Be a ChangeBuilder.

HAZAMA ANDO CORPORATION

Corporate Report 2025



Advancing as a ChangeBuilder, Delivering a Sustainable Future

Changing society through construction. Driven by this ambition, the Hazama Ando Group comes together to embrace the challenge of social innovation day by day. To bring about a better tomorrow and a sustainable future, Hazama Ando continues to move forward with a keen awareness of its responsibilities toward society.

INDEX

03 Hazama Ando's History and Track Record of Accomplishments
05 Hazama Ando's Value Creation
07 Message from the President
11 Strategic Focus
Progress of Medium-Term Management Plan 2025
15 Hazama Ando Materiality
17 Financial Strategies
19 Special Feature: Hazama Ando's Value Creation Story
21 Roundtable Discussion with External Board Directors
25 Directors and Audit and Supervisory Committee Members
27 Financial and Non-Financial Highlights
29 Review of Operations
Civil Engineering
Building Construction
Overseas Operations
Pursuing Open Innovation
35 Actions to Address Materiality
53 Consolidated Financial Statements
57 12-Year Financial Data
59 Stock Information
60 Corporate Profile/Editorial Policy
61 Organization Chart
62 Third-Party Opinion



Corporate Symbol

HAZAMA ANDO CORPORATION's corporate symbol features large, swirling currents crossing over a square form, in a design that simultaneously expresses reliability, energy, and strength. The square form, suggesting stability, represents a wealth of achievements and trust cultivated over many years of history, and a genuine "customer first" attitude. The large swirls are symbols of HAZAMA ANDO CORPORATION's determination to cherish the individual values of the merged companies, while creating new value through a bold and unconstrained pursuit of fresh challenges. And the motion suggested in the design represents how HAZAMA ANDO CORPORATION will continuously evolve and grow, without being confined to conventional ideas.

Civil Engineering in Japan

This segment is charged with upholding social capital, ranging from roads, railway lines, and other transportation networks to water, sewage, electricity, and other lifelines as well as energy facilities, which together form the foundation that enables people to live safe, secure, and comfortable lives. Furthermore, we will continue to respond to the needs of society, including soil remediation and other environmental measures and the maintenance and renewal of social capital, including disaster prevention and mitigation efforts.



Building Construction in Japan

This segment supports the entire life cycle of buildings, from the planning stage to design, construction, maintenance, and renewal. We plan building specifications, construction periods, and costs to address the needs and conditions of customers. In addition to safety, quality, and process control, our construction also takes the surrounding area and environment into consideration to provide optimal buildings and services for our customers.



Hazama Ando VISION2030

The Evolution of Hazama Ando's Business

Overseas Operations

For more than half a century, we have been engaged in construction in various countries and regions worldwide. We currently have branch offices in Asia and North America and maintain a presence in numerous countries. We contribute to social development in each locale through infrastructure development and by providing total support to customers preparing to expand overseas.



Non-Construction Business

To transform the business portfolio, we are proactively working to expand businesses other than building construction, including in the fields of energy, real estate and infrastructure management, and building service management.





About this Report

We published Corporate Report 2025, integrating financial and non-financial information, to give our stakeholders a clearer idea of the outline of our management strategy and its essential results. For more information on our ongoing sustainability activities and environmental data, please see Sustainability Report 2025.

Corporate Report 2025
- Summary and goals of management strategies in line with the Group's long-term vision and medium-term management plan.
- Outline of financial and non-financial management strategies and results.

Sustainability Report 2025
- Details of sustainability activities in line with the Group's materiality.
- Disclosure regarding ongoing activities
- Environmental data



Corporate Report 2025



Sustainability Report 2025

Hazama Ando's History and Track Record of Accomplishments

From the Outset, Taking on Unparalleled Building Projects Has Been at the Very Heart of the Group.

Since the founding of its predecessor companies (ANDO Corporation in 1873, HAZAMA Corporation in 1889), Hazama Ando has never been satisfied with the status quo. We have always taken on the challenge of creating new value, such as being first in Japan to engage in novel construction projects and adopt new methods and aiming to achieve the highest technical standards in Japan and overseas. Our identity and the source of our competitive strengths are rooted in contributing to people's lives and to society by drawing on the robust technological capabilities and experience we have built up over the years.

