topics2_2.html)



PPP business enhancements, contributing to resilient national infrastructure

The life cycle business contributing to water environmental protection and resilient water infrastructure

Operational management, repairs, and other services offered by Tsukishima & J Technology Maintenance Service Co., Ltd. keep essential water infrastructure facilities online 24 hours/day, 365 days/year.

In recent years, comprehensive multiyear contracting through orders based on performance is increasing, with the aim of using private-sector ingenuity for more efficient maintenance management while securing service quality. The scope of work contracted in this way encompasses cleaning,

property management, utility procurement, and water quality analysis and repair work, in addition to the core businesses of water infrastructure operations and maintenance inspections. The PFI and DBO businesses, which integrate facility construction and long-term maintenance and management over 15–20 years, are also growing. The Group will continue to pursue these PPP businesses while leveraging its technologies and operational management know-how.



The group formulates business continuity plans (BCPs) to fulfill its social responsibilities and to ensure, to the extent possible, that these facilities will continue to operate even in the event of torrential downpours or other emergencies and natural disasters, which have grown increasingly frequent in recent years. It also maintains systems to allow the rapid dispatch of human resources to disaster sites, as well as conducting regular drills for emergency support and maintaining stocks of food, beverages, and essential equipment and supplies to enhance its capacity to respond to

disasters. It has concluded disaster response agreements with multiple local governments and contributes to recovery activities and community restoration in the wake of disasters.

Tsukishima & J Aqua Machine and Service Co., Ltd. supplies MizuCube emergency compact water purification equipment. Insufficient water at evacuation centers after an emergency increases health risks to residents and may cause the spread of infectious diseases. This equipment produces safe, reliable water from sources such as rivers and swimming pools.

Digital transformation (DX) of operational management: Introduction of a next-generation integrated digital solution

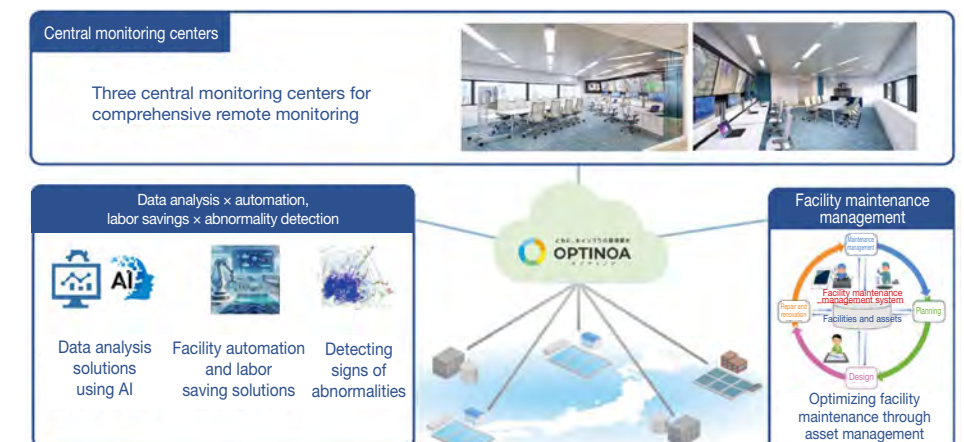
Digital transformation (DX) is essential to improve efficiency and resilience at water purification and sewage treatment plants and other facilities, where numbers of skilled personnel for site operational management are decreasing. In response, we introduced the OPTINOA, next-generation integrated digital solution, to advance water infrastructure operation reforms.

OPTINOA is a comprehensive solution that integrates

digital technologies developed over the course of years of operational management of water and sewage facilities and other water infrastructures. It consists of central monitoring centers to provide more efficient and resilient facility management through remote support, a data utilization platform that facilitates the use of operational data, and an equipment management system that promotes the optimization of stock and asset management

through centralized management of facility data. It also provides AI-based automated control and abnormality detection technologies.

The Group will continue to promote efforts to realize resilient national infrastructure by making water infrastructure smarter through such digital solutions.



Tsukishima Holdings' Businesses

Industrial Business

Business overview

Overview	Strengths
Industrial infrastructure - Operating companies... Tsukishima Kikai Co., Ltd., PRIMIX Corporation, BOKELA GmbH, TSK Engineering (Thailand) Co., Ltd. - Business lines... Design, manufacture, and construction of plants and machinery related to the chemicals and/or life sciences field, including food products, pharmaceuticals, and medicine   Steam tube dryer Overseas plant	- The extensive lineup of machinery includes drying, filtration, crystallization, mixing, and centrifugal separator systems. Also accepts orders for sample production. - Track record in plants, chiefly in the chemicals field, in Japan and overseas - Strengths in fine particle manufacturing technologies that contribute to battery performance to serve the needs in the manufacturing process for materials used in lithium ion batteries for electric vehicles (EVs)
Environment - Operating companies... Tsukishima Kankyo Engineering Ltd., SANSHIN KOGYO Co., Ltd., SUN ECO THERMAL Co., Ltd. - Business lines... Design and manufacture of waste liquid and solid waste incinerator equipment and waste gas treatment and waste-acid recovery and treatment equipment; industrial and general waste processing   Solid waste treatment facility Ammonia wastewater treatment system	- Track record with Japan's largest-scale solid waste incineration equipment - Domestic and overseas track record with waste liquid incinerator equipment (leading company in the Japanese market) - Technologies for recovering valuable materials like hydrochloric acid and fluorine from waste gases and waste liquids and metals from waste circuit boards - Meets demand for wastewater treatment in semiconductor plants, a growing need in recent years.

Technology and service advantages

- Lineup of machinery for a wide range of industries. High share of the market for waste treatment and recycling in environmental fields.



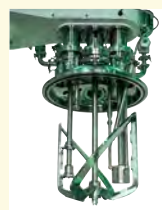
Dryers (steam tube dryers)

These large-scale dryers are used in the production of resins for PET bottles and apparel and the production of materials for lithium ion batteries. (Tsukishima Kikai)



Filtration systems

These systems are capable of handling even high-density slurry and fine particles, for which no conventional filtration methods apply. (Tsukishima Kikai, BOKELA)



High-speed mixers

These mixers are used to agitate highly viscous fluids and to mix powders in the cosmetics, pharmaceuticals, battery, and food products fields. (PRIMIX)



Waste liquid incinerator systems

Our technologies for the high-efficiency incineration of various waste liquids hold leading shares in Japanese and overseas markets. (Tsukishima Kankyo Engineering)



Packing (Teraret)

We are a pioneer in the resin packing used for gas-fluid interfaces, and our products have been used in a wide range of industries for more than 50 years. (Tsukishima Kankyo Engineering)



Plant construction

We draw on our wealth of experience and technological capabilities to install machinery such as waste incinerators in plant construction and conduct repairs. We also handle subcontracting work for Group companies. (SANSHIN KOGYO)

Growth strategies

Priorities of the Medium-term Management Plan

- Serving high-value-added markets by enhancing fine particle manufacturing technologies for the battery business and other applications
- Growing green transformation (GX) solutions to move closer to full automation and a decarbonized society
- Growing stable earnings by enhancing aftersales services (machinery parts, repairs)

Keywords

- Decarbonization, mobility
- Pharmaceuticals, cosmetics
- Aftersales services
- Semiconductors
- Waste treatment

Decarbonization, mobility

- Tsukishima Kikai and PRIMIX Corporation serve various needs in battery materials manufacturing processes.
- Tsukishima Kikai has brought to market machinery offering improved performance (e.g., crystallization systems) for use in battery materials manufacturing processes. [▶ P.39](#)

Pharmaceuticals, cosmetics

- PRIMIX Corporation is seeking to expand sales of high-speed mixers for pharmaceuticals and cosmetics applications. [▶ P.40](#)

Aftersales service

- Tsukishima Kikai has established a dedicated aftersales service team to secure new orders that contribute to earnings. We plan to handle sample production to grow the service domain still further.

Semiconductors

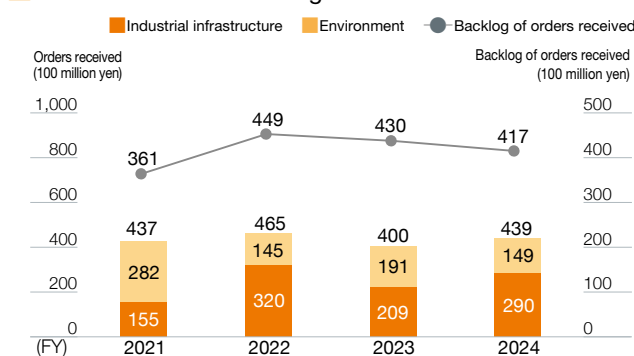
- Tsukishima Kankyo Engineering is seeking to grow ammonia wastewater treatment projects for semiconductor plants in Japan and overseas. [▶ P.40](#)

Waste processing

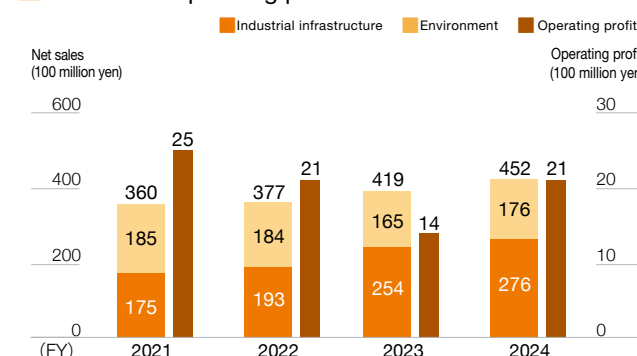
- Tsukishima Kikai is focusing on responding to inquiries for ammonia fuel projects, which are drawing attention as a next-generation energy source to realize a decarbonized society. [▶ P.50](#)

Trends in business results

Orders received / Backlog of orders received



Net sales / Operating profit



FY2024 business results

Sales and profit grew with steady progress on projects for which orders have been received.

Orders received

43.9 billion yen (up 10% YoY)

Backlog of orders received

41.7 billion yen (up 3% YoY)

Orders were received for chemical and food product company plants and equipment, including dryers and mixers. Tsukishima Kikai orders received, which were flat last year, have recovered and increased.

Net sales

45.2 billion yen (up 8% YoY)

Sales increased with progress on sales of equipment such as dryers and filtration systems and EPC projects for batteries and chemicals.

Operating profit

2.1 billion yen (up 50% YoY)

Profits grew due to growth in sales and lower selling, general, and administrative expenses, thanks in part to the absence of sales commissions on a large-scale project recorded last year.

Tsukishima Holdings' Businesses

Decarbonization, mobility Tsukishima Kikai, PRIMIX Corporation

Tsukishima Kikai and PRIMIX Corporation handle machinery for the lithium ion battery materials manufacturing process. Tsukishima Kikai also provides plant EPC services under contract.

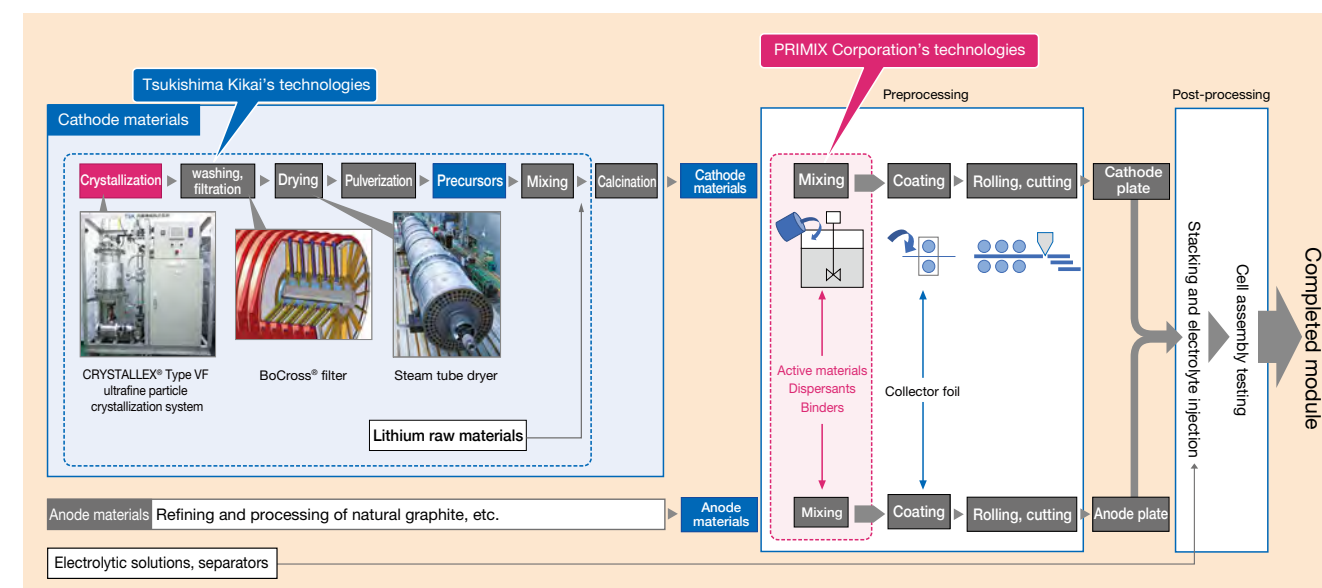
Tsukishima Kikai produces the machinery used to manufacture cathode precursors, important materials that impact battery performance. It is focusing on the reactive crystallization, a process of manufacturing crystal particles through the reaction of various materials. The crystallization process is required to produce particles with small diameters and low variation. Tsukishima Kikai has delivered more than 100 conventional fine-particle crystallization systems in Japan and overseas. To achieve even greater differentiation from its competitors, it has developed ultrafine-particle crystallization systems capable of producing even smaller particles. Pilot testing equipment is being used to produce samples as Tsukishima Kikai pursues its first order for this new product.

In addition to particle diameter, battery materials require uniformity of shape. In addition to providing for the

crystallization, washing, filtration, and drying processes, Tsukishima Kikai provides the cyclone mills used for lithium, a raw material for cathode and anode materials. Cyclone mills have a unique structure that generates high-speed air flows to break large volumes of materials into particles with little metal contamination.

In 1990, PRIMIX Corporation entered the market for mixers to uniformly disperse particles in high-viscosity slurry, targeting the electrode materials process for lithium-ion batteries. Since then, it has established an extensive track record in this field. In recent years, its FILMIX® high-speed mixers, which enable ultrafine particles and uniformity not possible with conventional technologies, have helped improve quality and productivity, and also reduce GHGs.

Recently, both companies have attracted growing numbers of inquiries related to next-generation batteries, including solid-state batteries. They will continue to develop and bring to market innovative high-performance machinery while meeting the needs for higher functionality and smaller ultrafine particles.



CRYSTALLEX® Type DD ultrafine particle crystallization system



Cyclone mill



FILMIX® high-speed mixer

Expanding sales of high-speed mixers in the pharmaceuticals and cosmetics fields PRIMIX Corporation

As a pioneer in high-speed mixers, PRIMIX Corporation delivers a wide range of equipment, from lab models through production units, for the emulsification, dispersal, kneading, and fine particle production essential to products ranging from foods to pharmaceuticals, cosmetics, paints, adhesives, and lithium ion batteries.

It is currently attracting increasing orders from the cosmetics, pharmaceuticals, battery, and food products fields as it focuses on growing sales to the pharmaceuticals and cosmetics manufacturers, where future growth is expected. In particular, its emulsification, dispersion, and mixing technologies using high-speed mixers will contribute to optimization of production efficiency and quality. Demand in pharmaceuticals production is robust for equipment capable of cleaning in place (CIP) and

sterilization in place (SIP) in line with production and quality control standards. PRIMIX Corporation's CLEARSTAR vacuum emulsifier systems with CIP/SIP compatibility are building a strong track record. The company will maintain sales activities and expand into new markets while continuing to refine its products.

PRIMIX Corporation has opened testing labs at its head office on Awaji Island and its Tokyo Branch, where customers can select suitable machinery and consider upscaling options together with the staff. The testing functions of the Tokyo Branch have now relocated to Tsukishima Holdings' R&D Center. Consolidating locations for testing in the presence of customers is intended to integrate and grow the Group's customer base while making technological verification more efficient.



CLEARSTAR vacuum emulsifier



COMBI MIX disperser/kneader

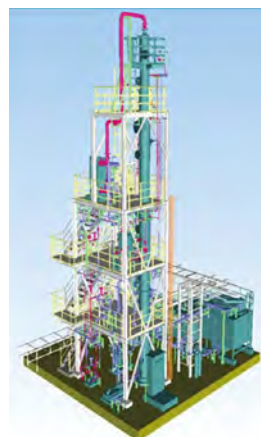
Growing sales of waste liquid treatment systems for the semiconductor field Tsukishima Kankyo Engineering

Tsukishima Kankyo Engineering offers industry-leading technologies and a track record in the incineration of solid waste and waste liquids and gases. It delivers optimal solutions to meet customer needs and is deploying technologies to recover reusable acids from waste.

Ammonia has long been used as an industrial raw material across numerous industries. Even unused portions arising during various processes are recovered and treated for reuse. Tsukishima Kankyo Engineering supplies equipment to separate ammonia from wastewater in proprietary distillation towers to recover ammonium nitrate, a raw material for ammonia water and fertilizer, and to break it down through catalyzation.

Capital investments related to semiconductors have grown in recent years amid growing demand for data centers and AI devices. Semiconductor manufacturing plants use chemical solutions that include ammonia to clean wafers, generating wastewater that contains ammonia. This has led

to growing demand for ammonia wastewater treatment in Japan and overseas. Tsukishima Kankyo Engineering will reduce environmental impact while meeting customer needs by responding energetically to inquiries for ammonia processing equipment and working further to grow its sales.



Ammonia treatment system

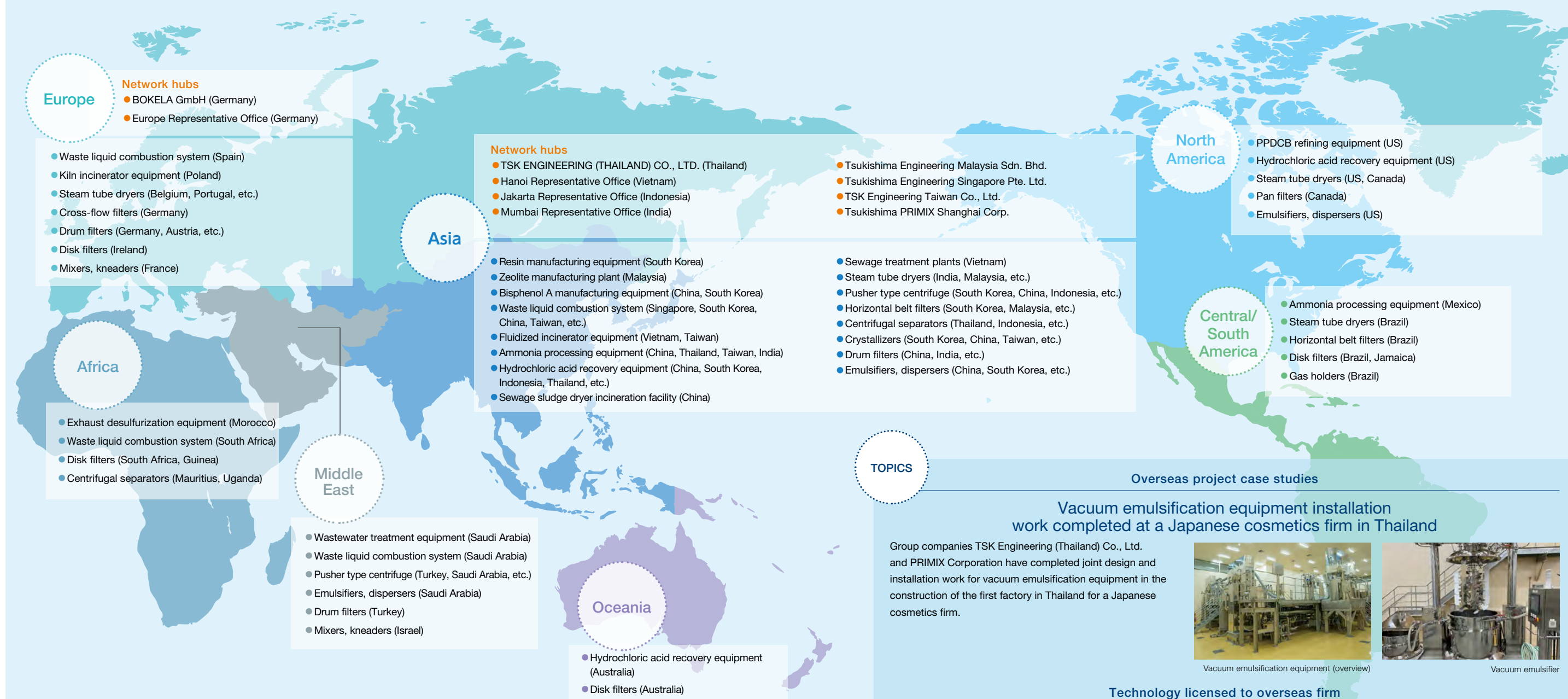
Global Network

The Tsukishima Holdings Group's global network

The Group have developed our business in overseas markets since our founding in 1905. We were involved in the construction of a sugar refinery in Taiwan in 1908. In the years since then, we have expanded into Southeast Asia. Since opening a sales facility in Singapore in 1986, we have expanded into Southeast Asia, Europe, and other regions. The new Global Planning Office established at Tsukishima Holdings in April 2025 will promote strategic global business development Groupwide.

FY2024

Overseas facilities: 10 Overseas sales: 11.6 billion yen Overseas sales as a percentage of total sales: 8%



Sustainability Promotion Structure



Environment



Social



Governance

Basic concept

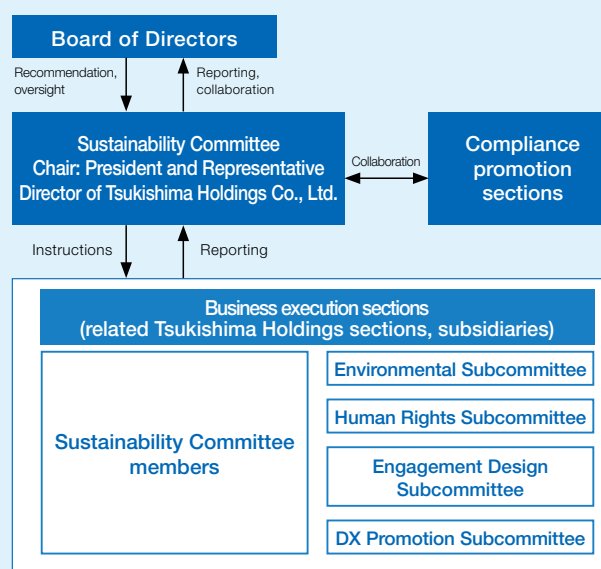
Having positioned sustainability at the core of its management strategies, the Group tackles various environmental and societal issues to offer solutions through its business activities. We seek to create social value and to realize sustained business growth alongside our stakeholders with a special focus on pressing environmental issues.

We will promote sustainability management by establishing KPIs for each of the five materiality issues identified in our Long-term Vision for 2030 and by implementing priority measures that target them.

Sustainability promotion structure

The Group has established a Sustainability Committee chaired by the President and Representative Director and is currently implementing Groupwide activities to address sustainability topics under the oversight of the Board of Directors. Individual sections and Group companies study and deploy specific measures to achieve the Groupwide policies, targets, and plans established by the Sustainability Committee. The Environmental Subcommittee, Human Rights Subcommittee, Engagement Design Subcommittee, and, in FY2024, the new DX Promotion Subcommittee have been established under the Sustainability Committee to consider issues that must be addressed Groupwide. Details of their activities are reported through the secretariat to the Sustainability Committee for deliberations and decision-making. Risks approved by the Sustainability Committee are shared with compliance promotion sections; particularly important business risks are reported to the Board of Directors. We seek to reflect the perspectives of multiple stakeholders by providing opportunities for discussions with outside experts as needed.

Sustainability promotion structure



FY2024 major activity results

Sustainability Committee	
Meeting	Major items reported, deliberated, decided
September 2, 2024	Identification of human rights issues in the Tsukishima Holdings Group FY2024 subcommittee activities (interim report)
February 12, 2025	FY2024 subcommittee activities (report) FY2025 subcommittee activity plans (report)

Subcommittees	
Subcommittee	Major activities
Human Rights Subcommittee	Handling of human rights due diligence (identification of human rights issues, formulation of human rights handbook)
Environmental Subcommittee	Formulation and disclosure of Scope 1 and 2 GHG emissions reduction roadmap GHG emissions reduction efforts (installation of solar panels at Yachiyo Technical Center, switching to electricity from renewable energy at Harumi head office) Verification of Scope 3 emissions
Engagement Design Subcommittee	Conducting the second employee engagement survey (Analysis of results, study of measures, deployment, verification of results)
DX Promotion Subcommittee	Launching a project for adoption of an enterprise system, etc.

Environment

Climate Change Adaptation

Disclosure based on TCFD recommendations

The Group has declared its support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The Group is enhancing efforts to address and disclose information on the climate change impact generated through its business activities by assessing the impact on climate change risks and opportunities and promoting measures to avoid risks and make the most of opportunities.

[Link to disclosure based on TCFD recommendations](https://www.tsk-g.co.jp/en/esg/environment_top/tcfd/)

https://www.tsk-g.co.jp/en/esg/environment_top/tcfd/

Governance

We promote Groupwide initiatives under a structure whereby the Board of Directors oversees risks and opportunities involving climate change. We have

established Environmental Subcommittee under the Sustainability Committee to consider and deploy various measures.

Strategy

Based on scenario analysis undertaken to identify the potential impact of climate change, we identified the important risks and opportunities at right based on the 1.5–2° C scenario (IPCC scenario RCP2.6, IEA scenario NZE2050) and on the 4° C scenario (IPCC scenario RCP8.5). On a time axis, we divided these risks and

opportunities into short-term (now through 2030) and long-term (through 2050) impacts. We plan to strengthen the resilience of the Group's businesses still further by linking our responses to the risks and opportunities identified in this way to the Medium-term Management Plan.

		Major risks	Major opportunities
Transition	Physical risks	- Increased costs due to carbon pricing - Increased costs of technological development in response to regulations - Lower sales due to reduced demand for chemical equipment and plants due to shift away from plastics	- Sales growth driven by growing demand for renewable energy and energy creation (use of sewage sludge energy, lithium-ion battery manufacturing equipment) - Improved business efficiency through facility labor saving and automation using AI and ICT
		- Construction delays and damage to facilities (for PFI and DBO projects) due to natural disasters - Lower productivity and construction delays caused by rising average temperatures and other factors	- Putting waste and waste gas to effective use - Growing business opportunities for biomass power generation, enabling use of sewage treatment plants as energy source - Sales growth driven by efforts to enhance the resilience of water and sewage infrastructures

Risk management

The Environmental Subcommittee monitors the implementation of and progress on measures to address climate change risks throughout the Group. It also reviews climate risks and opportunities at least once annually, and continually assesses their impacts, and considers response policies. Its findings are discussed in the Sustainability Committee and reported to the Board of Directors. Climate change risks approved by

the Sustainability Committee are shared with compliance promotion sections. Companywide risks identified by compliance promotion sections and climate change risks approved by the Sustainability Committee are integrated; risks deemed notable from a business perspective are identified, assessed, and reported to the Board of Directors.

Metrics and targets

Management of GHG emissions reduction targets began with Scope 1 and 2 emissions. We are preparing to disclose Scope 3 emissions. Having set the goal of achieving net zero GHG emissions by FY2050, we are

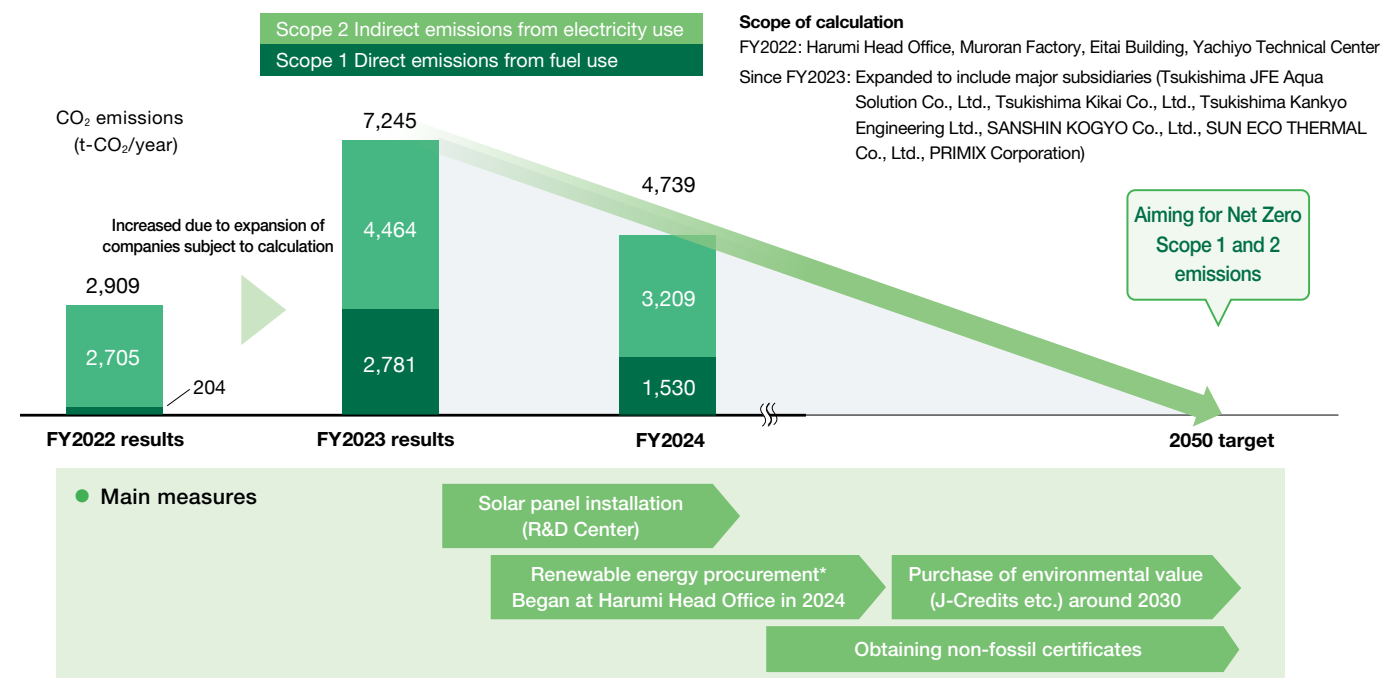
energetically promoting energy conservation, use of renewable energy, and other efforts in Group business activities. Specific reduction targets and a roadmap are described on the following page.



Climate Change Adaptation

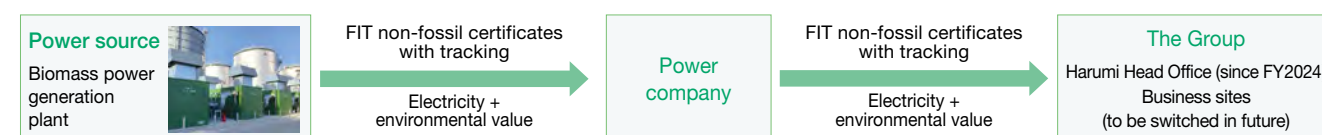
Efforts to reduce Scope 1 and 2 emissions

Roadmap to Zero



* Renewable energy

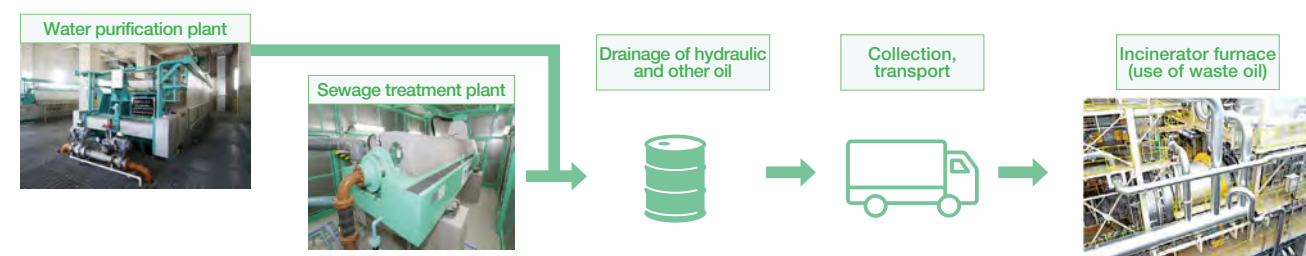
Renewable energy with non-fossil certificates with tracking, certified as 100% electricity from renewable energy sources with CO₂ emissions coefficients of zero, generated by biomass power generation plant delivered by Tsukishima JFE Aqua Solution Co., Ltd.



Emissions reduction initiatives

SUN ECO THERMAL Co., Ltd., a general waste and industrial waste disposal company, is promoting initiatives to collect waste oil drained from water and sewage treatment plants for reuse as fuel for its incineration facilities. Use of the recovered waste oil as an alternative to fuel oil will help reduce fossil

fuel consumption. Reuse of 1 kL of waste oil as incinerator fuel can reduce CO₂ emissions by 77.4 t compared to use of kerosene, equivalent to annual CO₂ emissions from some 30 ordinary households.



Scope 3 emissions calculations

The Group will calculate and disclose Scope 3 GHG emissions in 2026. In FY2024, we estimated and verified Scope 3 emissions in each of 15 categories. We will

continue to develop calculation systems and review the methods and scopes of these calculations.

Environmental Management

Basic concept

Recognizing the importance of responding to climate change and other environmental issues, the Group has established an Environmental Policy as a guideline for its environmental management activities. Main business facilities have obtained ISO 14001 certification and developed environmental management systems based on ISO 14001, and their activities are monitored regularly and efforts made to make them even more effective.

See the following link for more information on the environmental policies with which our business activities comply.

[Link to Environmental policies and certification](https://www.tsk-g.co.jp/en/esg/environment_top/environment/)

https://www.tsk-g.co.jp/en/esg/environment_top/environment/

Minimizing environmental impact

Waste-reduction initiatives

The Group is striving to reduce waste. The Harumi Head Office Building has reduced waste by 22% from last year. [▶ P.79](#) The recycling rate of waste in construction work (Tsukishima JFE Aqua Solution) has reached 92.1%.

Tsukishima Kankyo Engineering contributes to waste reductions by delivering solid waste incineration systems capable of material recycling and systems to recover and reuse acids from waste acids.

Water resource concept and initiatives

The Group recognizes emerging shortages of water resources in various regions due to factors including climate change and population growth. As one effort to reduce water use, we are collecting and storing rainwater

on the roof of the Harumi Head Office building for use in flushing toilets. In FY2024, rainwater made up 26% of the building's water use. [▶ P.79](#)

Proper control of chemical substances

Tsukishima Kikai's Muroran Factory uses the volatile organic compound (VOC) toluene, although only in small quantities, in the cleaning process. Related emissions are shown below. We will continue strict control of chemical substances that could impact the environment.

	FY2022	FY2023	FY2024
Use (t/year)	0.4	0.5	0.5
Emissions (t/year)	0.4	0.5	0.5

Environmental initiatives

Group initiatives

The Group conducts annual e-learning for employees in ISO 14001-certified sections. This is intended to make environmental management activities more effective by

strengthening the knowledge of environmental management systems and raising awareness among employees. In FY2024, 1,324 employees took part in this training.

Initiatives in the local community

Environmental education activities

We undertake environmental education activities to boost understanding of environmental issues as part of efforts to educate future generations. We provide visiting environmental classes for elementary schools on the water cycle and roles and systems in water and sewer works. By providing courses and external seminars on topics like sewage treatment and making effective use of sludge at

multiple universities, we are deepening understanding of how water infrastructure contributes to the environment.



Visiting environmental classes at an elementary school

Environmental protection activities

Tsukishima JFE Aqua Solution has signed on to the Kanagawa Forest Revitalization 50-Year Vision, an initiative that will pass on the abundance and blessings of Kanagawa Prefecture forests to future generations. It participates in the forest revitalization partnership program that sets the goal of reviving forests together with the prefecture. Plans call for supporting improvement and conservation activities for about 10 ha of forests in water resource areas over the five years from 2024 to 2029. This is expected to absorb a standard level of roughly 247 tons of CO₂ in five years.

Tsukishima JFE Aqua Solution, Tsukishima & J Technology Maintenance Service, and PRIMIX Corporation also participate in coastal cleanup activities, aimed at protecting the marine environment.



Forest conservation activities



Social

R&D

Basic concept

Based on core technologies in crystallization, filtration, drying, incineration, and other areas developed and accumulated through industrial business activities since its founding, the Group has developed and deployed various applications in the water environmental field while growing its business through mergers and acquisitions, business consolidation, and other means. Research and development supports the Group's performance and growth by creating competitive advantages based on the accumulated development and improvement of various types of equipment and processes in line with the needs of society and our customers.

Development marks the starting point of our value chain. The R&D Center serves as a base for proactive research and development activities undertaken in partnership with Group member companies. We are also promoting open innovation and developing new technologies in joint efforts with universities.

Basic strategy

With the effects of climate change intensifying, the Group's business environment is marked by accelerating efforts to achieve decarbonization. In line with the basic policy of the Medium-term Management Plan—to enhance business domains and strengthen the Group's earning capabilities—we are shifting our business domains toward the environmental business, thereby contributing to a decarbonized society, and toward domains that promise high added value (priority domains). We have identified as a KPI of our priority measures the allocation of at least 30% of research and development

expenses to projects that bring us closer to decarbonized society. In response to the social issues of shrinking and aging populations and shortage of technicians, we are pursuing labor savings in facility inspections using drones and AI cameras and promoting DX to optimize plant and equipment operations.

To improve efficiency in technological development inside the Group, PRIMIX Corporation's functions for testing in the presence of customers in Tokyo were consolidated at the R&D Center.

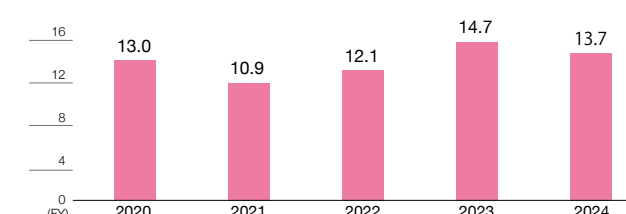
Growth strategies and research and development themes

	Keywords in growth strategies	Major research and development themes
Water Environmental Business	- Contributions to decarbonization and a cyclical society - Resilient national infrastructure - Public-private partnerships (PPPs)	- Development of technologies to generate energy from sewage sludge (e.g., incineration) - Development of technologies to recover phosphorus from dewatering filtrate - Development of decarbonized water-treatment technologies - Research on water and sewage facility operation optimization, automation, and inspection and monitoring efficiency improvements
Industrial Business	- Decarbonization, mobility - Waste treatment - Pharmaceuticals, cosmetics	- Development of technologies related to lithium-ion batteries (e.g., reactive crystallization, filtration, drying, mixing) - Improving incineration furnaces and developing technologies for use of ammonia as fuel - Development of technologies related to pulverization, dispersion, and emulsification equipment

R&D expenses (consolidated)

Trend in R&D expenses

(100 million yen)



Research and development expenses to contribute to a decarbonized society (vs. Group research and development expenses) **FY2024 result 33%**

Open innovation (industry-academy partnership)

The Group pursues technological development in partnership with universities to promote open innovation. Under a comprehensive partnership agreement with the Muroran Institute of Technology, we are currently undertaking research across a wide range of fields, including model-based predictive controls and optimized design using computer simulation. This joint research also contributes to human resource development. Examples include employees earning PhDs as working professional students and support for scholarships for students.

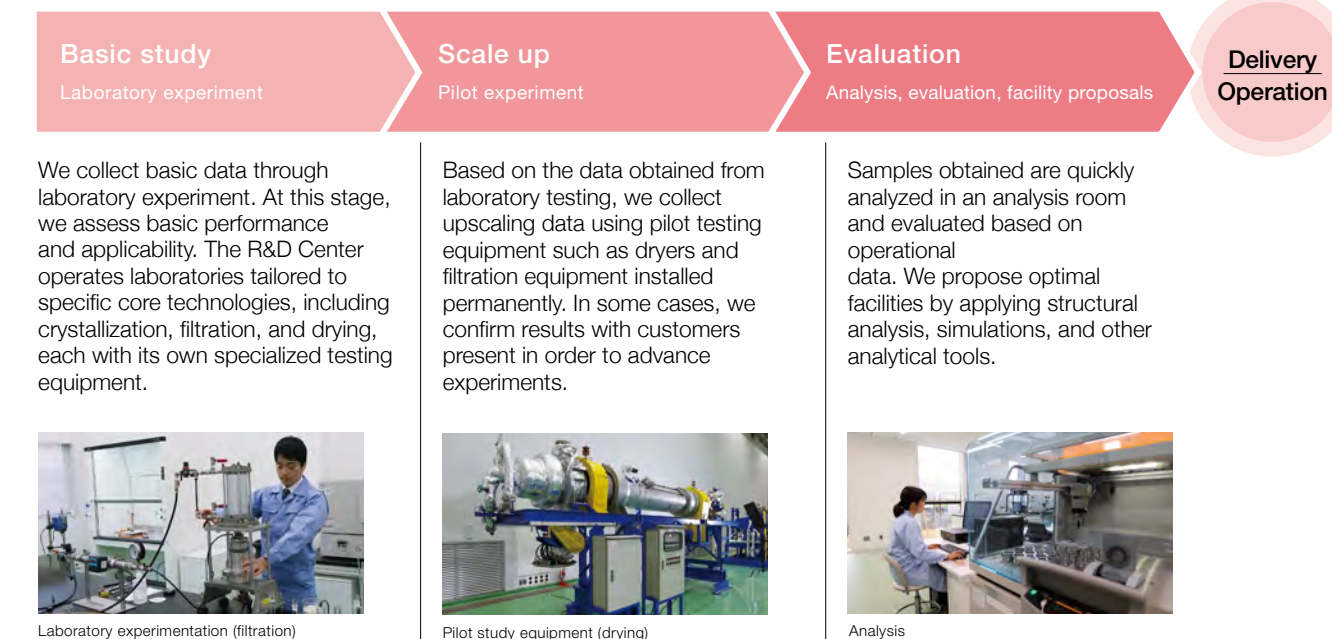
We also support Hokkaido University in its initiatives led by Hokkaido University Frontier Foundation to enhance its education and research by providing donations to support students and R&D in environmental engineering.

Group strengths

The Group's strengths in R&D

- Enhanced testing environment (witnessed testing: 212 tests/year)
- Swift analysis structure (analyzing approx. 1,200 cases/year)
- A wealth of analytical and evaluation tools

The flow from development through practical implementation



Intellectual property

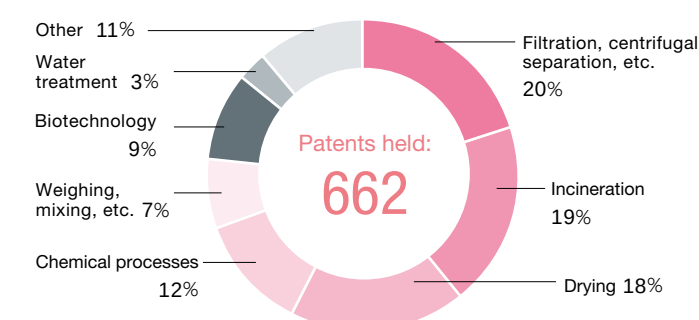
In line with the business and R&D strategies under our Medium-term Management Plan, we strive to secure the intellectual property (IP) rights required to maintain and enhance our competitive advantages in our businesses and to manage and utilize them appropriately.

We also strive diligently to prevent infringements on Group IP rights and respect and appropriately handle the IP rights belonging to others.

Number of patents held and patent applications

By reviewing processes from obtaining patents for its R&D findings through managing patents held, the Group is building a patent portfolio suited to evolving business domains. As of the end of FY2024, the number of patents held was down year on year due in part to the impact of expired patents.

Patents held by category



More than half of FY2024 patent applications across the Group were related to priority domains.