CIVIL ENGINEERING

	Completion	In a Nutshell
Sakuma Dam (Shizuoka Prefecture)	1956	The first major mechanized construction project of Japan's post-war era.
Kurobe Dam (Toyama Prefecture)	1963	A concrete arch dam built to generate power to make up for power shortages during Japan's high economic growth period. At 186 meters, its crest height is still the highest in Japan.
Kan-Etsu Tunnel, Kan-Etsu Expressway (Gunma Prefecture)	1982	The longest mountain expressway tunnel in Japan.
Seikan Tunnel, Yoshioka Section (Hokkaido)	1985	When it opened, this railway tunnel was the longest in the world (53.8 kilometers). We were in charge of the Yoshioka section on the Hokkaido side.
Toei Oedo Line (Subway Line No. 12), Roppongi-Aoyama Section (Tokyo)	2000	This project's trying conditions included a densely developed underground environment, as well as easily collapsible ground and the need to build under high water pressure. To clear these hurdles, we used a 4-circular face shield method to build the station shield, a world-first achievement. ★ Japan Society of Civil Engineers Outstanding Civil Engineering Achievement Award 1999
Shin-Takeoka Tunnel (Kagoshima Prefecture)	2013	The excavation cross-section of this twin tunnel is about 380 square meters, making it Japan's largest expressway tunnel. ★ Japan Society of Civil Engineers Outstanding Civil Engineering Achievement Award 2013





BUILDING CONSTRUCTION

	Completion	In a Nutshell
Ehime Prefectural Office (Ehime Prefecture)	1928	Japan's third-oldest active prefectural government office building with great historical value.
Itochu Corporation Tokyo Headquarters Building (Tokyo)	1980	A spacious light court (atrium) stands at the center of this building, which covers about 112,000 square meters and was built in about a year and a half. ★ 23rd BCS Prize
Japan Racing Association (JRA) Nakayama Racecourse Grandstand (Chiba Prefecture)	1990	This renovation project marked the 60th anniversary of Nakayama Racecourse, and included Japan's first curving escalator.
Tokyo Big Sight (Tokyo)	1995	A lift-up method was used to improve construction accuracy and safety and save labor required to lift the materials used to build this project, one of Japan's largest convention facilities. ★ 38th BCS Prize
Toppan Koishikawa Building (Tokyo)	2000	Built as part of Toppan Printing's 100th anniversary commemoration, this building features an impressive curved glass curtain exterior wall. ★ 42nd BCS Prize
Southern TOHOKU Proton Therapy Center (Fukushima Prefecture)	2007	Japan's first privately operated particle beam cancer treatment facility, and the first such project to be both designed and built by a construction company.





2013 Birth of Hazama Ando

Corporate Philosophy

1. We shall contribute to enhancing society by construction
2. We shall pursue customer satisfaction with reliable technologies and passion
3. We shall realize a prosperous future by creating new values

History and DNA

Our Strengths

Helping to Bring About a Sustainable Society by Leveraging Our Strengths to Create Value

The Medium-Term Management Plan 2025 sets expanding segments in which we have a competitive advantage as a strategy for reinforcing our businesses. We will leverage the technical capabilities we have built up and our construction track record to help bring about a sustainable society, providing high-quality construction and services.

Expanding Strength ❶ Industry-Leading Urban and Mountain Tunnel Civil Engineering



Metropolitan Expressway Central Circular Route, Shinagawa Line, Ohashi Connection (2014, Tokyo)

Construction adopted the world's first segment construction method to cut two parallel shield tunnels without requiring excavation.

★ Received 2014 JSCE Outstanding Civil Engineering Achievement Award



Futaenotoge Tunnel (Aso Block) (2020, Kumamoto Prefecture)

Japan's first new tunnel construction to use an early contractor involvement (ECI) approach, contributing to faster recovery after the Kumamoto earthquake. Excavation was completed in roughly half the typical period required.

★ Received 2020 JSCE Outstanding Civil Engineering Achievement Award

Expanding Strength ❷ Ability to Provide Environmentally Conscious Buildings



Shindengen Electric Manufacturing Asaka Office (2021, Saitama Prefecture)

This project realized a wellness office seamlessly integrated with an interior atrium, along with outstanding environmental performance.