Major initiatives

Theme	Initiatives
Enhancing Groupwide invention systems	- Revising invention remuneration programs at major Group companies - Implementing Companywide IP awareness-raising activities and inventor training
Use of IP information in R&D and business activities	- Analyzing technological trends based on patent journals and corporate information - Sharing information across the Group on patents held



R&D Case Studies (Water Environmental Business)

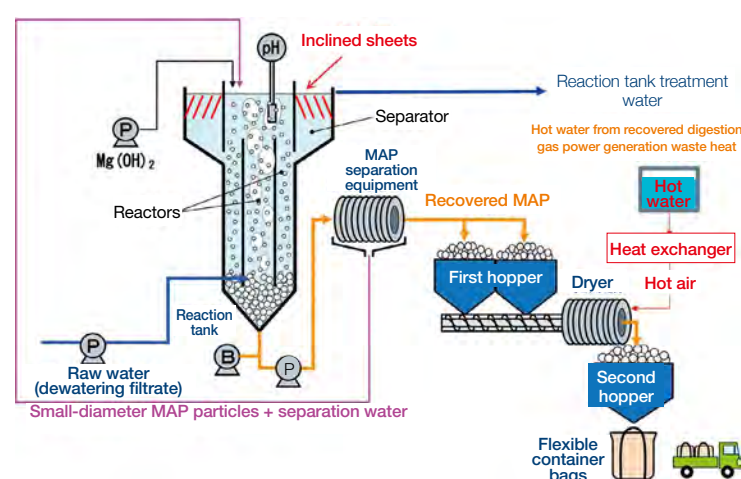
Phosphor recovery from sewage

The three elements of nitrogen, phosphorus, and potassium are vital to plant growth. Japan relies on imports for most of these materials. In recent years, fertilizer costs have climbed for various reasons, including growing grain demand worldwide, fluctuating energy prices, and the consequences of Russia's aggression against Ukraine, which is having a major impact on Japanese agriculture.

Under these conditions, phosphorus recovery from sewage can improve self-sufficiency by securing a stable supply of fertilizer resources while contributing to a

recycling-based society. Tsukishima JFE Aqua Solution is working in joint efforts with the city of Yokohama, the city of Fukuoka and JA Zennoh Fukuren in Fukuoka to carry out demonstration research on technologies for phosphorus recovery under the Ministry of Land, Infrastructure, Transport and Tourism B-DASH project to test innovative sewage technologies. We will continue to work to achieve a cyclical society by promoting recovery of resources from sewage and its use in fertilizer.

Overview of demonstration project with the city of Yokohama



Overview of demonstration research

- This project involves the crystallization and recovery, in particle form, of magnesium-ammonium phosphate (MAP) for fertilizer purposes. The material is generated from reactive crystallization through injection of magnesium hydroxide into dewatering filtrate with high soluble phosphorus content.
- We plan to promote the development, production, and distribution of fertilizer products in cooperation with JA Yokohama and JA ZEN-NOH Kanagawa.



Demonstration research equipment



Recovered magnesium-ammonium phosphate (MAP)

Digital transformation (DX)

The Group is conducting demonstration testing for adoption of labor-saving tools to improve operational management

Accelerating the adoption of labor-saving tools

- Verification of the efficiency of automated inspection patrols using robot dogs
- Use of drones to inspect locations that are difficult to access, such as inside incinerators and at high elevations
- Use of AI in integrated control of dewatering equipment and incinerators at sewage treatment plants
- Studying the use of image processing to support evaluation of chemical injection volumes in the water purification process (jar test automation)



Robot dog for inspections

Enhancing remote monitoring functions

- Enhancing security cameras (visualization of visual inspection, quantification of images)
- Abnormality detection analysis using thermo cameras and other devices

Comments from staff in charge



Kenta Yamahana

DX Promotion Group, Engineering Planning Center
Tsukishima JFE Aqua Solution Co., Ltd.

I'm in charge of demonstration testing of automated inspection patrols using robot dogs. This testing showed that the issues in question include telecommunications environments for stable data communication, training on robot operations, and device durability and support structures.

I want to study other ways to further save labor using data obtained from robots in the future.

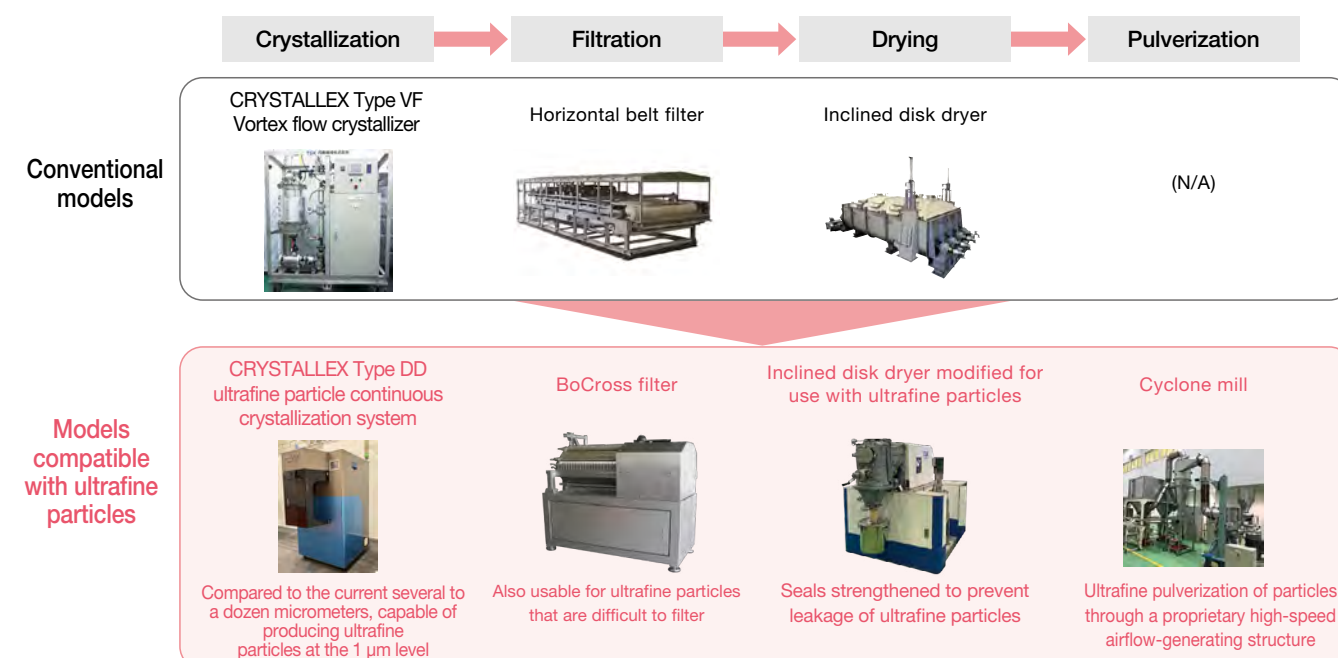
R&D Case Studies (Industrial Business)

Development of ultrafine particle crystallization equipment

Tsukishima Kikai's machinery lineup includes equipment related to crystallization, washing, filtration, and drying for use in the manufacture and handling of the particles used in lithium-ion battery cathodes manufacture. The need has emerged in recent years to reduce particle diameter and increase sphericity to the extent possible to improve battery performance. However, when we produce ultrafine particle slurry in the crystallization process, we have to ensure that particles can pass through filters and be washed efficiently in the subsequent washing and filtration process, as well as put them through a drying process to produce dry powders without sticking and clogging. So

we have added new models to our lineup of machinery for the crystallization, washing and filtration, drying, and pulverization process. We are promoting sales expansion and sample production under contract. In FY2024, we received our first order for equipment used in the new washing, filtration, drying, and pulverization process.

Given, in addition to inorganic materials in the secondary battery field, the market for high-performance organic ultrafine particles of cellulose and other materials is growing, we will work to increase orders in the ultrafine particles field through sample production under contract and other activities to meet customer needs.



Processing technologies enabling effective use of ammonia and to render it harmless

Ammonia is drawing attention as a carbon-neutral energy source because it emits no CO₂ during combustion. Its supply chain involves no high hurdles due to current widespread industrial use.

Tsukishima Kankyo Engineering has established technologies to reduce emissions of nitrogen oxide (NO_x), a concern when burning ammonia, in its major product line of submerged combustion equipment (waste liquid

incinerator systems). This equipment has been delivered to numerous customers in Japan and overseas. Promotion of fuel conversion from fossil fuels to ammonia could contribute to substantial reductions in CO₂ emissions.

Tsukishima Kankyo Engineering will continue actively developing technologies for a brighter future, aiming for industrial development balanced with environmental protection.



Ammonia combustion test unit

Comments from staff in charge



Naohito Kikuchi

Technology Development Department
Tsukishima Kankyo Engineering Ltd.

This demonstration testing project was challenging because the development of ammonia for fuel use required not just reducing emissions of nitrogen oxide, but a full range of safety measures for handling the material.

We will strive to develop technologies to meet the needs of the times for a better environmental and a sustainable future.



Human Resources Strategy

Basic concept

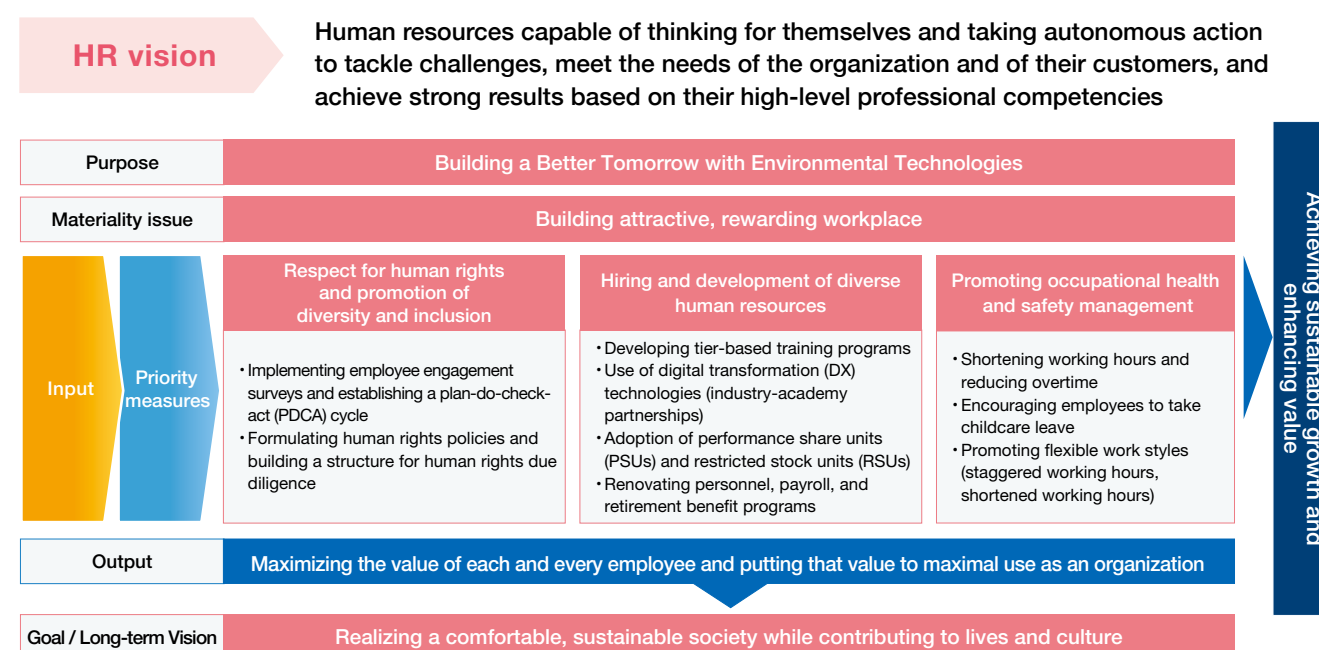
The Group put our Purpose into practice Groupwide. In addition, we identified as a priority the materiality issue of building an attractive, rewarding workplace. To develop the human resources needed to achieve our Long-term Vision, we will maximize the value of each and every employee and put that value to maximal use as an organization, while promoting diversity and inclusion.

HR development policy

We believe HR development and growth are essential to realizing our Long-term Vision. We will provide opportunities for diverse human resources to demonstrate their individuality, enhance our systems to enable

employees to learn and experience personal growth, and evaluate and promote employees who actively take on challenges and achieve results.

Overview of human capital management



Promoting diversity

Due in part to the nature of its businesses, the Group continues to have a small percentage of female employees. To promote diversity, in addition to developing an environment that makes it easier for women to apply at the hiring stage, we have set as KPIs the targets of at least 6% of female managers at major subsidiaries, 100% of male employees taking childcare leave, and at least 15% of Company Directors being women by the fiscal year ending March 2027. We are also making progress

on hiring non-Japanese employees and are focusing on related educational efforts such as providing opportunities for diversity training at the Head Office. In FY2024, in addition to starting workplace tours for young female employees, we conducted a survey among women employees as an effort to accelerate diversity promotion. We will continue to identify issues related to work styles, careers, and other matters and develop new measures to address them.

	FY2023 results	FY2024 results	FY2026 targets
Women as a percentage of managers (Tsukishima Holdings basis)	4.6%	5.2%	6% or more
Percentage of male employees taking childcare leave	85.0%	90.0%	100%
Ratio of women on board of directors	8.3%	8.3%	15% or more

Employee engagement survey

* Employees include temporary employees.

As in the previous year, we undertook an Employee Engagement Survey in FY2024. The Engagement Design Subcommittee is analyzing survey findings and considering and implementing measures in response. The FY2024 survey showed improvements for seven of nine quantitative evaluation items. We will continue to undertake annual surveys and verifications of the results of various measures to improve employee engagement.

Details of major initiatives in FY2024

- Enhancement of benefits programs
- Updating tiered training
- Holding town hall meetings with management, etc.

Education structure

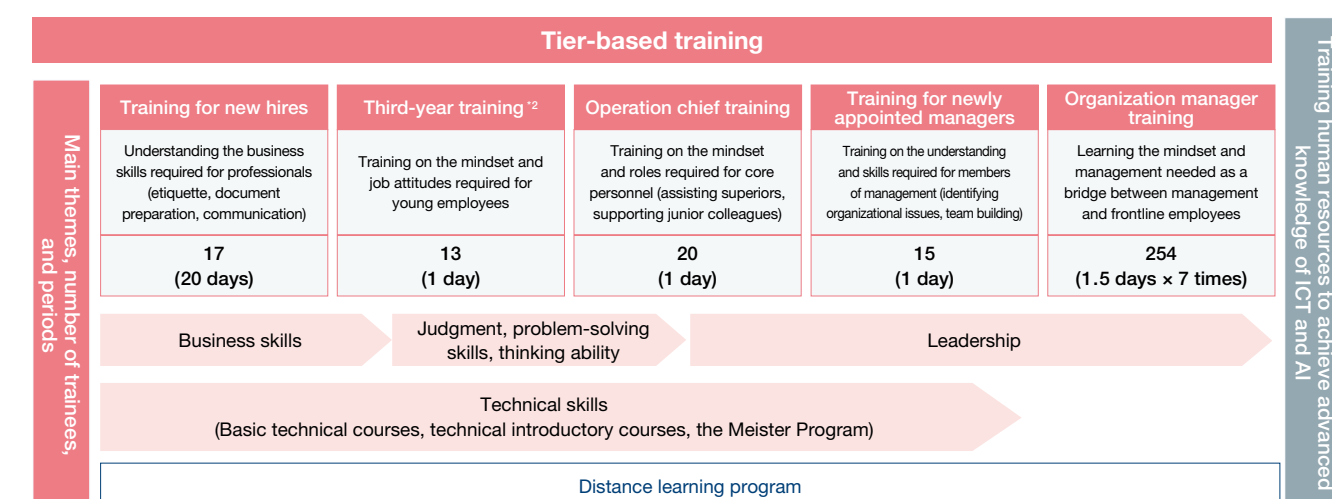
The Group has established a broad range of training programs, including tier-based training for specific employee levels, as well as distance learning programs intended to encourage self-improvement and facilitate the acquisition of official qualifications. Individual employees with high-level specializations and skills and who can demonstrate their abilities to the fullest will power Company growth and development.

In FY2024, we held organization management training for organization managers throughout the Group. A total of 254 persons participated in this training, held in seven sessions lasting one and a half days each.

Training hours per person **17.9 hour^{*1}**
(Up 4.3 hours YoY)

*1 The scope of personnel eligible for training has expanded from last year.

Training costs per person **73,642 yen**
(Up 11,590 yen YoY)



*2 Held as fourth-year training in April 2025

Training human resources to achieve advanced knowledge of ICT and AI

As important research and development themes, the Group is focusing on the environment and energy as well as ICT and AI technologies, which have advanced rapidly in recent years.

We are training human resources in ICT and AI by building up know-how through joint research under a comprehensive partnership agreement with the Muroran Institute of Technology. Some employees have earned PhDs as working professional students.

Health management

The Group is focusing on building safe, secure, comfortable workplaces to improve the wellbeing of our employees. In FY2024, we made progress on building comfortable workplaces by promoting employee health and facilitating communication in the workplace, through the initiatives shown at right.

Passing along skills

By passing on the skills of veteran engineers highly knowledgeable on specific technologies to selected capable younger mid-level engineers, we aim to maintain the Group's proprietary technical skills and strengthen engineering skills.

The R&D Center teaches Group shared technologies through programs including basic technical courses for younger employees and technical introductory courses for administration staff.

Major initiatives

- Increasing the percentage of employees taking paid vacation through a system of planned vacation time
- Increasing the days of paid vacation awarded after hiring
- Shortening actual working hours by extending lunch breaks
- Counseling by industrial health physicians based on results of regular (annual) health checkups and stress checks
- Earning Eruboshi certification (Tsukishima JFE Aqua Solution)

Roundtable Discussion Between the President and Employees



① Jun Kawasaki

President,
Representative Director

② Akihiko Igarashi

Treasury Dept.,
Tsukishima Holdings

③ Daisuke Motomura

Finance Dept.,
Tsukishima JFE Aqua Solution

④ Aya Kofuku

Sewage Planning Dept.,
Tsukishima JFE Aqua Solution

⑤ Jun Shimada

Procurement & Quality Control Dept.,
Tsukishima Kikai

⑥ Daiki Kusu

Environmental Plant Dept. II,
Tsukishima Kankyo Engineering

⑦ Maiko Kawakubo

Yachiyo Technical Center,
PRIMIX



Tell us about your careers to date, any experiences that left an impression, and your impressions of the company.



Igarashi After working with another company, I joined Tsukishima Holdings in 2023. Now I'm in charge of consolidated settlement of accounts and disclosure in the Treasury Dept. Instead of limiting myself to finance, I'd like to

broaden my horizons by taking on the challenges of new duties and working with other sections. Our company has an open and accommodating culture. I think my colleagues value my opinions even though I joined in midcareer.

Motomura I began my career at a manufacturer in 2005. At my previous employer, I took on the challenge of the

overseas trainee program. That was an intense time, and it was a good experience. Later, I was transferred to today's Tsukishima JFE Aqua Solution in the merger with JFE Engineering's business. My career has been exclusively in the back office and finance fields since then. Two years have passed since Tsukishima JFE Aqua Solution got its start. Even though some things became chaotic soon after the merger, since then, it's steadily developed a positive culture. I think the leadership and clear vision demonstrated by the management team inspires employees.

Kofuku I joined today's Tsukishima JFE Aqua Solution in 2006. I work in planning for sewage treatment facilities. Being assigned responsibility for a project in my fifth year with the company instilled confidence. At first, I felt unsure about how to contribute to the project. But the experience of making various arrangements with related sections and the client was a major cornerstone in my growth as an engineer.

Shimada After joining Tsukishima Kikai in 1999, I worked in machinery design for our equipment. My participation in a companywide business reforms project in my sixth year was a major turning point. It taught me how important it was to promote projects above and beyond one's own position and roles. After having those experiences, I returned to my original design section. Now I'm responsible for the procurement and quality control section. One of our strengths is a corporate culture of cooperation and respect for one another's specialties and thinking as we proceed with work in a project-specific team.

Kusu After joining Tsukishima Kankyo Engineering in 2013, I built a career in sales of environmental equipment. Today, I also play a management role as a group leader. In management, it's important to share common objectives and issues as a team. Tsukishima Kankyo Engineering has an open culture, one where employees feel close to management and feel free to express themselves frankly. It

makes it easy to consult about any business concerns.

Kawakubo I've worked in the development section since joining PRIMIX, the high-speed mixer manufacturer, in 2010. A major turning point was the opportunity to study in a professional PhD program in my third year with the company. Through the guidance of my professors, I learned not just about technology, but about management topics, like how to generate results and develop human resources. While my work involves doing the tests requested by customers, interacting with customers gives us the opportunity to identify potential needs and issues, which can lead to ideas for future technological developments. I feel strong motivation to link these valuable points of contact with customers to R&D work.

Kawasaki Your comments remind me of the Group's open culture of teamwork. I think how proactively you move forward with your awareness of the issues and your individual vision for the future will be important elements of the Group's growth.

In your everyday work, how do you go about addressing our Purpose, Building a Better Tomorrow with Environmental Technologies, based on your own qualities, positions, and jobs?

Motomura Our businesses directly contribute to the future of the infrastructures that play key roles in everyday life. So it's easy to remain aware of the Purpose. Since I work in the back office, I'd like to get a better understanding of our technologies in the field. The other day, I had the opportunity to tour the R&D Center. Seeing firsthand the technologies the Group has built up over the years gave me a strong desire to contribute to realizing the Purpose by supporting those in the field, despite my back office role. I think it's a good idea to enhance opportunities like that for learning about technologies and the work done in the field.

Igarashi I agree. There aren't many opportunities to learn about the details of our products and technologies. I wish there were more opportunities for tours and experiences to help us understand the sources of our businesses. I think the Purpose's reference to environmental technologies makes it clear that the technologies represent the core of the Group's businesses.

Kofuku Tsukishima JFE Aqua Solution is a new company, formed through a merger. In some ways, we've had to

grope around to find our way post-merger, but I think we've established a culture of cooperation, one where both organizations incorporate the best of the outlook and culture of the other. The expansion of business domains and the broadening of shared work in new fields inspire new ideas. I see the Purpose as a guide to finding solutions to the challenges facing society through our everyday business activities. Each time we launch a new business, we get a little bit closer to achieving the Purpose.

Shimada For more than a century, Tsukishima Kikai has done business while refining its technologies alongside its customers. These technologies are essential today in environmental



Roundtable Discussion Between the President and Employees

fields like lithium-ion batteries and recycling. Not only is the Purpose's focus on environmental technologies a good match for the company, the call for building a better tomorrow expresses our mission of putting our technologies to use to benefit future generations. While it may be hard for some employees to see this, I think the awareness of every



employee is changing steadily.

Kusu At Tsukishima Kankyo Engineering, we apply our environmental technologies to address the social challenge of decarbonization. So the Purpose is directly and clearly linked to

what we do. I believe we're generally aware what the terms or phrases *environmental technologies* and *building a better tomorrow* mean because our work in identifying customer

needs and proposing technologies based on these needs is so closely connected to contributing to the future. Still, I think there's a need to communicate this shared understanding more widely.

Kawakubo PRIMIX Corporation joined the Group in 2020. We had established a section to specialize in batteries for electric vehicles (EVs) in 2006. I was a member of that section. As eco-friendly EVs see growing use, despite some variations in the permeation of the Purpose, I think employees are coming to a better understanding of what it means.

Kawasaki The Purpose plays an important role as a compass whereby we align the Group's position and internal and external understanding. It serves as the basis for decision-making in various situations. I think we need to consider environmental technologies as a concept that includes all the infrastructure essential to people's lives, not just ecology. Through the Purpose, I want us to come to a keen understanding of what world we want to leave to future generations, what we can do, and what we should seek to achieve.

What are your thoughts on your careers and growth opportunities and the Group's efforts to promote diversity?

Kofuku I earned official qualifications through the program that supports training and distance learning. Through systematic efforts to earn my qualifications and based on my work experience, I got a bird's-eye view of our business. I've seen that diverse human resources thrive regardless of gender. It's easy to gain an understanding of childcare and family needs in an environment where it's routine for both spouses to work.

Shimada I, too, learned various things by taking on the challenges of new roles and duties. People in the workplace have diverse values and backgrounds. I think it's vital to build sound workplaces by fostering an environment in which people can take on individual challenges and establishing a culture that assures not just psychological security, but mutual respect.

Kusu Training provides the support we need to grow not just in terms of skills and techniques, but our outlook. At the same time, there's some variation in educational systems and quality. To complement these systems, I've started trial use of internal tools created to make the issues facing

subordinates and their growth visible in the Company. As the abolition of dress codes and taking employee life stages into consideration make workplaces more flexible, we're making progress on developing environments in which employees can work in their own way.

Kawakubo The systems that support the pursuit of qualifications and training for mid-career employees boost motivation. Exchanging opinions with a broad range of people gives us a bird's-eye view of our own work. Improvements in childcare and long-term care systems, which reflect feedback from the workplace, makes the working environment more hospitable.



Igarashi The numerous opportunities to take on new duties help drive growth. At the same time, it would be a good idea to further improve systems that support those who pursue challenges. The concept of diversity in the



Company seems a little ambiguous. I wonder if we need a more specific policy.

Motomura I think we still haven't achieved sufficient awareness of the presence and contents of education and training systems. At my previous company, training served me

as personal motivation. I'd like to see tier-specific training enhanced still further. In addition, since the Group has a wide range of businesses, it might broaden career opportunities if we set up a system for internal recruitment for transfers within the Group. On the topic of promoting diversity, I agree there's a need to clarify the scope and objectives.

Kawasaki Growth starts with personal awareness. I, too, have had the experience of being inspired by working with people in other fields. Those experiences helped me grow. Delegating work to others provides substantial growth opportunities for subordinates, but superiors need to be bold and open-minded to keep watch over their subordinates as they take on these challenges. It's important to listen to find out what people want to do and to provide them with the opportunities needed to take on the associated challenges.

What challenges would you like to take on? What careers do you want to build?

Shimada Our businesses are based on cooperation and trust with our business partners. I want to grow to be someone my colleagues can count on, and help the Company grow to be one appreciated by customers and business partners, based on an understanding of the importance of relationships based on trust.

Kusu Since joining the management ranks, I've begun looking at the Company and the Group as a whole. I'd like to broaden my perspectives and deepen my knowledge. I want to play an active role in achieving approaches to business and workplaces whereby all those involved, both inside and outside the Company, can work with smiles on their faces.

Kawakubo My specialization in the field of batteries is my strength. But as an employee at a company that manufactures mixers, I'm trying to become an engineer people can also count on in other fields. For the testing done with customers, the equipment varies with the project and requirements. I've learned a lot from each project. I want to grow to be an engineer people can count on across a wide range of fields by steadily building on my experience.

Igarashi While continuing to specialize in finance and accounting, I'd like to broaden my knowledge to adjacent fields so I can do my job from a broader perspective. I also want to become someone trusted both inside and outside the Company.

Motomura I want to take on the challenges of drafting and executing various plans, from reforming business processes currently underway and systems adoption and improvements to launching new businesses and generating synergies through M&A.

Kofuku Due to recent changes in social conditions and the emergence of new environmental issues, I've started to take an interest in inter-industry joint efforts and the development of new technologies. I want to focus on business proposals and technological developments to meet the needs of our times.

Kawasaki Roundtables, townhall meetings, and other communication opportunities have deepened my understanding of what employees think of their careers and the Purpose. I look forward to seeing each of you envision your own big dreams, consider your future career and courses of action, and continue thinking and taking action to make them real.





Respect for Human Rights

Basic concept

The Group respects international human rights norms, including the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. In 2023, The Group established the Human Rights Policy based on its understanding that respect for human rights of every individual it has relations with through its business activities is fundamental to various corporate activities. By reaffirming the awareness of human rights embodied in the Purpose, Group Policy, and Group Corporate Code of Conduct, we have declared that employees will respect, safeguard, and refrain from violating basic human rights. In addition to training for new hires, tier-specific training and other activities, we engage in fair hiring and selection practices and maintain workplace environments that allow diverse human resources to thrive.

[Link to Human Rights Policy](#)

https://www.tsk-g.co.jp/en/esg/social/human_rights/

Promotion structure

The Group's human rights initiatives are promoted chiefly by the sections in charge of HR, under the supervision of the Company executive director in charge of HR and backed by the Human Rights Subcommittee of the Sustainability Committee. Any significant human rights issues identified through human rights

impact assessment are addressed in various ways, including consideration of mitigation and corrective measures, and other issues related to human rights are discussed in the Human Rights Subcommittee and then reported to the Sustainability Committee for deliberation and decision-making.

Human rights due diligence

Human rights due diligence process

The Group will promote sustainable business activities while protecting the human rights of stakeholders by establishing and operating a human rights due diligence framework in accordance with the United Nations Guiding Principles on Business and Human Rights.

We will carry out ongoing activities to minimize human rights risks by practicing the following plan-do-check-act (PDCA) cycle throughout our business activities and supply chain: (i) assessing human rights risks; (ii) preventing and mitigating negative effects; (iii) monitoring; and (iv) disclosure.

Human rights risk evaluation

To ascertain human rights risks, in FY2024 the Group conducted interviews with stakeholders involved in business activities and the value chain and related sections in some major Group companies. We reviewed potential harm to human rights through evaluation by outside experts and identified nine priority initiatives, from the perspectives of severity and likelihood of occurrence.

Next, we will ascertain the actual conditions of the human rights issues identified at suppliers and business partners through surveys, take effective countermeasures, and conduct monitoring to avoid and mitigate the risk of human rights violations.

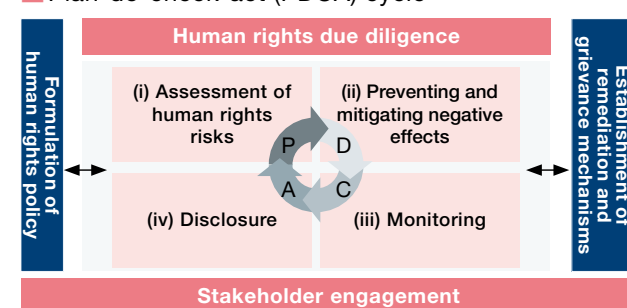
Major initiatives

We provide education under a framework for compliance training on human rights and labor-related risks, including those concerning harassment. In FY2024, we prepared and distributed a new Human Rights Handbook as part of internal training efforts to enhance employee knowledge and awareness. We established internal and external helplines as contact points for reports concerning actual or potential problems and appointed an outside attorney and the Company's Full-Time Corporate Auditor to receive reports

and conduct consultation through the helplines.

As one example of activities related to human rights, as a company that operates and manages water infrastructure Tsukishima & J Technology Maintenance Service Co., Ltd. maintains extensive stockpiles of emergency food supplies. It fights food loss and supports those in need of nutrition by donating emergency foods replaced due to impending expiration dates to foodbanks.

Plan-do-check-act (PDCA) cycle



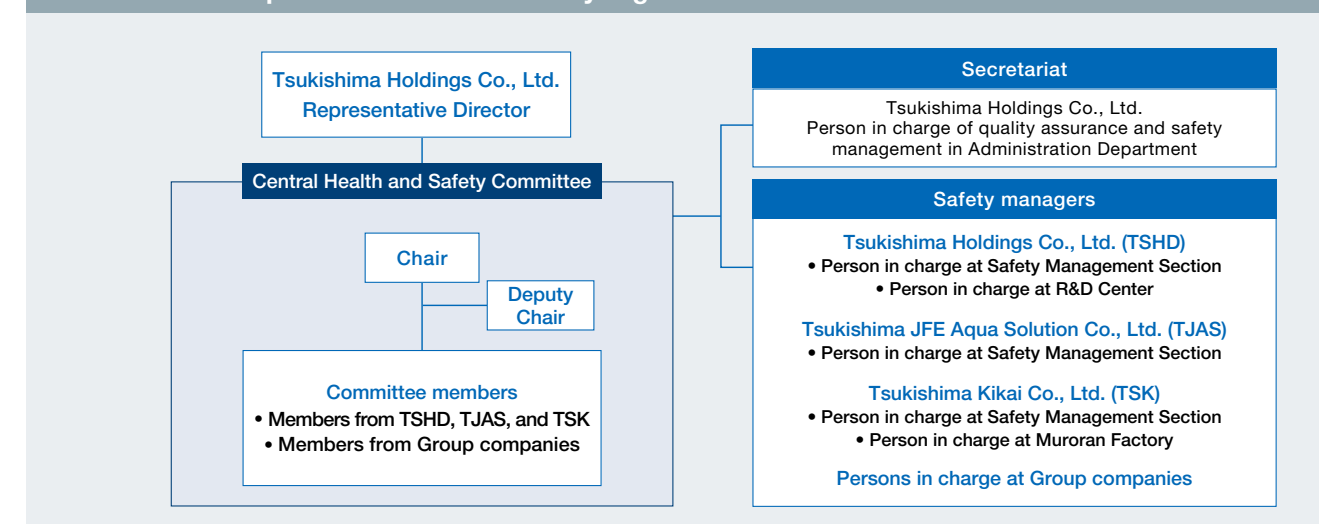
Adversely affected stakeholders	Priority human rights issues
Employees	Occupational health and safety
Suppliers, business partners	Overseas human rights management structure
	Occupational health and safety
	Harassment
	Child labor
Customers	Forced labor
	Product safety
Communities, local residents	Human rights issues related to the environment and climate change
	Bribery, corruption

Occupational Health and Safety

Basic concept

The Group has established a Central Health and Safety Committee to promote Groupwide activities through which we strive to ensure safe, secure, and accident-free workplaces at construction and manufacturing sites and elsewhere by formulating site-specific health and safety management activity plans. Health and safety management and promotional personnel are also appointed at Tsukishima Holdings and individual Group companies in accordance with the size and role of each organization, to promote health and safety management and education. Tsukishima & J Technology Maintenance Service, which handles operational management and repairs on water, sewage, and environmental facilities, established an occupational health and safety management structure based on the ISO 45001 international standard.

Structure of occupational health and safety organization



Major initiatives

Seeking to prevent accidents on site, we pursue health and safety training and related activities. In addition to biennial health and safety training sessions, we hold annual special training on the tasks undertaken at each site. Throughout the organization, we implement inspections and improvement

- Accident prevention activities and quarterly inspections and assessments at each site
 - Semiannual workplace inspection patrols to improve workplace environments
- * Patrols were conducted at overseas construction sites as well in FY2024.

activities at each site and workplace based on the Groupwide health and safety policies established by the Central Health and Safety Committee, striving to raise employee safety awareness.

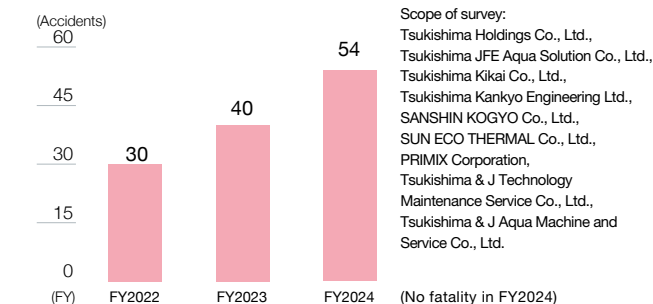
- Posting safety slogans, chosen from entries solicited from employees, during safety week
- Training on risk assessments using virtual reality (VR) technologies

FY2024 occupational health and safety training

	Number of trainees	Number of sessions
Health and safety training (conducted every other year)*	78	2
Special training on tasks involving the risk of oxygen deficiency or presence of hydrogen sulfide	74	1
Special training on tasks requiring full-harness safety belts	58	7
Special training on the handling of low-voltage electricity	21	1
Special training for workers handling dioxins	41	2

* Only for those who did not undergo training in the previous fiscal year

Number of workplace accidents





Sustainable Procurement

Basic concept

The Group strives to help establish a comfortable and sustainable society based on our Purpose. In partnership with our customers and suppliers, we promote procurement activities to promote sustainability across the entire supply chain and to fulfill our corporate social responsibilities (CSR).

Procurement Policy

1. We will engage in free competition and fair and equitable transactions; we will manage important information and trade secrets properly.
2. We will comply with the laws and regulations of each country and region and with social norms and other standards, refraining from provision or receipt of improper gains, transactions with antisocial forces or groups, and other actions counter to business ethics.
3. We will promote procurement activities in harmony with the environment, with consideration for conserving resources, protecting the environment, and lessening environmental impact.
4. We will respect fundamental human rights, improve working conditions, promote appropriate occupational health and safety, and eliminate improper labor practices.
5. We will build partnerships based on mutual understanding and trust and strive to achieve mutual progress with domestic and international customers and suppliers.

Building relationships based on trust with our suppliers

Tsukishima JFE Aqua Solution, Tsukishima Kikai, Tsukishima Kankyo Engineering, Tsukishima & J Technology Maintenance Service, and Tsukishima & J Aqua Machine and Service support the goals of the Council for the Promotion of Partnership Building for the Future, which seeks to achieve coexistence and shared prosperity

among large firms and SMEs by increasing value across the supply chain. Based on this shared goal, the partners have announced their Declaration on Partnership Building.

[Link to Declaration of Partnership Building portal site](https://www.biz-partnership.jp/)

<https://www.biz-partnership.jp/>

Initiatives toward stable procurement

Based on recognition of the vital importance of maintaining systems that support the stable procurement of machinery and supplies in our businesses, we are pursuing sustained efforts to ensure stable procurement. In response to the various risks facing the Group and our suppliers amid the shifting business environment (including issues related to human rights, climate change, and international military

conflict), we plan to strengthen the resiliency of the supply chain by establishing multiple procurement channels.

We are currently expanding and refining our global procurement network to secure multiple procurement channels with a focus on sustained relationships with suppliers in various regions, including Europe and the Americas, and cultivating new overseas suppliers.

Establishing a CSR procurement structure

We are pursuing activities to establish a comprehensive CSR procurement structure for the Group and our suppliers. We use quality management surveys and CSR procurement assessment checklists to monitor the CSR procurement efforts of new suppliers. We plan to provide

ongoing support for major suppliers with regard to Group CSR procurement. To promote mutual awareness, we will monitor and assess each company's initiatives via CSR procurement surveys.

Quality Management

Basic concept

As organized based on ISO 9001, the Group's quality management system emphasizes the supply of safe, high-quality products and services to meet customer demands at major sites in Japan. In addition, recognizing the need for appropriate facility upgrades, repairs, maintenance, and management, as well as human resource development for the sustained progress of the water and sewage businesses, Group member company Tsukishima & J Technology Maintenance Service Co., Ltd. has acquired ISO 45001 certification for its occupational health and safety management system and ISO 55001 certification for its asset management system, and continually strives to improve the efficacy of these systems.

[Link to Quality Policy and certification status](https://www.tsk-g.co.jp/en/esg/social/quality/)

<https://www.tsk-g.co.jp/en/esg/social/quality/>

Quality management structure

In accordance with ISO 9001 requirements, the Group clarifies essential processes and the interactions among them and establishes, executes, maintains, and continually improves its quality management system, including efforts to address risks and opportunities. The company boosts the efficacy of business processes and the quality management system by integrating policy management

objectives based on management plans and the quality objectives of individual sections. It also gathers and shares companywide knowledge and information on past defects and complaints and manages the implementation status of design reviews*.

* Expert quality review of designs, plans, etc.

	Management	Sales	R&D planning	Administration	Procurement	Design	Manufacture	Construction	Inspection	Operations management	
Planning	Management plan	Sectional deployment of the management plan (risks, opportunities, and quality objectives)									
Deployment	Policy management	Formulation, companywide deployment, and progress control of quality objectives (by section) and implementation plans									
R&D	Approval of development themes	Development plans, sales strategies									
Product realization process	Clarification of requirements	Screening of bidding at or above certain amounts	Checking the content of proposals, estimates, and contracts	Experimentation, analysis	Ascertaining requirements, proposing technologies, estimation, clarification of specifications, design review						
	Planning, design, procurement, manufacture, construction, inspection, validation, delivery, Operations management		Order receipt, kickoff meeting								
			Design review	Project management	Order placement	Detailed design	Production planning	Construction planning	Inspection		
					Vender management	Design review		Construction management	Vender management		
				Commissioning			Factory inspection				
			Acceptance inspection, sales	Internal inspection, completion inspection							
											Operations management
Management of nonconformities		Management of nonconforming products, processing of complaints									
Performance evaluation and improvement	Management review	Monitoring, measurement, analysis/evaluation, customer satisfaction, internal auditing, management review, continual improvements to the quality management system									

Efforts to improve quality

e-Learning and other training activities are undertaken to maintain and improve quality for sections subject to ISO 9001 and ISO 14001.

Main measures	● e-Learning and testing for sections subject to ISO 9001 and ISO 14001 (once/year)	
	Trainees in FY2024	Sections subject to both ISO 9001 and ISO 14001... 1,204 trainees (100.0% participation rate) Sections subject to ISO 14001 only..... 120 trainees (99.2% participation rate)
	● Training on the fundamentals of quality assurance and ISO management Those eligible are new employees and midcareer hires in sections involved in quality assurance	
	FY2024	36 trainee

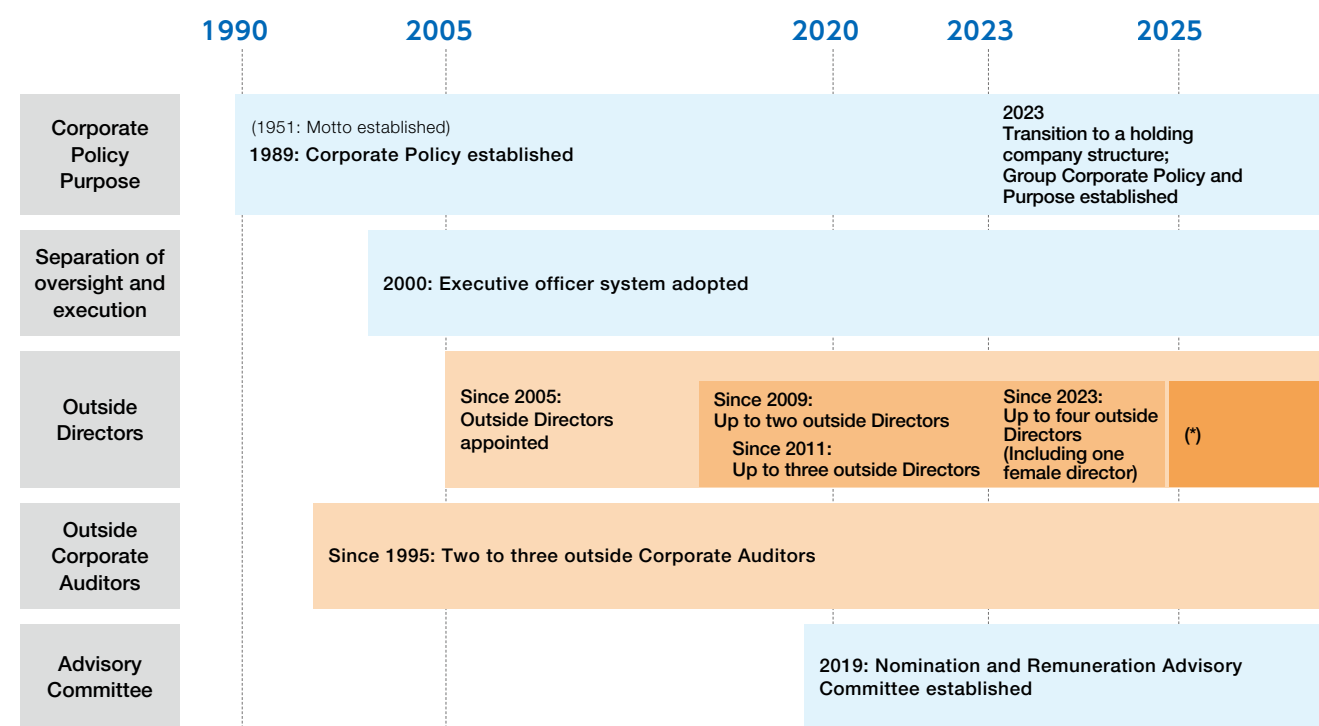
Corporate Governance

Basic concept

In April 2023, the Group transitioned to a holding company structure. The holding company undertakes Group strategy formulation and governance to allow operating companies to accelerate decision-making processes. We strive to strengthen corporate value by achieving further progress in Group management efficiency and governance.