★ ZEB Ready certification (for 52% energy saving)



Brother Tokyo Building ZEB Project (Renovation) (2023, Tokyo)

Fiscal 2023 Ministry of Economy, Trade and Industry ZEB Demonstration Project Subsidy Selected Project

★ ZEB Ready (for 53% energy saving)

Expanding Strength ❸ Exporting Infrastructure to Developing Countries



East-West Economic Corridor Improvement Project Package-1, Construction of Gyaing Kawkareik Bridge (2023, Myanmar)

This four-lane extradosed bridge replaced an aging bridge, with the aim of helping to stimulate trade and economic development throughout the Mekong region.

★ 3rd OCAJI Project Award
★ 2024 JSCE Tanaka Award (works, new category)



Sindhuli Road (2015, Nepal)

Construction of this highway began in 1996 as an ODA project by the Japanese government. The 160-kilometer road was built over 19 years in mountainous terrain.

★ 2015 JSCE Outstanding Civil Engineering Achievement Award
★ 2020 3rd Japan Construction International Award

Hazama Ando's Value Creation

Hazama Ando's Value Creation Strategies for Contributing to a Sustainable Society

Based on our corporate philosophy and Hazama Ando VISION2030, we are building a management framework that business on society and the environment, seeking to realize growth strategies that strike a balance between improving

INPUT*

Financial Capital (consolidated) (fiscal 2024)

Total assets	371.9 billion yen
Equity	171.2 billion yen
Equity ratio	46.0%

Environmental (natural) Capital (fiscal 2024)

Electric power consumption (consolidated)	40.58 million kWh
Light oil consumption (non-consolidated)	14,000 kl
Ready-mixed concrete (non-consolidated)	556,000 m^3

Manufacturing Capital, Social and Relationship Capital

Bases (including Japan)	17 countries (fiscal 2024)
Number of member companies in Hazama Ando Cooperative Association	1,405 (as of March 2025)
Number of major Group companies	3 in Japan, 3 overseas

Intellectual Capital, Human Capital (intangible assets)

Patent applications	44 (fiscal 2024)
R&D expenses	4.5 billion yen (fiscal 2024)
Number of employees (consolidated)	3,753 (as of March 2025)
Number of engineers (non-consolidated)	2,536 (as of March 2025)
Nationalities (non-consolidated)	12 countries (as of March 2025)

* The framework developed by the IFRS Foundation (formerly IIRC) categorizes capital into financial, manufactured, social and relationship, intellectual, and human capital.

BUSINESS

Our Understanding of the External Environment

Risks

- Weak economic growth
- Surge in material and fuel prices
- Shortage in the labor force

Opportunities

- Disaster prevention, mitigation, and national land resilience
- Increased momentum for business co-creation
- Realizing Society 5.0

Increasingly critical management issues

- Sustainability-related **decarbonization**
- Need for technological innovation-based **productivity improvement**
- **Human capital management**
- **Mounting geopolitical risks**

Long-Term Vision: Haz

• Create customer value • Create shareholder value

Corporate Philosophy a

puts emphasis both on maximizing social and environmental value and on optimizing the positive impact of our people's living environments with achieving sustainability.

MODEL

Growth Strategies

Strategic Focus p. 11

Objectives of Medium-Term Management Plan 2025

- Enhancing business growth
- Increasing the value of human capital
- Promoting ESG management

Financial Strategies

Financial Strategies p. 17

Objectives

- Achieving highly capital-efficient management
- Shareholder returns
- Reduction of strategic shareholdings

Sustainability

Actions to Address Materiality p. 35

Hazama Ando's Materiality

S Materiality 1
Helping to solve social issues and create value for society

E Materiality 2
Protecting and being attuned to the natural environment

G Materiality 3
Promoting sustainable management and taking full responsibility for corporate actions

ama Ando VISION2030

• Create environmental value • Create employee value

https://www.ad-hzm.co.jp/english/ir/plan/

nd Hazama Ando's DNA

Hazama Ando's History and Track Record of Accomplishments p. 3

OUTCOME

Creating Financial Value

Strategic Focus p. 11

Performance Indicators of Medium-Term Management Plan 2025 (fiscal 2025)