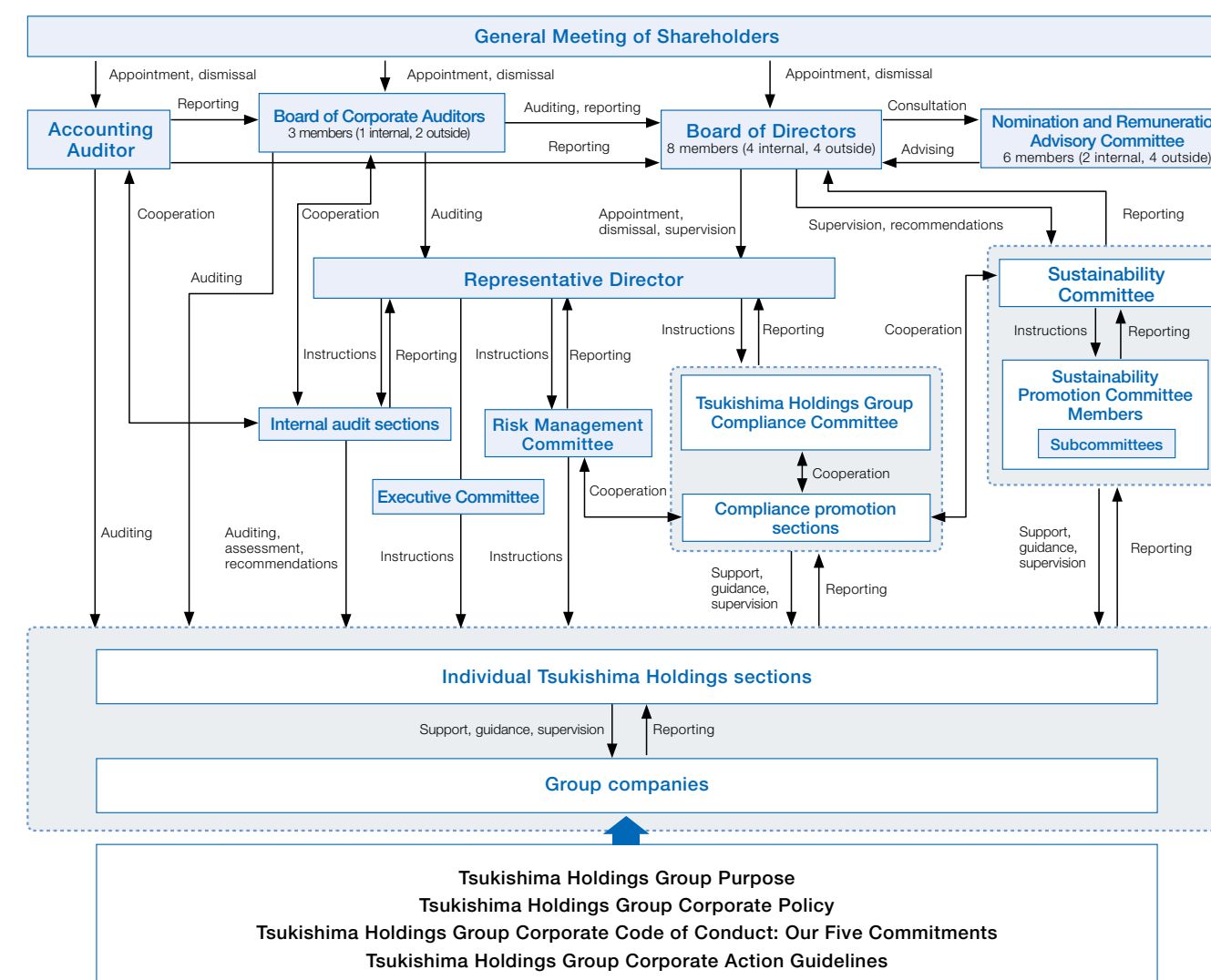
Enhancing the corporate governance structure

We recognize the importance of enhancing corporate governance to ensuring the Group's growth and development. To enhance corporate governance, Tsukishima Holdings strives to ensure diversity on the Board of Directors through means including expanding the number of Outside Directors and appointing female directors. It has established the Nomination and Remuneration Advisory Committee, which is chaired by an independent outside director, as an advisory body to the Board of Directors to strengthen the independence, objectivity, and transparency of the decision-making process for important decisions concerning the appointment and remuneration of Company Directors and other members of management.



* As of June 23, 2025, one-half of Directors (four of eight) were Outside Directors.

Organization (as of June 23, 2025)



Board of Directors and committee membership, summary, and meetings held (FY2024)

	Board of Directors	Board of Corporate Auditors	Nomination and Remuneration Advisory Committee
Structure	9 members (5 internal, 4 outside) * At least one-third of membership consists of outside Directors	3 members (3 outside) * Chaired by an outside Corporate Auditor	4 members (1 internal, 3 outside) * A majority of membership consists of outside Directors and outside Corporate Auditors * Chaired by an outside Director
Summary	Makes important decisions on Company matters, including management policies and the selection of Representative Directors.	Audits the performance of Directors	Makes decisions on matters such as the selection of candidate Directors and the policy on determination of remuneration for Directors
Number of meetings held (average attendance rate)	13 (100%)	9 (100%)	4 (100%)

Man Woman



Governance

Board of Directors

To oversee the execution of duties of all Directors and to enable rapid management decision-making and execution, the members of the Company's Board of Directors serve concurrently in roles such as executive officers and presidents of operating companies. Outside Directors carry out effective oversight and supervision of management from independent perspectives. Standards for the nature of deliberations by the Board of Directors are specified in the job authority rules and elsewhere. Of the total eight Directors under the new structure adopted at the end of June 2025, four are outside Directors. The balanced incorporation of the perspectives of internal and outside Directors leads to sounder governance.

Major matters deliberated on by the Board of Directors during FY2024

Matters subject to decisions by the Board under the Companies Act and other laws and regulations	Convocation of general meeting of shareholders, dividends of surplus, approval of settlement of accounts, elimination of treasury shares
Matters related to governance and compliance	Valuation and sales of cross-shareholdings, revisions of reports under the Corporate Governance Code, reporting on evaluations of the efficacy of the Board of Directors, reporting on the activities of the Sustainability Committee, and reporting on evaluations of and policies for internal audits
Matters related to the administration of businesses and Group companies	Responses related to management that reflects the cost of capital and share price, personnel matters concerning Group company officers, revisions of regulations
Other matters	Analysis and consideration of market valuations of Company shares, reporting on dialogue with shareholders, reporting on the activities and plans of the Central Health and Safety Committee, amortization of Tsukishima Kikai fixed assets, adopting performance share units for the employee stock ownership program, sale of Company stock

Director and Corporate Auditor selection process

Policies	- Directors are appointed from candidates who possess the knowledge, experience, and abilities to realize effective corporate governance and to contribute to the Group's sustained growth and increases in its corporate value over the medium to long term. - The appointment of outside Directors is based on their ability to take part in decision-making and management oversight from an independent standpoint. Outside Directors are appointed from among directors of other companies with a wealth of knowledge and experience in corporate management, experienced executives, qualified specialists, academic experts, and others which present no conflicts of interest with the company. - In appointment of Corporate Auditors, we select candidates who possess sufficient knowledge of finance and accounting.
Procedures	- The Nomination and Remuneration Advisory Committee, an advisory body to the Board of Directors, advises the Board regarding the nomination of candidates for Directors and Corporate Auditors. Final decisions are made by the Board of Directors. - The appointment of candidates for Corporate Auditors is deliberated on by the Board of Directors, after first obtaining the approval of the Board of Corporate Auditors.

Roles expected of Outside Directors

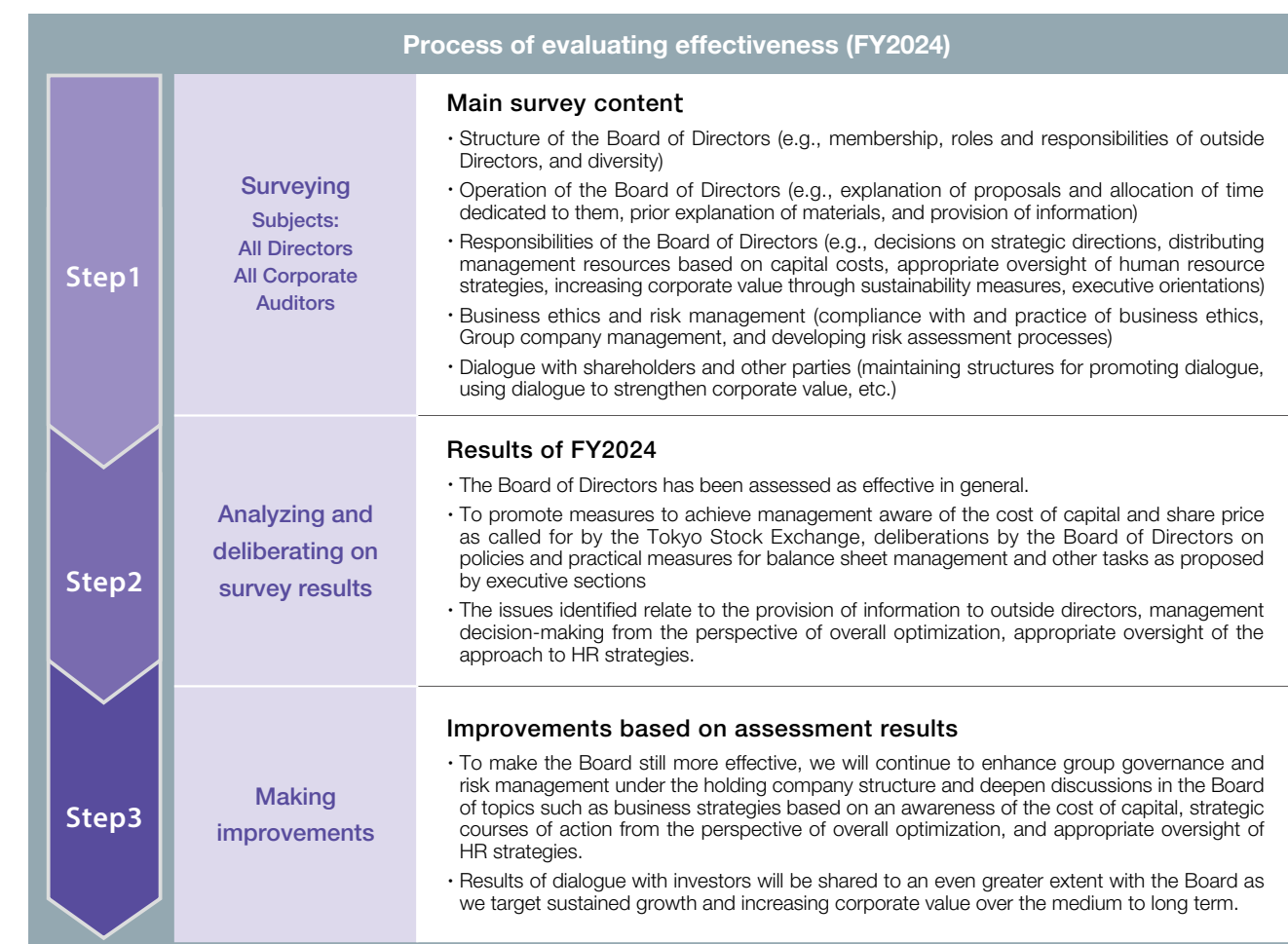
Outside Directors are expected to utilize their insights and experience in providing valuable guidance and advice on

Board decisions from an independent, neutral point of view.

Evaluating the effectiveness of the Board of Directors

To verify the effective functioning of the Board of Directors and improve its effectiveness, we seek out advice from outside experts; conduct annual surveys of all Directors

and Corporate Auditors; and analyze, assess, and deliberate on the Board based on the survey results.



Efforts to enhance the effectiveness of the Board of Directors

To stimulate proactive discussions in the Board and to enhance the effectiveness of the Board of Directors, Company Directors and Corporate Auditors will proactively gather information on an ongoing basis and improve their functions and capabilities in relation to Group financial standing, compliance, corporate governance, and other issues.

Training ^{*1}	Upon their appointment, participation of external Company-specified training programs
Guidance on appointment ^{*2}	Briefed by the President or business executives designated by the President on various material issues, including Group management strategies and financial standing
Site tours ^{*2}	To deepen their understanding and learn more about the Group's businesses, touring sewage treatment plants, the R&D Center, the Muroran Factory, and Group companies
Further learning and information sharing ^{*3}	Obtaining and sharing through the Board of Directors and other channels relevant information concerning key legal amendments and compliance issues
Other initiatives to stimulate discussions by the Board ^{*3}	Early distribution of materials and advance briefings for outside directors on specific topics
Roundtable discussion between the President and Outside Directors	Held with the President in July 2025 on the themes of sustainable growth and increasing corporate value

^{*1} Held for internal Directors and internal Corporate Auditors ^{*2} Held for Outside Directors and Outside Corporate Auditors ^{*3} Held for Directors and Corporate Auditors



Executive Remuneration

Basic policy

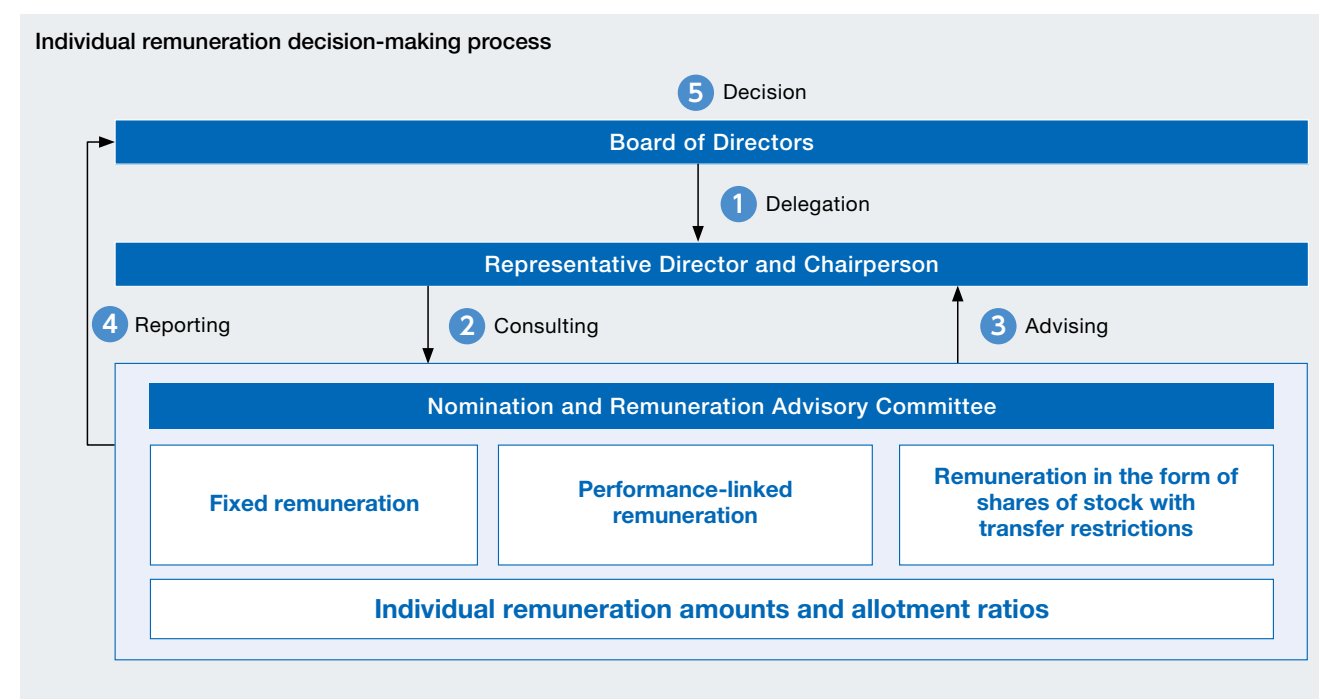
With the need in mind to secure and maintain capable human resources, the remuneration structure for Company Directors incorporates incentives to improve results and strengthen corporate value. Remuneration decisions for individual Directors are based on the policy of maintaining appropriate standard in light of executive position, responsibilities, and contributions to business performance.

Executive remuneration decision-making process

Remuneration for Directors other than outside Directors consists of a fixed remuneration, remuneration in the form of shares of stock with transfer restrictions, and performance-linked remuneration reflecting business performance and progress with the Medium-term Management Plan and the targets thereunder achieved. Remuneration for outside Directors, charged with oversight functions, consists of

fixed remuneration that reflect their specified duties. Ratios of allotment of each type of remuneration are based on remuneration at companies of roughly the same size as the Company in related industries and businesses.

The individual remuneration decision-making process is illustrated below.



- 1 Delegation within the extent of remuneration limits determined through a resolution of the general meeting of shareholders**
- 2 Deliberation (consulting) on draft remuneration proposals**
- 3 Verification of validity, advising the President**
- 4 Reporting a summary of deliberations**
- 5 Determining Director remuneration**

Remuneration structure

Category	Overview and objectives
Fixed remuneration	• Paid in accordance with position
Performance-linked remuneration	• Short-term incentives (STI) • Determined with consideration for medium-term management plan performance targets and their achievement • Performance-linked remuneration, paid as monthly remuneration, accounts for contributions to business results based on the amounts calculated for the achievement of plans for the previous fiscal year, using planned consolidated ordinary income and consolidated net income as standards. * Not paid to Outside Directors
Remuneration in the form of shares of stock with transfer restrictions	• Long-term incentives (LTI) • Paid to Directors other than Outside Directors as nonmonetary compensation to provide incentives to achieve sustained growth in corporate value and enhance consideration of shareholder values • Transfer restriction periods range from three to thirty years, as determined in advance by the Board. * Not paid to Outside Directors
Maximum remuneration amounts	• The maximum monetary compensation amount for Directors is 440 million yen/year, including 70 million yen/year for Outside Directors. • Separately, share-based remuneration of up to 80 million yen/year* and 93,000 shares may be paid to eligible Directors other than Outside Directors. * Not including the employee salary portion for Director serving concurrently as employee

Remuneration for Directors and Corporate Auditors in FY2024

Executive category	Total amount of remuneration, etc. (millions yen)	Total amounts of remuneration, etc. by type (millions yen)			Number of Directors, Auditors
		Base remuneration		Stock-based remuneration	
		Fixed remuneration	Performance-linked remuneration		
Directors (Except Outside Directors)	260	160	64	35	5
Corporate Auditors (Except Outside Corporate Auditors)	–	–	–	–	0
Outside Directors/Auditors	115	115	–	–	7

Note: The number of Directors/Auditors given above include one Auditor who resigned during the current fiscal year

Nomination and Remuneration Advisory Committee

The Nomination and Remuneration Advisory Committee has been established as an advisory body to the Board of Directors for the purpose of strengthening independence, objectivity, and transparency in making decisions concerning important matters related to nomination and remuneration of Company Directors and other executives

and further enhancing and strengthening the corporate governance structure.

Its four members consist of one internal Director and three independent Outside Directors, including the chairperson. It met four times during FY2024.

[Key matters discussed by the Nomination and Remuneration Advisory Committee in FY2024]

- Selection of candidates for Company Directors, Corporate Auditors, and executive officers
- Personnel matters related to presidents of major Group operating companies
- Succession planning for the Company management team
- Policies for determining remuneration for individual Company Directors
- The Company's executive compensation system (including executive compensation of major Group operating companies)
- Remuneration limits and individual remuneration amounts for Company Directors and Corporate Auditors



Executive Team

(as of June 23, 2025)

Average term in office of Directors: three years and four months
(as of June 23, 2025)

Directors



President
Representative Director

Jun Kawasaki

April 1992 Joined the Company
January 2006 General Manager, Secretary Sec. of the Company
April 2010 Senior General Manager, Personnel and Administration Dept. of the Company
April 2014 Senior General Manager, Corporate Management Planning Dept. of the Company
April 2015 Executive Officer of the Company
April 2017 Managing Executive Officer of the Company
April 2019 Corporate General Manager, Corporate Administration Division of the Company
June 2019 Director of the Company
May 2020 President, PRIMIX Corporation
April 2021 Senior Managing Executive Officer of the Company
June 2022 Chairman, PRIMIX Corporation Chairman, Representative Director, Tsukishima Kankyo Engineering Ltd.
April 2023 President, Representative Director of the Company (present position)



Representative Director,
Senior Executive Vice
President and Chief
Financial Officer (CFO)

Toru Takano

April 1990 Joined Chiyoda Corporation
July 2001 Joined the Company
July 2004 Senior General Manager, Corporate Management Planning Dept. of the Company
December 2007 General Manager, Executive Secretary Office of the Company
October 2008 Senior General Manager, Treasury Dept. of the Company
April 2010 Executive Officer of the Company
April 2017 Managing Executive Officer of the Company Deputy Corporate General Manager, Corporate Planning and Administration Division of the Company
April 2021 Senior Managing Executive Officer of the Company Corporate General Manager, Corporate Administration Division of the Company
June 2022 Director, Managing Executive Officer of the Company
April 2023 Director, Senior Managing Executive Officer of the Company Chief Financial Officer(CFO) (present position)
April 2024 Director, Senior Executive Vice President of the Company
April 2025 Representative Director, Senior Executive Vice President of the Company (present position)



Director
President, Representative
Director Tsukishima Kikai
Co., Ltd.

Yoshiyuki Fukuzawa

April 1990 Joined the Company
July 2004 Senior General Manager, Research & Development Dept. of the Company
April 2006 Senior General Manager, Solution Technology Dept. of the Company
April 2013 Executive Officer of the Company
April 2018 Corporate General Manager, Research & Development Division of the Company
June 2019 Director of the Company
April 2020 President, Representative Director of the Company
April 2023 Director of the Company (present position), President, Representative Director of Tsukishima Kikai Co., Ltd. (present position)



Director
President, Representative
Director Tsukishima JFE
Aqua Solution Co., Ltd.

Keita Takatori

April 1988 Joined the Company
July 2004 Senior General Manager, Environmental Business Dept. of the Company
October 2008 Senior General Manager, Corporate Management Planning Dept. of the Company
June 2009 Executive Officer of the Company
April 2018 Corporate General Manager, Water Environmental Business Division of the Company
June 2018 Director of the Company
April 2019 Senior Managing Executive Officer, Representative Director of the Company
April 2023 Director of the Company (present position), President, Representative Director of Tsukishima Aqua Solution Co., Ltd. (currently Tsukishima JFE Aqua Solution Co., Ltd.) (present position)



Outside Director
(Part-Time)

Nobuya Masuda

April 1974 Prosecutor, Tokyo District Public Prosecutors Office
November 2001 Prosecutor, Supreme Public Prosecutors Office
August 2002 Director-General, Immigration Bureau, Ministry of Justice
September 2004 General Manager, Trial Department, Supreme Public Prosecutors Office
August 2006 Chief Prosecutor, Chiba District Public Prosecutors Office
July 2008 Chief Prosecutor, Yokohama District Public Prosecutors Office
January 2009 Superintending Prosecutor, Sendai High District Public Prosecutors Office
March 2012 Member, National Offenders Rehabilitation Commission
October 2018 Representative of Masuda Law Office (present position)
June 2022 Outside Director of the Company (present position)



Outside Director
(Part-Time)

Naoko Shimura

April 1999 Registered as an attorney, Joined Nishimura & Partners (currently Nishimura & Asahi)
April 2005 Registered as an attorney in the state of New York, United States
January 2008 Partner, Nishimura & Asahi (present position)
May 2016 Outside Auditor, TABIKOBO Co. Ltd.
June 2018 Outside Director, MIXI, Inc.
September 2018 Part-time lecturer, Department of Business Law, Graduate School of Law, Hitotsubashi University (presector office)
June 2019 Outside Audit & Supervisory Board Member, Nippon Signal Co., Ltd.
June 2023 Outside Director of the Company (present position)
March 2025 External Director, Nxera Pharma Co., Ltd. (present position)



Outside Director
(Part-Time)

Tatsuya Tanaka

April 1980 Joined Fujitsu Limited
April 2012 Executive Officer, General Manager, Industrial Business Department, Fujitsu Limited
May 2013 General Manager, Industrial Business Department, Industry & Distribution Sales Group, Fujitsu Limited
April 2014 Senior Executive Officer, General Manager, Asia Region Department, Fujitsu Limited
January 2015 Vice President and Executive Officer, General Manager, Asia Region Department, Fujitsu Limited
February 2015 Vice President and Executive Officer, Fujitsu Limited
June 2015 President and Representative Director, Fujitsu Limited
June 2019 Chairman of the Board, Fujitsu Limited
April 2020 Chairman of the Board, Fujitsu Marketing Limited
October 2020 Chairman of the Board, Fujitsu Japan Limited
June 2021 Outside Director, Nippon Light Metal Holdings Company, Ltd. (present position)
April 2022 Senior Advisor, Fujitsu Japan Limited
December 2022 Advisor of the Company
June 2023 Outside Director, Audit and Supervisory Committee Member, UBE Corporation (present position)
July 2023 Outside Director, Asahi Mutual Life Insurance Company (present position)
June 2025 Outside Director of the Company (present position)



Outside Director
(Part-Time)

Tokuya Wada

April 1988 Joined the Environment Agency (currently the Ministry of the Environment)
September 2012 Director, Climate Change Policy Division, Global Environment Bureau, the Ministry of the Environment
July 2014 Director, Waste and Recycling Affairs Division, Waste Management and Recycling Department, Minister's Secretariat, the Ministry of the Environment
June 2016 Counsellor (in charge of measures for designated waste), Minister's Secretariat, the Ministry of the Environment
July 2017 Director General Affairs Division, Environmental Restoration and Resource Recycling Bureau, the Ministry of the Environment
April 2018 Assistant Vice-Minister, Minister's Secretariat, the Ministry of the Environment
July 2018 Deputy Vice-Minister for Policy Planning and Coordination, Minister's Secretariat, the Ministry of the Environment
July 2020 Director-General for Comprehensive Environmental Policy Planning, the Ministry of the Environment
July 2022 Administrative Vice-Minister for Environment, the Ministry of the Environment
July 2024 Special Adviser to the Ministry of the Environment
June 2025 Outside Director of the Company (present position)

Corporate Auditors



Corporate Auditor
(Full-Time)

Takashi Kikkawa

April 1981 Joined the Company
June 2002 Senior General Manager, Personnel Dept. of the Company
April 2006 Executive Officer of the Company
June 2009 Director, Executive Officer of the Company
October 2009 Deputy Corporate General Manager, Administration Division, and Deputy Corporate General Manager, Industrial Business Division of the Company
April 2010 Corporate General Manager, Industrial Business Division of the Company
April 2013 Director, Managing Executive Officer of the Company
June 2013 Chairman of the Board, Tsukishima Machine Sales Co., Ltd. (currently Tsukishima Kikai Co., Ltd.)
June 2015 President, Representative Director, Tsukishima Machine Sales Co., Ltd.
April 2016 Director of the Company
June 2019 President and Representative Director, Sun Eco Thermal Co., Ltd.
April 2020 Managing Executive Officer, and Muroran Plant Manager, Industrial Business Division of the Company, Chairman, Sun Eco Thermal Co., Ltd.
April 2021 Managing Executive Officer, and Muroran Plant Manager, Procurement Management Division of the Company
April 2023 Board Member, Managing Executive Officer, Tsukishima Kikai Co., Ltd., in charge of Muroran Plant, Muroran Plant Manager
June 2025 Corporate Auditor of the Company (present position)



Outside Corporate Auditor
(Full-Time)

Satoshi Yoshika

April 1977 Joined Nippon Steel Corporation (currently NIPPON STEEL CORPORATION)
November 1994 General Manager, Accounting and Administration Office, General Affairs Division, Sakai Works, Nippon Steel Corporation
October 2003 Director of Nippon Steel & Sumikin Stainless Steel Corporation (currently Nippon Steel Stainless Steel Corporation)
April 2006 Managing Executive Officer of Nippon Steel & Sumikin Stainless Steel Corporation
June 2015 Standing Corporate Auditor of Nippon Steel & Sumikin Stainless Steel Corporation
June 2020 Outside Corporate Auditor of the Company (present position)



Outside Corporation Auditor
(Part-Time)

Hiroki Kitagata

October 1986 Joined Tohmatsu Awoki & Sanwa (currently Deloitte Touche Tohmatsu LLC)
July 2001 Partner, Deloitte Touche Tohmatsu LLC
July 2010 Director, The Japanese Institute of Certified Public Accountants
July 2013 Managing Director, The Japanese Institute of Certified Public Accountants (present position)
June 2022 Deputy Chairman, The Japanese Institute of Certified Public Accountants, Tokyo Chapter (present position)
June 2025 Outside Corporate Auditor of the Company (present position)

Skills matrix and meeting attendance (as of June 23, 2025)

	Name	Areas of expertise and experience							Independence	Nomination and Remuneration Advisory Committee	Attendance at meetings of the Board of Directors/Board of Corporate Auditors (number of meetings attended/total number of meetings) in FY2024	
		Corporate Management	Manufacture/engineering/R&D	Finance and accounting	Personnel & labor relations	Legal affairs	Sales	Information systems			Board of Directors	Board of Corporate Auditors
Directors	Jun Kawasaki										13/13 (100%)	
	Toru Takano										13/13 (100%)	
	Yoshiyuki Fukuzawa										13/13 (100%)	
	Keita Takatori										13/13 (100%)	
	Nobuya Masuda										13/13 (100%)	
	Naoko Shimura										13/13 (100%)	
	Tatsuya Tanaka										13/13 (100%)	
Corporate Auditors	Takashi Kikkawa											
	Satoshi Yoshika										13/13 (100%)	9/9 (100%)
	Hiroki Kitagata											

Roundtable Discussion Between the President and Outside Directors



Jun Kawasaki

President,
Representative Director

Naoko Shimura

Outside Director
(part-time)

Nobuya Masuda

Outside Director
(part-time)

Tokuya Wada

Outside Director
(part-time)

Tatsuya Tanaka

Outside Director
(part-time)

Roles of Outside Directors with Specialized Expertise

Masuda After serving as public prosecutor and a legal official, I am now an attorney and representative of a law office. My goal is to offer oversight and advising by drawing on the legal knowledge and problem-solving skills I've absorbed to date and to prevent corporate scandals by detecting related signs and risk factors.

Shimura As an attorney, I work in general corporate law and M&A. I've been an Outside Director in the Group since June 2023. I contribute to the Board by monitoring accountability in the Board's deliberations on individual management decisions, drawing on my experience as an attorney.

Tanaka After working in domestic and international sales and as president and chairperson in a Japanese ICT firm, I was appointed an Outside Director in June 2025. My experience has taught me that manufacturing

quality generates corporate trust and competitive strength. Based on my background in ICT, I intend to advise the Group on how to provide business models that combine the tangibles and intangibles of manufacturing and digital transformation (DX).

Wada I was appointed a new Outside Director in June 2025 following a career with the Ministry of the Environment and in local government environmental policy. Over the course of my career, environmental policy has largely concerned defensive measures, including responses to regulations and compliance. Now the business has taken a more creative and aggressive approach to environmental issues. I'd like to see the Group tackle environmental measures proactively by providing market-oriented solutions that meet society's needs.

The strengths of a corporate culture and DNA built up over many years

Masuda My impression of the Group is that it has strengths in its strong personal relationships among employees and its culture of cooperation, as attested by engagement survey findings. Among employees, there's a strong sense of pride and trust in the Company's technologies and services accumulated over the years. This is a fundamental element of the corporate culture.

Shimura While each operating company within the Group has its own distinguishing features, I think a warm corporate culture is shared across the Group. The Group continues to value personal interactions, as seen in how it continues to publish the Company bulletin in paper form. I think its long history and the culture and atmosphere passed down over the generations contribute to employee pride in its technologies.

Kawasaki I think the culture deeply rooted in manufacturing and on-site work is strongly related

to the business foundations built over the 120 years since our founding. Behind this is that our field of work requires teamwork activities on site—one of the Group's distinguishing features. This is why we have so many employees who want to make an impact in the real world. Over our long history, we've consistently focused on actual work in the field—on building things. I see this as the DNA passed down from generation to generation.



To enhance discussions from a longer-term perspective of 20 years into the future

Masuda Comprehensive advance briefings are held before Group Board of Directors meetings, which contribute to the frank and effective exchange of opinions. To further enhance Board discussions going forward, I believe the Board should narrow down agenda items and shift more toward long-term management strategies, in place of confining to individual priority topics. This is because I see a need



to envision the Group's future one or two decades from now and to formulate medium- to long-term growth strategies by back-casting. To improve the accuracy of management decision-making, it's also vital to access timely and appropriate information. I'd like to see further enhancements in the information provided.

Shimura I was appointed after the transition to the holding-company structure. The Board's detailed discussions of management priorities have deepened my knowledge of the Group on which those discussions are based. At the same time, how to grow earnings potential remains a challenging topic. We need thorough discussions at the Board in this respect. For this reason, an important issue we face currently is how to deepen our deliberations based on information-sharing with operating companies with a focus on governance while pursuing discussions on specific topics and more broader management strategies in a well-balanced manner.

Roundtable Discussion Between the President and Outside Directors

Tanaka I think the Tsukishima Holdings Board of Directors will eliminate sectionalism through overall, broad-ranging discussions, without excessively depending on matters submitted from the executive side. It's important to share medium- to long-term growth strategies with Outside Directors so that Board discussions go beyond mere questions and answers.



Kawasaki The Board still doesn't appear to fully discuss the essential matters it should address. Its discussions have focused on the timeline through 2030. We haven't discussed what we should do now, based on back-casting from a vision for the Group, say, 20 years from now. We need to evaluate the validity of investment decisions by considering in what business domains the Group can achieve economic value by creating social value, based on its value creation narrative. We need to discuss such themes thoroughly as we move forward.

importance of the topic. The measures announced in May 2025 describe a policy for balance sheet management, including sales of cross-shareholdings and the application of the cash generated from such sales to acquire treasury stock and provide returns to shareholders. Another topic is planning for investment in growth fields. While I appreciate the fact that concrete measures have been developed for doing so, their future execution will be key.

Shimura I, too, respect this resolute decision, given the context of past efforts and related constraints. I hope to see further initiatives to improve capital efficiency.



Tanaka The Purpose and our human resources are key qualitative factors for increasing corporate value. The Purpose is concise and powerful. The word 'world' in particular clearly demonstrates the intention for global expansion. All employees across the Group need to understand this Purpose as something that concerns them directly. They need to understand their role in building an environment in which they can work together toward this goal while achieving self-actualization. Furthermore, focusing on safety, legal compliance, and quality as the essential requirements among SLQDC (safety, legal compliance, quality, delivery times, and costs) initiatives, there's a need to accord due regard to iconoclastic talented personnel who offer unique ideas and perspectives. I believe we can strengthen corporate value by developing human resources who enjoy delivering highly specialized and advanced technologies and services to society.

Wada The Group offers market-leading products and unique technologies in the environmental field. Their competitive strengths are considerable. While technologies and products have their origins in the field, it will grow steadily more important to grow solutions-based businesses to meet a wide range of needs. Efforts to achieve a decarbonized society must serve not just as contributions to industry, but as solutions for communities. I see a need to deploy these solutions from the perspective of value creation, based on a deep understanding of the challenges facing society.

Uncovering and developing the human resources of the future through the Nomination and Remuneration Advisory Committee

Tanaka The Nomination and Remuneration Advisory Committee's roles are to contribute to sustained corporate growth and to improve transparency. It needs to create opportunities for the free and open exchange of opinions among members who offer diverse experience and insights. It also needs to be oriented toward medium- to long-term corporate growth and to uncover human resources who will lead the Group into the future. I'd like it to support sound management by designing appropriate evaluation and compensation

frameworks while maintaining close contact with candidates to ascertain their individual qualities.

Wada While the Group is engaged in B2B businesses, it also needs to consider consumers and communities beyond businesses by keeping in mind society's medium- to long-term needs. It's important to consider medium- to long-term strategies and to address HR development from that perspective.

Increasing PBR to achieve sustained growth in corporate value and creating value based on society's needs

Masuda On the topic of increasing PBR, since the Tokyo Stock Exchange issued its request two years

ago, the Board has engaged in repeated discussions while ensuring that all members recognize the

Making the Group more appealing to stakeholders by enlivening the Board of Directors

Shimura Since the Group's businesses support the infrastructures that underlie daily life, I'd like to see broader name recognition. I look forward to discussing various topics with the Board.

Masuda The Group recorded continuous growth over the past 10 years. It's important that we make investors understand this. Moving forward, we need to enhance IR activities to strengthen investor understanding and continue efforts to increase the share price.

Kawasaki How to reform the Board moving forward, including the two Outside Directors who joined us this year, will be very important. In particular, enlivening the Board is a key issue; I believe doing so will help make the Group more appealing to stakeholders. I'd like the Board to continue to serve as the compass of the Group by sharing information in timely ways and engaging in frank and constructive deliberations.

Dialogue with Shareholders and Investors

Basic concept

We strive to achieve fair, timely, and appropriate disclosure and active communication with stakeholders based on laws, regulations, and various rules. Dialogue with shareholders is among the responsibilities of the Public Relations Office, Treasury Department, and General Affairs Department, each supervised by the Representative Director, Senior Executive Vice President Chief Financial Officer (CFO). The President, Representative Director, oversees the entire process. Information is provided through briefings on business results, the Company website, the Integrated Report, and other channels. As necessary, perspectives gathered from discussions with shareholders are reported to the Board of Directors in a timely manner. We take all due precautions to prevent leaks of insider information in such discussions.

Main initiatives in FY2024

Shareholder dialogue

The chairperson provided a business report and reports on Company initiatives in the regular general meeting of shareholders held in June 2024. In addition, a shareholder bulletin issued in December 2024 reported on topics related to matters such as interim business results, progress on the consolidation with JFE Engineering Corporation's domestic water engineering business, and decarbonization initiatives.

Publication of the Integrated Report

We publish the Group's Integrated Report to enhance disclosure of both financial information (including business results) as well as non-financial information (including ESG initiatives) and to deepen understanding of the Group's activities. The 2024 Integrated Report reported on progress with the Medium-term Management Plan, measures to increase PBR, sustainability initiatives, technologies intended to contribute to a decarbonized society, and other Group initiatives.

Investor dialogue

We held briefings on business results via the Web in the second and fourth quarters. We posted videos of these briefings, questions and answers, and related materials on the website and elsewhere to provide information to a broad range of investors. We held about 69 dialogues with investors, chiefly via the Web and by telephone. In March 2025, we held a small meeting at the R&D Center to deepen understanding of the Group's R&D initiatives and its businesses and introduce participants to our priority technological development efforts through laboratory tours. In-depth dialogue with investors in a question and answer session brought us valuable insights.

In January 2025, we participated in an event for individual investors, seeking to raise our name recognition. An exhibitor seminar and our booth provided valuable opportunities to receive questions and requests from investors.



IR Fair (event for individual investors)

Dialogue with shareholders and investors	Times	Correspondents from the Group
IR meetings*	69	President, Representative Director; Representative Director, Senior Executive Vice President Chief Financial Officer (CFO); Director in charge of finance; General Manager, Public Relations Office
(Domestic institutional investors)	53	
(International institutional investors)	16	
Shareholder relations meetings	30	Representative Director, Senior Executive Vice President Chief Financial Officer (CFO); Director in charge of finance; General Manager, Treasury Department
Small meeting	1	President, Representative Director; Representative Director, Senior Executive Vice President Chief Financial Officer (CFO); Director in charge of finance; Public Relations Office
Briefings on financial results	2	President, Representative Director; Representative Director, Senior Executive Vice President Chief Financial Officer (CFO); President, Representative Director, Tsukishima JFE Aqua Solution Co., Ltd.; President, Representative Director, Tsukishima Kikai Co., Ltd.
General meeting of shareholders	1	All Directors and Corporate Auditors
Event for individual investors	1	President, Representative Director; Public Relations Office

* Participants from the Group are chosen on a case-by-case basis in accordance with investor attributes and the topics to be discussed.

Views of analysts and institutional investors

Content of dialogue

- Confirmation of market environment (Demand for upgrade of the aging water infrastructure, outlook for the lithium-ion secondary battery market)
- Water Environmental Business Results of the merger with JFE Engineering Corporation's domestic water engineering business
- Industrial Business
- Major orders received and confirmation of profitability
- Responding to PBR of less than one (balance sheet management), policy on shareholder returns
- Probability of achieving financial targets for the final year of the Medium-term Management Plan

Improvements based on dialogue

- | Improvements |
|--|
| Updating measures for achieving management based on a keen awareness of the cost of capital and share price; promoting the sale of non-business assets and growth strategies |
| Incorporating DOE to the policy on shareholder returns |

Compliance

Basic concept

The company has established the "Tsukishima Holdings Group Corporate Code of Conduct: Our Five Commitments" as a compliance code for all executives and employees, and we have established the "Tsukishima Holdings Group Corporate Action Guidelines" to describe principles of specific actions with which each and every member of the organization should comply. Practical details of the Corporate Action Guidelines are outlined via individual internal rules (including the Basic Rules on Protection of Personal Information, Rules on Management of Trade Secrets, the Antimonopoly Act Compliance Program, and Insider Trading Prevention Rules).

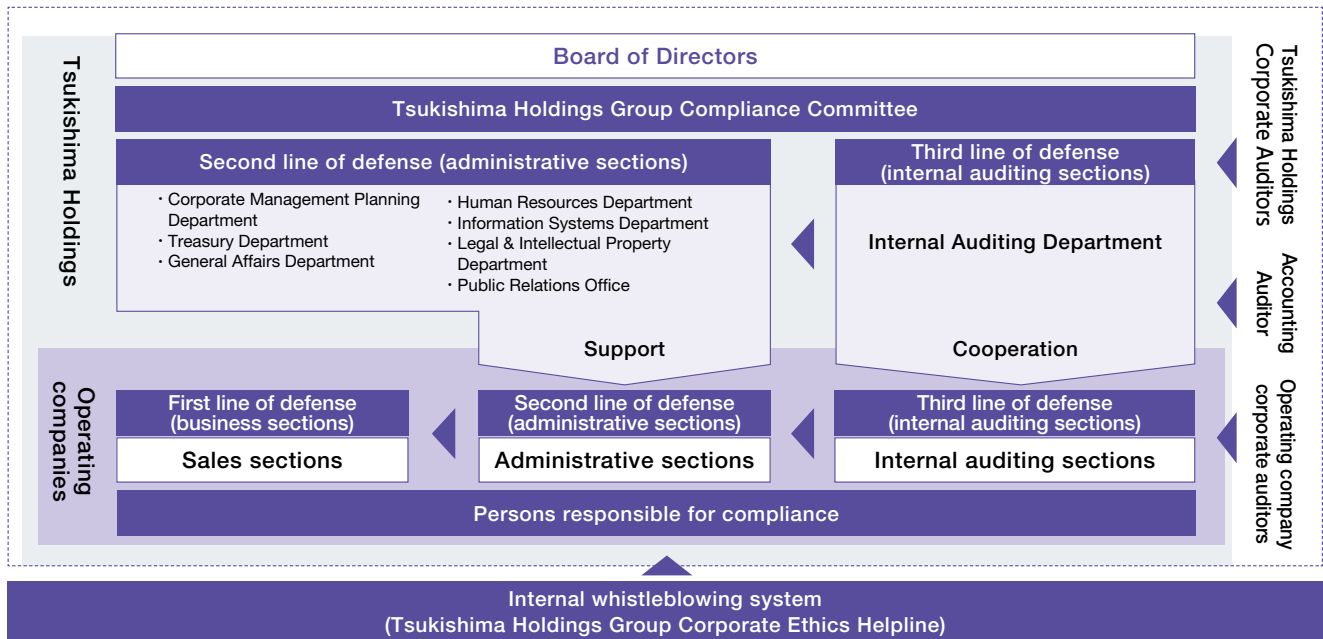
[Link to Tsukishima Holdings Group Corporate Code of Conduct: Our Five Commitments](#)

<https://www.tsk-g.co.jp/en/company/message/>

Group compliance structure

We have established a Tsukishima Holdings Group Compliance Committee, chaired by the President, Representative Director. The Director in charge of the Compliance Committee serves as deputy chair, while general managers of individual Tsukishima Holdings sections are appointed as members.

We also established a structure of three lines of defense for strengthening compliance. Through this structure, business sections (the first line of defense), administrative sections (the second line), and internal auditing sections (the third line) work with one another and serve as mutual checks and balances.



Progress in FY2024

Compliance training

We provide compliance training for Group employees through in-person training, online training, e-learning, and other programs. In FY2024, training was provided on the themes of information security, the Antimonopoly Act, and harassment in the workplace. The participation rate approached 100%.

We have designated October of each year as Tsukishima Holdings Group Corporate Ethics Month, during which intensive awareness promotion activities are conducted to ensure that an understanding of compliance has been instilled throughout the organization.

Due in part to these activities, no cases of fines or employee penalties arose related to bribery and other acts of corruption in the Group.

Development of an internal whistleblowing system

To prevent or rapidly detect any actions that violate laws,

regulations, or the articles of incorporation, in addition to an internal hotline and a hotline operated by a vendor specializing in receiving internal whistleblower reports, we appointed an outside attorney and the Company's Full-Time Corporate Auditor to receive reports and conduct consultations through helplines.

The number of whistleblowing reports received in FY2024 was 15 reports, down six from the previous year. We respond to reports and consultations received by checking and investigating the facts of the matter and taking corrective measures as needed, while taking every step needed to safeguard the identity of the whistleblowers and comply with confidentiality obligations. Additionally, we analyze the reports and factual matters identified by the investigations and use the findings in e-learning and other compliance education to prevent recurrences.

Risk Management

Basic concept

Rather than merely responding to emergencies with significant potential to affect its business activities of the Group, the Group's basic risk management policy calls for eliminating or reducing the likelihood of emergent risks (loss prevention) and keeping the impact of any risk manifestation to within a tolerable range, by analyzing and evaluating the various risks the Group faces and deciding on and implementing appropriate risk controls.

Risk management structure

Based on the Tsukishima Holdings Group Risk Management Rules set forth to minimize risks of loss in the Group, the Risk Management Committee, consisting of directors and other members, will lead risk management activities in an emergency. The Risk Management Committee Secretariat, consisting of the administration and other related sections, serves as the permanent organ charged with the required activities. In normal times, compliance promotion sections undertake risk analysis, collect and manage risk-related information. This information is integrated with the climate change risks approved by the Sustainability Committee. Notable business risks are identified, evaluated, and reported to the Board of Directors.