Consolidated ordinary profit	26.5 billion yen
Total return ratio	70% or more
ROE	12% or more
Employee engagement score of	80% or more
Greenhouse gas emission reduction rate	
Scope 1 + 2:	34% or more
Scope 3:	21% or more
Ratio of female board directors Every year:	30% or more
Ratio of external board directors Every year:	50% (a majority)

Creating Non-Financial (ESG) Value

Hazama Ando's Materiality p. 15

Select Materiality Performance Indicators

S	Productivity improvement	Fiscal 2025: 10% or more (compared to fiscal 2020)
	Eight or more closures in four weeks	Every year: 100%
E	Proportion of renewable energy used for electricity	Fiscal 2030: 80%
	Number of ZEB projects	Fiscal 2025: 5
G	Information security course attendance	Every year: 100%
	Compliance training attendance	Every year: 100%

Message from the President



Kazuhiko Kuniya
Representative Director and CEO

In the second year of Medium-Term Management Plan 2025, we made steady progress toward achieving our plan, turning in solid results in both financial and non-financial terms. I'm pleased to report on our analysis of management in fiscal 2024 and the outlook going forward.

Summary of Fiscal 2024 (Year Ended March 2025)

The construction industry saw firm growth in both government and private construction investment in the fiscal year ended March 2025. In the domestic Civil Engineering business, we saw ongoing investment in comprehensive evaluation projects, maintenance and renewal projects, and other areas Hazama Ando is targeting. Demand for production facilities, logistics warehouses, and renewal projects also continued to increase in the domestic Building Construction business. Overseas, demand for production facilities from Japanese companies in the North America region continued, particularly in Mexico. Meanwhile, several issues continued to warrant close monitoring, including the impact on labor due to rising material prices and the so-called "2024 problem" stemming from government limits on truck driver working hours in Japan. In all, the year called for management to carefully navigate these issues, including ensuring a construction framework and managing profitability.

Our efforts to address these management challenges yielded year-on-year increases in both revenue and earnings for the fiscal year ended March 2025. Consolidated net sales were up 7.9% to 425.1 billion yen on the back of steady progress in construction work. Consolidated operating profit rose 89.6% to 35.2 billion yen, reflecting higher profitability in the Building Construction business stemming mainly from more profitable construction projects. Profit attributable to owners of parent was up 90.5% to 26.4 billion yen, due in part to the recording of extraordinary income from the sale of strategic shareholdings. Non-consolidated orders received for both civil engineering and building construction increased year on year, with civil engineering orders totaling 427.6 billion yen, a 21.8% increase.

Civil Engineering business p. 29, Building Construction business p. 31, Overseas business p. 33

Overview of Results for Fiscal 2024
(Year Ended March 2025)

Consolidated net sales **425.1 billion yen**
(YoY change +7.9%, change from initial forecast +4.7%)

Consolidated operating profit **35.2 billion yen**
(YoY change +89.6%, change from initial forecast +53.9%)

Consolidated operating profit margin **8.3%**
(YoY change +3.6 points, change from initial forecast +2.7 points)

Profit attributable to owners of parent **26.4 billion yen**
(YoY change +90.5%, change from initial forecast +74.0%)

Non-consolidated orders **427.6 billion yen**
(YoY change +21.8%, change from initial forecast +14.0%)

Summary of Second Year of Medium-Term Management Plan 2025

Steady Headway in the Second Year, Outlook for Final Year

We made steady headway with the Medium-Term Management Plan 2025 in the fiscal year ended March 2025, the plan's second year. Two financial performance indicators—consolidated ordinary profit and ROE—actually exceeded our targets for the final year of the plan. Both civil engineering and building construction order volume was up, while we saw a substantial improvement in profitability, particularly in the Building Construction business, which can be considered a major achievement.

Regarding major non-financial performance indicators, we updated our greenhouse gas emission reduction target to reflect a 1.5°C scenario, reacquired SBT certification, and pursued climate change response measures to achieve our targets for each Scope emission category. With regard to employee engagement scores, we have planned and implemented various measures and systems based on an analysis of previous scores, with the aim of being known as the general contractor that cares the most about its employees. We are also making steady strides in reinforcing the integrated management of other performance indicators for our various material issues.