Risk management structure

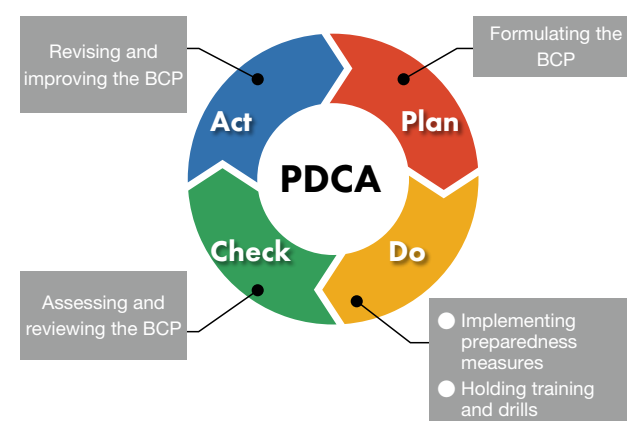


Business Continuity Plan

We revised the Business Continuity Plan (BCP) to enable rapid recovery and minimize business interruptions. We will continue to revise the BCP at regular intervals to adapt to changing business conditions while organizing and providing training and drills to improve employee awareness and response capabilities and strengthen related systems. The Group considers these activities to be part of business continuity management (BCM).

In September 2025, drills were held for a potential earthquake centered in the Tokyo metropolitan area. The drills help verify whether the BCP manual is understood correctly, whether timely and appropriate initial responses can be implemented based on the manual, whether employee safety can be checked promptly, and whether the disaster response headquarters can quickly gather information on damage to business sites. The goal is to develop organizations, workplaces, and individuals adequately prepared for disasters before they occur.

Business continuity management (BCM)



Major business risks and responses

Listed below are the major business risks and responses recognized by the Group through its risk management and business activities and the measures implemented in response.

See the Securities Report concerning business and other risks.

[Link to the Securities Report](#)

<https://pdf.irpocket.com/C6332/HgJ1/alTW/Ja5p.pdf>

Theme	Risks	Responses
Demand, market environment	- Fluctuations in public investment, geopolitical risks - Rising raw material prices, exchange rate volatility - Delays in receipt of orders due to customer reasons, inflation, or longer lead times for raw materials - US tariff policies, economic downturn in China	- Growing services businesses such as O&M, repairs, and parts supply - Forward forex contracts and other hedges and negotiations based on sliding-price provisions - Negotiations and response with customers and related parties
Accidents and disasters	Accidents, disasters, and other unforeseen incidents in facility construction and machinery manufacture	Establishing sections specializing in quality assurance and safety management to ensure appropriate quality and safety; developing and maintaining quality assurance systems and occupational safety management systems
Large-scale disasters, etc.	Curtailment or suspension of production functions due to large-scale disasters such as earthquakes, flooding, or fires at production facilities or construction sites	Formulating business continuity plans (BCPs) in preparation for disasters including in the greater Tokyo area and periodic drills
Information security	Leaks of information or system down time due to stronger than anticipated cyberattacks, unauthorized access, etc.	Formulating basic information security rules and information security response standards; pursuing awareness promotion activities such as employee training; continual improvement and enhancement of security measures in computer systems
Intellectual property	- Infringements of Group IP - Infringement by the Group of IP belonging to other parties	- Securing IP rights and promoting the development of patent portfolio in priority domains - Respecting and responding appropriately to IP belonging to other parties
Human resources	Impediments to business activities attributable to a shortage of human resources due to low birth rates, aging populations, declining in the number of highly skilled engineers, etc.	- HR development through tier-specific training and distance learning - Developing and diversifying the engineering corps through exchange with overseas design facilities - Promoting digitalization through use of AI and IoT - Proactive hiring of new graduates and midcareer hiring - Conducting engagement surveys and implementing improvement measures
Risks related to climate change	- Falling demand for Group products and services due to changes in customers' businesses and processes as a result of stronger regulations for decarbonization - Lower productivity and delays at construction and manufacturing sites due to rising temperatures - Rising costs of recovery from and responding to damage caused by increasing natural disasters	Promoting use of energy from sewage sludge, including sludge-to-fuel conversion, and the development of manufacturing equipment and processes for lithium ion secondary batteries, to establish a decarbonized society
Risks to the holding company	Ineffective governance and management by the holding company, including the allocation of management resources and oversight of Group companies	Appropriate management decision-making and allocation of management resources based on business report from Group companies and analysis

Internal control

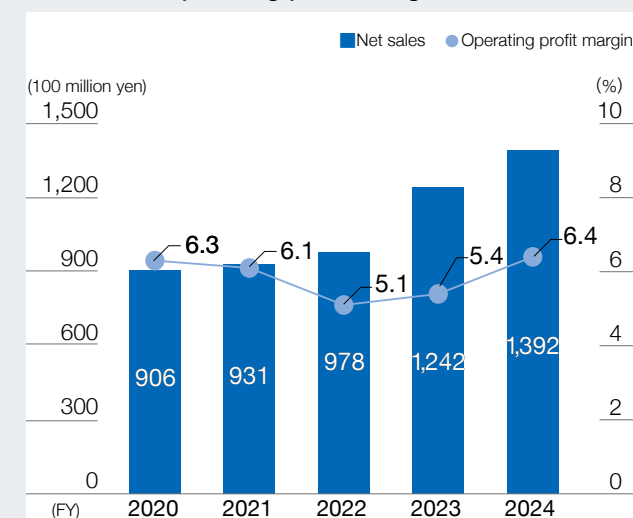
An internal controls system is key to ensuring effective and proper company business operations. The company has established a Basic Policy on the Development of an Internal Controls System and develops and operates its internal controls system in accordance with this policy. As part of our governance structure, we restructured our internal controls system

on the transition to a holding company structure, to enhance risk management and compliance.

See Business Report, Corporate Governance Report, Securities Report, and other materials for an overview of the Basic Policy on the Development of an Internal Controls System and its implementation status.

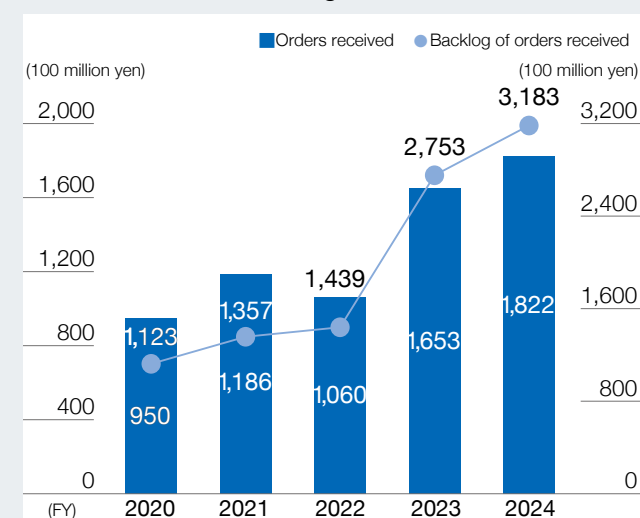
Financial Data

Net sales / Operating profit margin



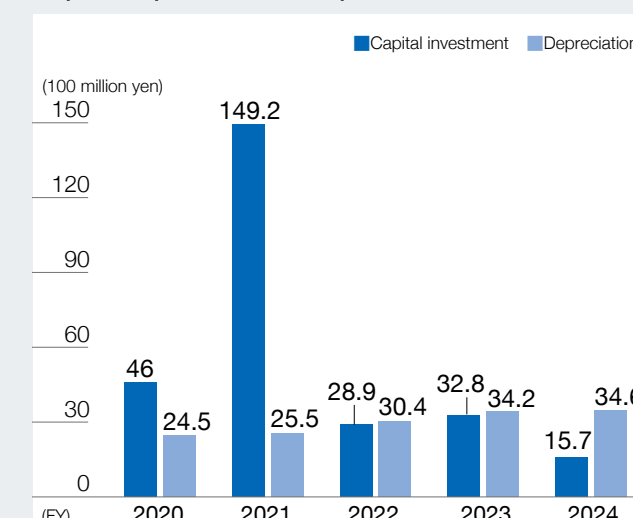
Net sales grew with progress on the many orders already received. The operating profit margin increased thanks to higher earnings.

Orders received / Backlog of orders received



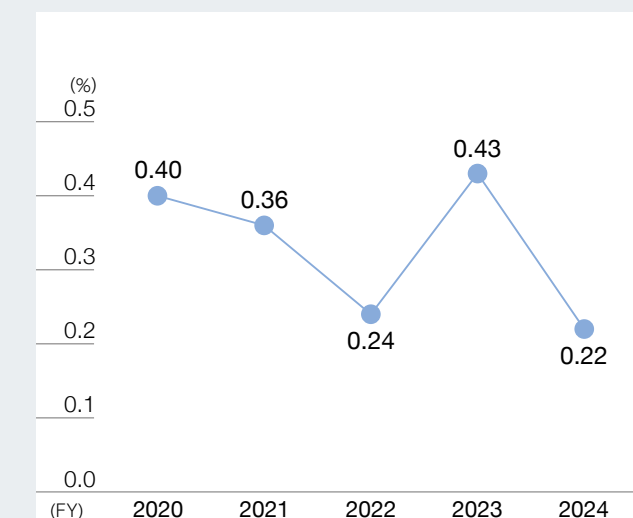
Large-scale orders in the Water Environmental Business contributed to an increase in orders received. The balance of orders received reached a record high.

Capital expenditures / Depreciation



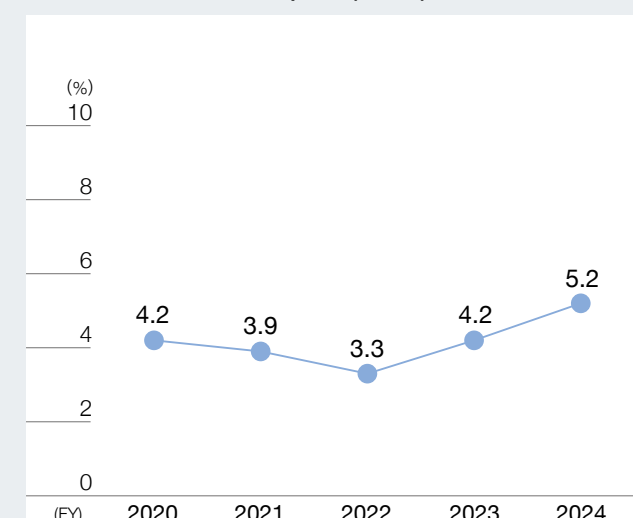
Capital investments declined due to the completion of planned large-scale investments. Depreciation grew slightly due to increased amortization of goodwill.

D/E ratio



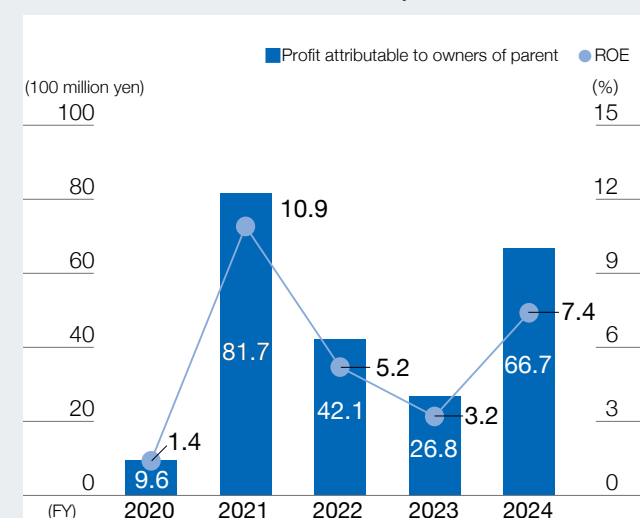
The D/E ratio decreased due to repayment of temporary borrowing to increase working capital.

Return on invested capital (ROIC)



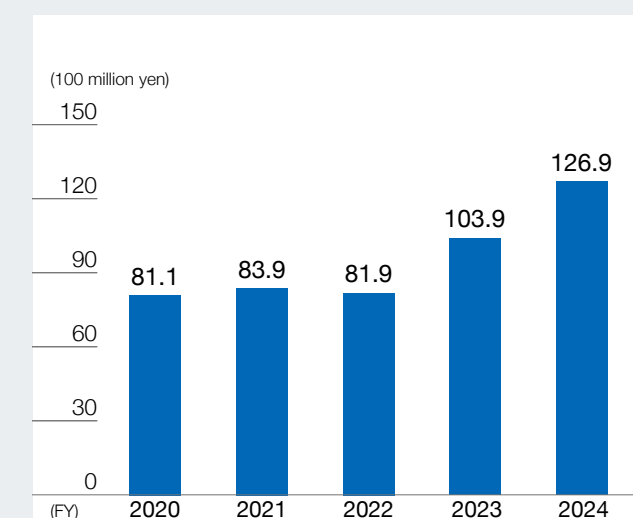
ROIC increased due to improvements in the operating profit margin and greater turnover on capital invested associated with higher earnings.

Profit attributable to owners of parent / ROE



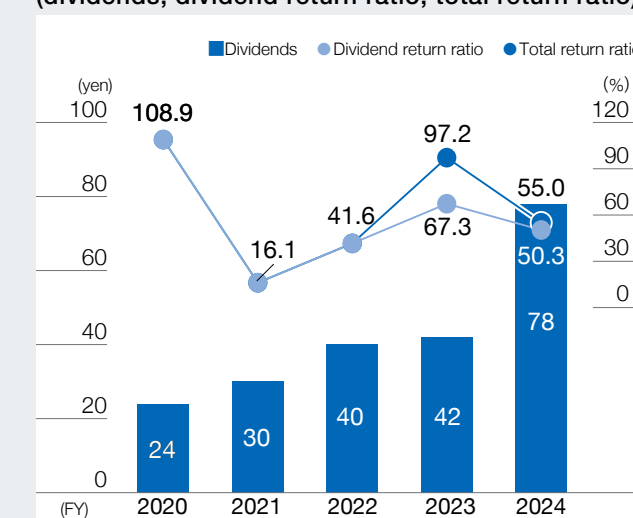
Profits increased sharply with higher earnings and gains on sale of investment securities. ROE also rose as a result.

EBITDA



EBITDA reached 12.7 billion yen as operating profits increased.

Returns to shareholders (dividends, dividend return ratio, total return ratio)



Dividends have increased yearly. The increase was in FY2024 pronounced due to favorable business results.

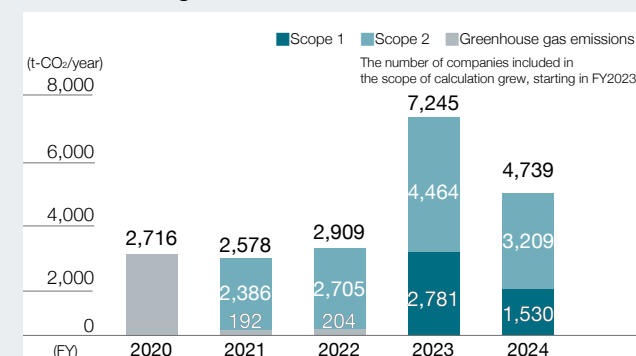
* In FY2020, the dividend return ratio and total return ratio were 108.9% due to impairment of PRIMIX. Based on profit levels excluding this impairment, the ratios would have been around 30%.

* The total return ratio and dividend return ratio were identical in FY2020–2022.

Non-financial Data

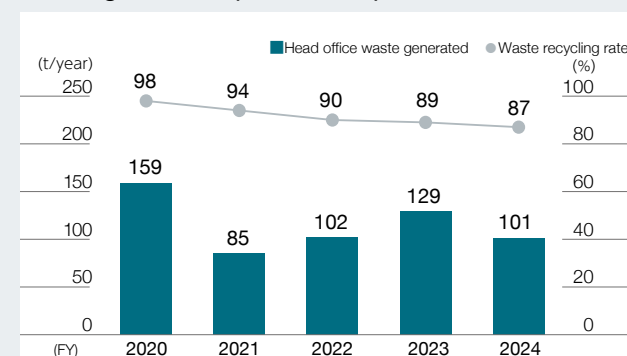
Environmental data

Greenhouse gas emissions



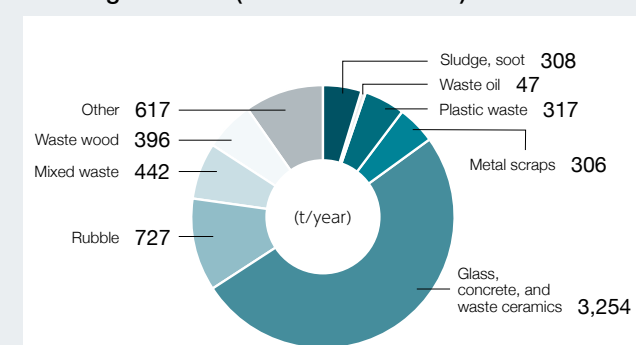
Greenhouse gas emissions fell sharply to 4,739 t-CO₂/year due to efforts to improve the efficiency of waste processing equipment at SUN ECO THERMAL and the switch at the Harumi head office to renewables for power.

Waste generated (head office)



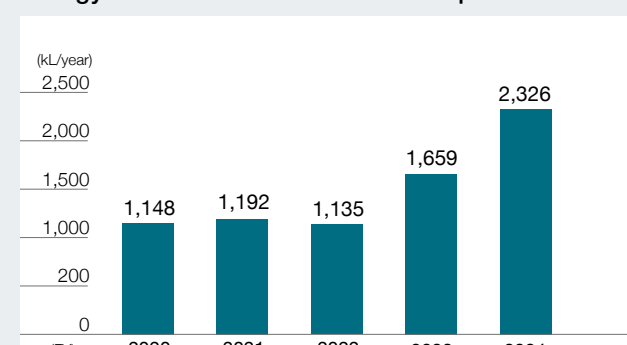
Waste volumes generated at the head office fell to 101 t/year thanks to efforts to promote paperless work. The recycling rate was 87%. The final waste disposal volume was 12 t/year.

Waste generated (construction work)



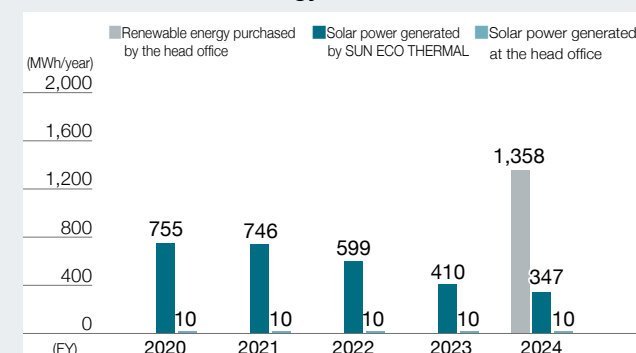
Industrial waste discharged by Tsukishima JFE Aqua Solution in Japan in FY2024 was 6,414 t/year. Its final waste disposal volume was 509 t/year and the recycling rate in construction work was 92%. A breakdown of waste is shown above.

Energy use converted to crude oil equivalents



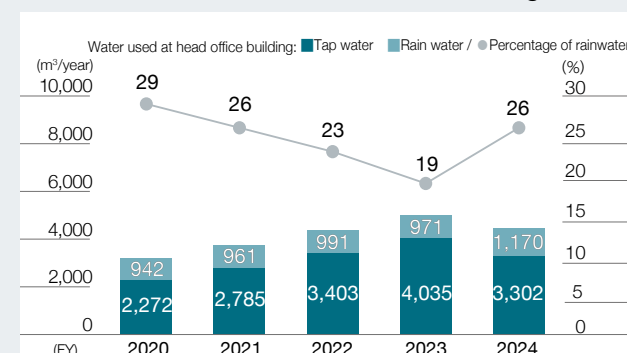
Energy use rose to 2,326 kL/year as the number of companies included in the scope of calculation increased.

Use of renewable energy



SUN ECO THERMAL Co., Ltd. generated 347 MWh/year of solar power. By purchasing renewable energy from a biomass power generation facility and installing solar panels on the roof, the head office building has switched entirely to use of electric power from renewables.

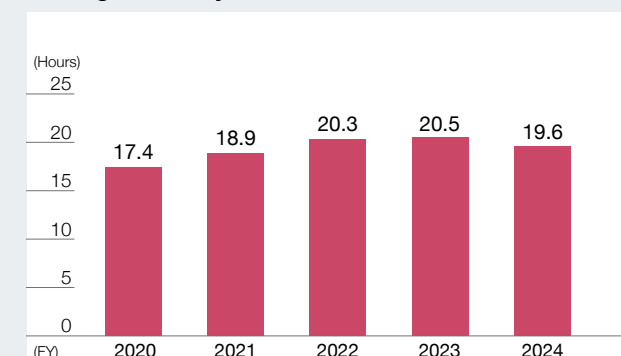
Use of rainwater at the head office building



Rainwater falling on the roof of the head office building is collected and stored for reuse in flushing toilets. Water used at the head office building in FY2024 was 4,472 m³/year, of which rainwater accounted for 26%.

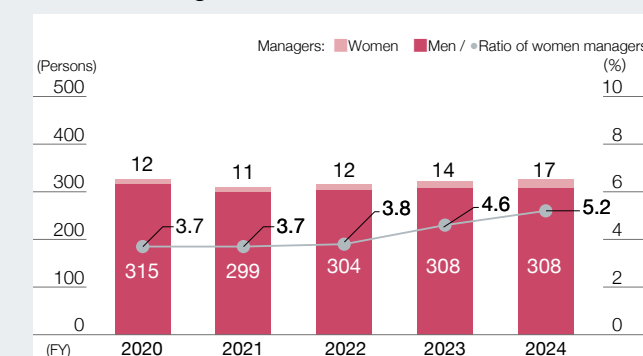
Social data (Subjects: Tsukishima Holdings Co., Ltd., Tsukishima JFE Aqua Solution Co., Ltd., Tsukishima Kikai Co., Ltd.)

Average monthly overtime hours



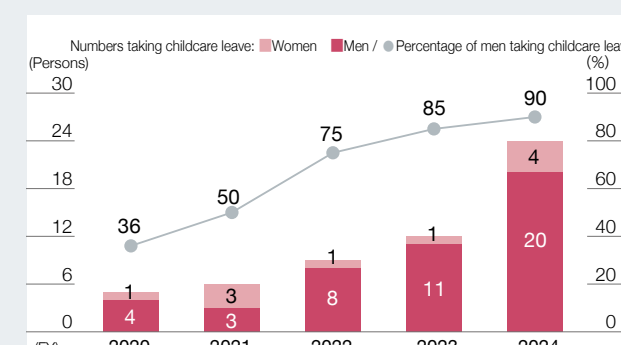
Average overtime hours per month decreased thanks to efficiency improvements, despite a higher workload associated with higher sales. We continue striving to reduce overtime hours.