We expect to achieve most of the main performance indicators for the final year of Medium-Term Management Plan 2025. As we finish out the plan, the management team will redouble our efforts to gauge the business environment and make appropriate decisions.

Progress of Key Performance Indicators under Medium-Term Management Plan 2025

	Fiscal 2023 results	Fiscal 2024 results	Fiscal 2025 (final year of Medium-Term Management Plan)
Consolidated ordinary profit	18.5 billion yen	34.0 billion yen	26.5 billion yen
ROE	9.4%	16.3%	12% or more
Total return ratio	69.2%	42.4%	70% or more
Employee engagement score	75%	77%	80% or more
Greenhouse gas emission reduction rate			
Scope 1 + 2	26.3%	35.7%	34% or more
Scope 3	22.1%	31.5%	21% or more

Pursuing PDCA in Line with Materiality p. 16,
Actions to Address Materiality p. 35

Efforts to Enhance Business Growth Yield Results

Medium-Term Management Plan 2025 has positioned enhancing business growth as a major management issue.

Examples of Enhancing Business Growth

Construction Business

[Civil Engineering Business]
- Secured a competitive advantage by leveraging advanced technological capabilities in areas of strength such as urban and mountain tunnel civil engineering; construction gross profit margin continues to trend at a high level
- Continued development of integrated mountain tunneling management system (i-NATM®)
- Developed GeOrchestra®, a digital twin app that implements geological evaluation AI and construction information modeling (CIM); applied it to actual projects

[Building Construction Business]
- In addition to logistics and production facilities, orders and sales from government projects have made steady progress. In particular, the amount of and margin on profit on completed construction contracts was up substantially year on year.
- Concluded an agreement with Japan's Ministry of Agriculture, Forestry and Fisheries to promote the use of wood and timber in building construction; made progress in the development of wood construction technologies and techniques in the use of timber
- Developed Visual Check-Connect (tentative name) system to facilitate communication between building designers and BIM operators

[Energy Business]
- Established the Energy Business Division in April 2025 to promote and strengthen initiatives in energy facilities-related construction, etc.

Non-Construction Business

- Sakaide Biomass Power Generation Plant began operation in June 2025
- Entered the grid storage battery business in the city of Nakatsugawa in Gifu Prefecture
- Currently considering introduction of BIM model maintenance management to help realize more advanced building services

Group Business

- Completed and started operation of medium-scale mixed-use building development project (SOLUX Kanayama)
- Rolled out measures leveraging the strengths of owning a precast concrete plant (developed a method for manufacturing low-carbon segments that can accommodate two cycles per day, commenced trial manufacturing of precast products using Carbon Pool concrete)

Digital Transformation

- Commenced in-house operation of generative AI focusing on the construction field
- Developed original application (Chikuzo) and rolled out Company-wide for employees to acquire the knowledge necessary for field work
- Updated IT and Digital Transformation Personnel Development Plan while clarifying digital skills necessary to further promote digital transformation

The Civil Engineering business is contributing to high profit levels as we leverage our advanced technological capabilities in areas where Hazama Ando has a competitive advantage, including urban and mountain tunnel civil engineering. One of our greatest achievements has been the further development of our integrated mountain tunneling management system (i-NATM®) to realize greater labor savings, including by managing data centrally on a cloud platform and automating and remotely managing temporary tunnel facilities.

Further progress in the digital transformation of the Building Construction business, including a system that facilitates communication between building designers and BIM operators, is contributing to both high customer satisfaction and greater operational efficiency.

We also established an Energy Business Division in April 2025 to promote and strengthen initiatives in energy facilities-related construction.

We are also actively experimenting with new earnings models outside the construction business.

Actions to Realize the Value Creation Story Described in Hazama Ando VISION2030

Japan's Ministry of Economy, Trade and Industry in April 2025 announced the Five Principles for Boards of Directors in Japan. The first of these principles is the development of a value creation story, encouraging Boards of Directors to support management in putting growth strategies in place from a longer-term perspective. We had already set out the creation of four types of value—customer, shareholder, environmental, and employee value—in Hazama Ando VISION2030, which guided our achievement of several milestones in the fiscal year ended March 2025. Below are two particularly significant aspects of our value creation story in terms of enhancing the strengths of the Group. They are highlighted in greater detail in a special feature elsewhere in this report.