Number of managers by gender and percentage of women managers



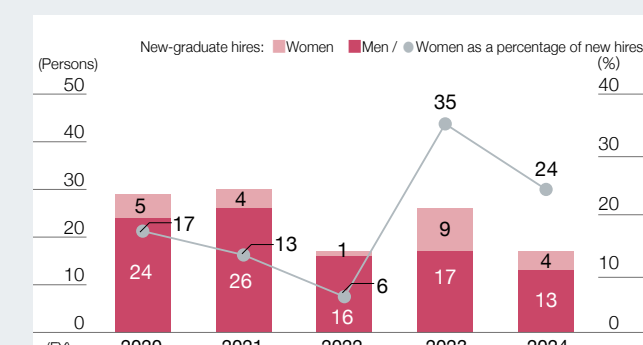
Women as a percentage of managers is increasing yearly. We will continue to increase this rate as we aim for the target KPI of 6% (Tsukishima Holdings basis) in FY2026.

Number and percentage of employees taking childcare leave



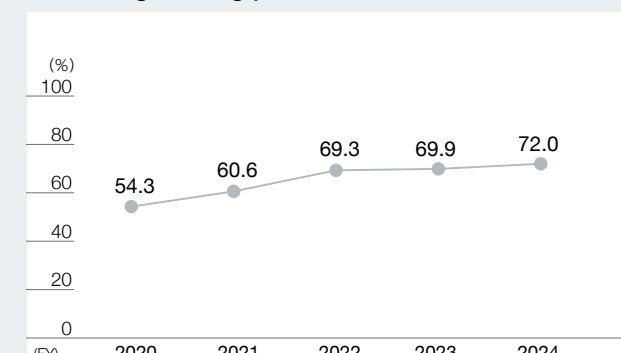
The percentage of men taking childcare leave has climbed year after year. We plan to reach the target KPI of 100% in FY2026. All men and women taking childcare leave returned to work.

Men and women new graduates hired and percentage of women hired



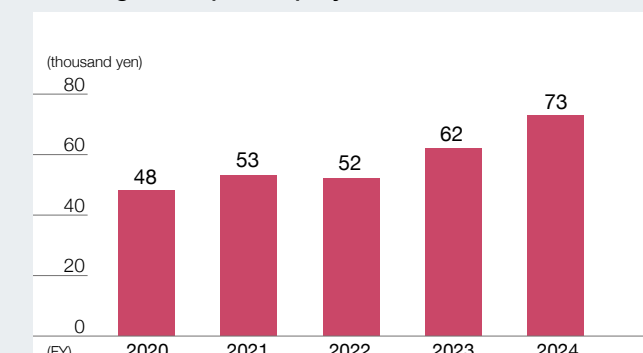
The number of new graduate hires declined amid intense competition. We plan to maintain active efforts to hire both men and women in response to business growth driven by the abundance of orders received.

Percentage taking paid leave



The percentage taking paid leave, 72%, exceeds the Japanese government's target of 70%.

Training costs per employee



We are enhancing employee education as part of our human capital investments. We will maintain our human resource development efforts, targeting improvements in specialized knowledge and business skills.

Company Information

Company profile (as of March 31, 2025)

Company name	TSUKISHIMA HOLDINGS CO., LTD.
President	Jun Kawasaki
Founded	August 1905
Address	3-5-1 Harumi, Chuo-ku, Tokyo, Japan
Share capital	6,646 million yen
Total issued shares	44,125,800 shares
Number of shares per unit	100 shares
Number of employees	3,510 (consolidated) 110 (non-consolidated)
Stock code	6332 (Prime Market, Tokyo Stock Exchange: Machinery)



Tsukishima Holdings Co., Ltd. head office

Consolidated subsidiaries, equity-method affiliates (as of March 31, 2025)

Consolidated subsidiaries (Japan)		Consolidated subsidiaries (overseas)
Tsukishima JFE Aqua Solution Co., Ltd. Tsukishima Kikai Co., Ltd. Tsukishima Kankyo Engineering Ltd. SUN ECO THERMAL Co., Ltd. SANSHIN KOGYO Co., Ltd.	Tsukishima Business Support Co., Ltd. PRIMIX Corporation Tsukishima & J Technology Maintenance Service Co., Ltd. Tsukishima & J Aqua Machine and Service Co., Ltd.	TSK Engineering (Thailand) Co., Ltd. BOKELA GmbH (Germany)

Major facilities

Offices (Japan)			Representative offices (overseas)	
Head Office East Japan Branch West Japan Branch Tokyo Sales Branch Kanto Sales Branch Osaka Sales Branch Kansai Sales Branch	Yokohama Sales Branch Sapporo Sales Branch Sendai Sales Branch Nagoya Sales Branch Chugoku Sales Branch Fukuoka Sales Branch Okinawa Sales Office	Muroran Factory Yachiyo Technical Center (R&D Center) Kawasaki Office Nishinomiya Center Okayama Center Omuta Center	Hanoi (Vietnam) Europe (Germany)	Jakarta (Indonesia) Mumbai (India)
Affiliates (overseas)				
Malaysia Taiwan	Singapore Shanghai			

Tsukishima Holdings Co., Ltd.

Water Environmental Business

Industrial Business

(●: parent company; ■: consolidated subsidiary; ●: consolidated sub-subsidiary)

Share information (as of March 31, 2025)

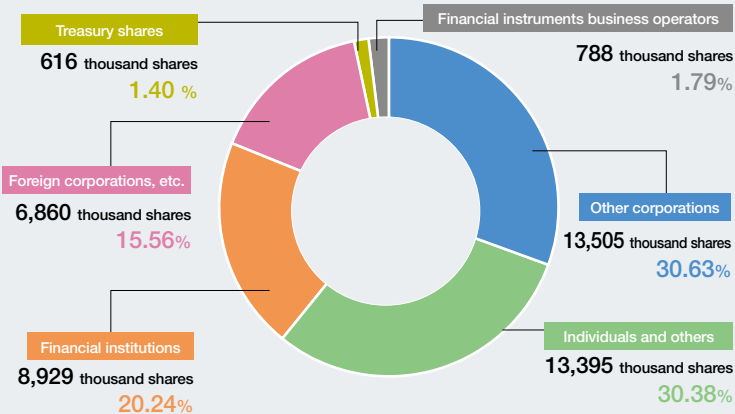
Share information

Total issued shares	44,125,800 shares
Number of shareholders	8,021

Exchange

Tokyo Stock Exchange, Prime Market

Composition of Shareholders



Major shareholders

Name	Holdings (thousand shares)	Proportion of total shares issued (%)
The Master Trust Bank of Japan, Ltd. (trust account)	4,016	9.23
The Japan Steel Works, Ltd.	2,476	5.69
Custody Bank of Japan, Ltd. (trust account)	2,431	5.58
Aya Nomura	2,119	4.87
Tsukishima Holdings Employee Stock Ownership	1,973	4.53
Tokyo Century Corporation	1,757	4.03
Tsukishima Holdings Client Stock Ownership	1,148	2.64
MUFG Bank, Ltd.	944	2.17
Toyo Denki Seizo K.K.	880	2.02
OYO Corporation	872	2.00

Note: The list excludes the Company's treasury stock of 616,474 shares.

Share price trend



	2021/3	2022/3	2023/3	2024/3	2025/3
Ending price (yen)	1,283	1,083	1,088	1,436	1,710
High	1,485	1,331	1,164	1,506	1,752
Low	1,103	961	853	1,039	1,111
Average daily trading volume (thousand shares)	60	45	79	53	119

Consolidated Financial Data

		(Unit: million yen)										
		2016/3	2017/3	2018/3		2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3
Business results	Orders received	80,263	74,429	111,963		107,632	81,497	95,042	118,612	106,045	165,287	182,180
	Backlog of orders received	85,335	89,903	116,771		126,635	107,800	112,289	135,669	143,936	275,326	318,271
	Net sales	75,758	69,862	85,095		97,768	100,333	90,553	93,077	97,778	124,205	139,235
	Operating profit	5,485	3,508	4,430		7,796	8,051	5,662	5,692	5,004	6,765	8,915
	Ordinary profit	5,527	3,842	4,759		8,136	8,459	6,124	6,502	5,649	7,810	10,254
	Profit attributable to owners of parent	3,055	2,169	2,940		4,996	5,696	958	8,173	4,214	2,675	6,669
	Capital expenditures	1,861	2,627	2,336		12,762	8,283	4,604	14,921	2,893	3,281	1,567
	Depreciation	1,230	1,306	1,435		1,397	1,645	2,450	2,546	3,037	3,425	3,455
	Research and development expenses	1,059	1,050	1,185		1,086	1,126	1,302	1,087	1,213	1,467	1,370
Financial position	Total assets	99,753	106,630	117,958		131,991	128,340	144,116	153,574	146,462	208,014	192,248
	Total net assets	58,729	61,257	65,104		68,425	67,356	71,784	80,949	82,688	105,538	112,054
	Equity capital	58,079	60,715	64,452		67,356	66,069	70,468	79,499	81,179	87,349	93,061
	Interest-bearing liabilities	3,940	6,028	9,060		12,912	12,696	26,525	27,029	18,538	37,504	20,666
	Retained earnings	44,161	45,528	47,707		51,946	56,536	56,396	63,748	66,505	67,117	70,445
Cash flows	Cash flow from operating activities	2,948	11,970	(643)		6,691	3,641	10,084	812	8,232	(5,632)	18,463
	Cash flow from investing activities	(1,803)	(1,980)	(3,747)		(8,747)	(8,047)	(4,446)	(5,367)	(2,817)	(2,768)	1,434
	Cash flow from financing activities	(2,078)	1,384	2,334		3,171	(2,931)	7,324	(628)	(11,564)	7,443	(20,473)
	Free cash flow	1,145	9,990	(4,390)		(2,056)	(4,406)	5,638	(4,555)	5,415	(8,400)	19,898
	Cash and cash equivalents at end of period	17,578	28,878	27,101		28,139	20,856	33,870	28,795	22,998	27,601	27,465
Share information	Total number of shares issued (thousands)	45,625	45,625	45,625		45,625	45,625	45,625	45,625	45,625	45,625	44,125
	Dividends (yen)	22	17	17		22	24	24	30	40	42	78
	Total return ratio (%)	31.5	34.5	25.6		19.6	33.4	108.9	16.1	41.6	97.2	55.0
	Earnings per share (EPS) (yen)	69.82	49.31	66.51		112.53	130.28	22.04	186.42	96.16	62.38	154.97
	Book value per share (BPS) (yen)	1,323.93	1,376.67	1,454.87		1,513.45	1,526.25	1,615.05	1,805.90	1,892.18	2,040.89	2,159.30
Management indicators	ROIC (%)	6.0	3.8	4.5		7.0	6.9	4.2	3.9	3.3	4.2	5.2
	ROE (%)	5.2	3.7	4.7		7.6	8.5	1.4	10.9	5.2	3.2	7.4
	Equity ratio (%)	58.2	56.9	54.6		51.0	51.5	48.9	51.8	55.4	42.0	48.4
	D/E ratio (times)	0.07	0.11	0.15		0.20	0.19	0.40	0.36	0.24	0.43	0.22
Major non-financial indicator	Number of employees (persons)	2,308	2,356	2,523		2,537	2,556	2,761	2,765	2,839	3,517	3,510

Consolidated Balance Sheet

(Unit: million yen)

		2024/3	2025/3
Assets			
Current assets	Cash and deposits	30,038	30,561
	Notes receivable – trade	232	101
	Electronically recorded monetary claims – operating	5,576	2,278
	Accounts receivable – trade	50,699	43,947
	Contract assets	30,274	26,120
	Merchandise and finished goods	235	181
	Work in process	3,992	3,236
	Raw materials and supplies	994	1,057
	Other	2,251	4,518
	Allowance for doubtful accounts	(344)	(287)
	Total current assets	123,951	111,716
Non-current assets	Buildings and structures, net	23,318	22,203
	Machinery, equipment and vehicles, net	12,776	12,744
	Land	7,838	7,856
	Lease assets, net	818	1,122
	Construction in progress	843	49
	Other, net	589	549
	Total property, plant and equipment	46,185	44,526
	Goodwill	2,735	2,496
	Customer-related intangible assets	3,261	2,883
	Other	1,017	1,029
	Total intangible assets	7,015	6,409
	Investment securities	25,387	24,363
	Long-term loans receivable	211	101
	Deferred tax assets	2,650	2,494
	Retirement benefit asset	—	114
	Other	3,073	2,811
	Allowance for doubtful accounts	(459)	(290)
	Total investments and other assets	30,862	29,596
	Total non-current assets	84,063	80,531
Total assets		208,014	192,248

(Unit: million yen)

		2024/3	2025/3
Liabilities			
Current liabilities	Notes and accounts payable - trade	20,581	16,954
	Electronically recorded obligations - operating	5,217	3,932
	Short-term borrowings	14,050	50
	Current portion of long-term borrowings	3,488	3,702
	Lease liabilities	197	271
	Income taxes payable	3,055	1,809
	Contract liabilities	6,667	8,705
	Provision for bonuses	3,320	3,618
	Provision for warranties for completed construction	971	898
	Provision for loss on construction contracts	925	841
	Provision for share-based payments	—	82
	Other	8,968	7,259
	Total current liabilities	67,442	48,126
Non-current liabilities	Bonds payable	5,000	5,000
	Long-term borrowings	14,965	11,912
	Lease liabilities	440	713
	Deferred tax liabilities	6,161	6,866
	Provision for retirement benefits for directors (and other officers)	221	218
	Provision for share-based payments	33	—
	Retirement benefit liability	5,045	4,226
	Asset retirement obligations	1,022	1,076
	Other	2,142	2,051
	Total non-current liabilities	35,033	32,066
Total liabilities		102,476	80,193
Net assets			
Shareholders' equity	Share capital	6,646	6,646
	Capital surplus	6,213	6,055
	Retained earnings	67,117	70,445
	Treasury shares	(2,731)	(1,047)
	Total shareholders' equity	77,246	82,101
Accumulated other comprehensive income	Valuation difference on available-for-sale securities	9,720	9,732
	Deferred gains or losses on hedges	(20)	(1)
	Foreign currency translation adjustment	238	500
	Remeasurements of defined benefit plans	165	728
	Total accumulated other comprehensive income	10,103	10,960
Non-controlling interests		18,189	18,993
Total net assets		105,538	112,054
Total liabilities and net assets		208,014	192,248

Consolidated Statement of Income

(Unit: million yen)

	2024/3	2025/3
Net sales	124,205	139,235
Cost of sales	98,394	110,384
Gross profit	25,810	28,851
Selling, general and administrative expenses	19,044	19,935
Estimate design cost	1,857	2,255
Directors' compensations, salaries, allowances, bonuses and welfare expenses	7,084	7,780
Provision of allowance for doubtful accounts	172	16
Provision for bonuses	638	697
Share-based payment expenses	19	32
Retirement benefit expenses	286	249
Provision for retirement benefits for directors (and other officers)	16	5
Travel and transportation expenses	462	528
Depreciation	1,228	1,300
Other	7,278	7,068
Operating profit	6,765	8,915
Non-operating income	1,289	1,638
Interest income	155	222
Dividend income	783	842
Share of profit of entities accounted for using equity method	24	110
Foreign exchange gains	61	—
Reversal of allowance for doubtful accounts	87	243
Other	177	219
Non-operating expenses	244	299
Interest expenses	127	157
Guarantee commission	26	38
Donations	3	9
Foreign exchange losses	—	17
Other	86	76
Ordinary profit	7,810	10,254

(Unit: million yen)

	2024/3	2025/3
Extraordinary income	1,322	2,013
Gain on revision of retirement benefit plan	158	—
Gain on sale of non-current assets	424	7
Gain on sale of investment securities	739	2,005
Extraordinary losses	1,757	288
Impairment losses	1,646	101
Loss on sale and retirement of non-current assets	98	104
Loss on sale of investment securities	0	—
Loss on valuation of investment securities	11	82
Profit before income taxes	7,376	11,979
Income taxes	3,265	3,493
Income taxes - current	(47)	305
Income taxes - deferred	3,312	3,187
Profit	4,110	8,486
Profit attributable to non-controlling interests	1,435	1,817
Profit attributable to owners of parent	2,675	6,669

Consolidated Statement of Comprehensive Income

(Unit: million yen)

	2024/3	2025/3
Profit	4,110	8,486
Other comprehensive income	5,357	1,205
Valuation difference on available-for-sale securities	4,809	8
Deferred gains or losses on hedges	(19)	21
Foreign currency translation adjustment	417	394
Remeasurements of defined benefit plans, net of tax	148	780
Share of other comprehensive income of entities accounted for using equity method	0	0
Comprehensive income	9,468	9,691
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,914	7,526
Comprehensive income attributable to non-controlling interests	1,553	2,165

Consolidated Statement of Cash Flows

(Unit: million yen)

		2024/3	2025/3
Cash flows from operating activities	Profit before income taxes	7,376	11,979
	Depreciation	3,425	3,455
	Impairment losses	1,646	101
	Amortization of goodwill	203	239
	Increase (decrease) in provision for bonuses	172	292
	Increase (decrease) in provision for retirement benefits for directors (and other officers)	(244)	(12)
	Increase (decrease) in allowance for doubtful accounts	(261)	(226)
	Increase (decrease) in provision for warranties for completed construction	(47)	(74)
	Increase (decrease) in provision for loss on construction contracts	(117)	(83)
	Increase (decrease) in provision for share-based payments	33	48
	Increase (decrease) in retirement benefit liability	163	192
	Decrease (increase) in retirement benefit asset	—	(11)
	Interest and dividend income	(938)	(1,065)
	Interest expenses	127	157
	Share of loss (profit) of entities accounted for using equity method	(24)	(110)
	Loss (gain) on sale and retirement of property, plant and equipment	(325)	96
	Loss (gain) on sale of investment securities	(739)	(2,005)
	Loss (gain) on valuation of investment securities	11	82
	Decrease (increase) in accounts receivable - trade, and contract assets	(23,215)	16,888
	Increase (decrease) in contract liabilities	1,256	1,928
	Decrease (increase) in inventories	(924)	1,346
	Increase (decrease) in trade payables	1,787	(7,119)
	Other, net	4,621	(3,947)
	Subtotal	(6,013)	22,151
	Interest and dividends received	954	1,057
	Interest paid	(122)	(150)
	Income taxes paid	(452)	(4,595)
	Net cash provided by (used in) operating activities	(5,632)	18,463

(Unit: million yen)

		2024/3	2025/3
Cash flows from investing activities	Decrease (increase) in time deposits	(2,084)	(538)
	Purchase of property, plant and equipment	(2,331)	(753)
	Proceeds from sale of property, plant and equipment	640	8
	Purchase of intangible assets	(407)	(280)
	Proceeds from sale and redemption of short-term and long-term investment securities	1,526	3,075
	Purchase of shares of subsidiaries	(9)	(36)
	Loan advances	(20)	(2)
	Proceeds from collection of loans receivable	165	12
	Other payments	(353)	(103)
	Other proceeds	105	54
	Net cash provided by (used in) investing activities	(2,768)	1,434
Cash flows from financing activities	Net increase (decrease) in short-term borrowings	14,000	(14,000)
	Proceeds from long-term borrowings	—	1,065
	Repayments of long-term borrowings	(3,796)	(4,137)
	Redemption of bonds	(100)	—
	Repayments of lease liabilities	(340)	(236)
	Proceeds from sale of treasury shares	529	593
	Purchase of treasury shares	(800)	(308)
	Dividends paid	(2,027)	(2,052)
	Dividends paid to non-controlling interests	(21)	(1,396)
	Net cash provided by (used in) financing activities	7,443	(20,473)
Effect of exchange rate change on cash and cash equivalents		348	346
Net increase (decrease) in cash and cash equivalents		(609)	(227)
Cash and cash equivalents at beginning of period		22,998	27,601
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation		1,922	91
Increase in cash and cash equivalents resulting from absorption		3,289	—
Cash and cash equivalents at end of period		27,601	27,465

Note: The above consolidated financial statements are English translations of the Japanese originals of consolidated financial statements prepared in accordance with accounting principles generally accepted in Japan, and were separately prepared for inclusion in this Integrated Report. These translations exclude the Consolidated Statement of Changes in Net Assets and explanatory Notes to Consolidated Financial Statements. Summary of Significant Accounting Policies adopted in the preparation of the original consolidated financial statements are described in the original notes.

Independent Auditor’s Report

Independent Auditor’s Report

To the Board of Directors of Tsukishima Holdings Co., Ltd.

Opinion

We have audited the consolidated financial statements of Tsukishima Holdings Co., Ltd. (the Company) and its subsidiaries (the Group), which comprise the consolidated balance sheets as at March 31, 2025, and the consolidated statement of income, consolidated statement of comprehensive income and consolidated statement of cash flows for the year then ended, and note to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements of the Group for the year ended March 31, 2025, are prepared, in all material respects, in accordance with the basis of accounting described in note to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter - Basis of Accounting

We draw attention to note to the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared for inclusion in Integrated Report 2025 of Tsukishima Holdings Group. As a result, the consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other matter

In addition to the accompanying consolidated financial statements, the Company has prepared the consolidated financial statements, which comprise the consolidated balance sheets, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in net assets, consolidated statement of cash flows and notes to the consolidated financial statements, including summary of significant accounting policies, for the fiscal year ending March 31, 2025 based on the provisions of the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan in accordance with accounting principles generally accepted in Japan.

We have expressed an unqualified opinion based on the provisions of the Companies Act of Japan on May 15, 2025, and have expressed an unqualified opinion based on the provisions of the Financial Instruments and Exchange Act of Japan on June 23, 2025.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Integrated Report but does not include the consolidated financial statements and our auditor's report thereon.

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

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

If, based on the work performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management, and the Corporate Auditor and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with the basis of accounting described in note; this includes determining that the basis of accounting described in note is an acceptable basis for the preparation of the consolidated financial statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to related disclosures. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

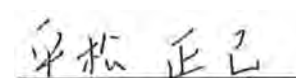
We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

INOUE AUDIT CORPORATION

Tokyo, Japan



Masami Hiramatsu

Designated Engagement Partner

Certified Public Accountant

December 9, 2025