Success Story Aokuzure Pass of Ikeshima Tunnel: one of Japan's most challenging tunnel construction projects

The Aokuzure pass is located near the Median Tectonic Line, Japan's largest active fault system, where the ground is extremely fragile. Attempts were made in the 1980s to build a tunnel to make the pass part of a national highway, but construction was deemed impossible at the time. Hazama Ando began excavation of a tunnel in 2019 and, by bringing together our technology and expertise, completed the project in May 2023. This project also represents a significant achievement in terms of employee safety.

★ 2024 JSCE Technology Award
★ 2025 Japan Federation of Construction Contractors Awards, 6th Civil Engineering Award

Special Feature: Hazama Ando's Value Creation Story Case01



Ikeshima Tunnel construction seen from above.

Success Story Development and social implementation of Carbon Pool concrete

The CO_2 generated during cement firing and other processes is sequestered in concrete-derived industrial waste, which is then used and fixed as concrete material. This enables the recycling of resource as well as the maximum amount of sequestered CO_2. Amid strong expectations for carbon-free concrete as a promising option for future public works projects, we are currently aiming to expand the application of Carbon Pool concrete from road pavement to building construction and civil engineering structures.

Special Feature: Hazama Ando's Value Creation Story Case02



Carbon Pool concrete used for benches and flooring at the Future City pavilion at the Expo 2025 Osaka, Kansai, Japan.

Active Pursuit of Sustainability Management

Companies in recent years are being called on to properly gauge their impact on society and on the environment to more effectively manage the risks and opportunities of sustainable growth. Such impact has become a priority for many investors, as evidenced by the new investment policy of Japan's Government Pension Investment Fund (GPIF).

We are stepping up the pace of our integrated management of the sustainability performance indicators disclosed in this report and the ESG indicators of the Medium-Term Management Plan from the perspective of business growth. In the fiscal year ended March 2025, we continued to reinforce a PDCA cycle of analyzing the current situation and implementing and assessing measures. The Sustainability Committee also met four times during the year, fully taking advantage of the knowledge of our external board directors in deliberating on and considering various critical ESG issues. Initiatives to more effectively manage human capital and reinforce human rights due diligence are some of the fruits of this committee's leadership.

In Conclusion

We currently face an international context that is fluid and difficult to predict. I believe the economic situation in Japan also requires careful attention. In addition to our insistence on quality, we are working together with stakeholders to finish out Medium-Term Management Plan 2025 and consider the next medium-term plan to guide us as we accelerate our growth into a company that creates sustainable value for society and where all employees can take pride in their work. As we do so, I ask for the continued understanding and support of our stakeholders.



As we approach the final year of Medium-Term Management Plan 2025, all executives and officers will redouble our efforts to gauge the business environment and make appropriate decisions.

Progress of Medium-Term Management Plan 2025

In an era of rapid change and uncertainty, we believe that surmounting unforeseen challenges that may arise down the road requires us to further reinforce our organizational strengths and capitalize on the diverse capabilities of all of our employees. To achieve this, we have identified enhancing business growth, increasing the value of human capital, and promoting ESG management as three management issues to be addressed and are pursuing initiatives in each of these areas.

Management Issue: Enhancing Business Growth (Construction Business, Civil Engineering)

Summary of Fiscal 2024

Our approach to enhancing business growth has been two-fold, involving strengthening the sales, worksite, design, and technological capabilities of the construction business, including bolstering segments where Hazama Ando has a competitive advantage, and improving safety and quality while securing profits. Gross profit on completed construction contracts in the Civil Engineering business was down 2.5% year on year in the fiscal year ended March 2025, to 19.7 billion yen, while the gross profit margin decreased 0.2 points to 15.0%. Although these came in below the previous fiscal year's results, profit exceeded our initial forecast by 3.3% on the back of steady progress with ongoing construction projects, allowing us to maintain a high level of profit in the business.

In the Building Construction business, on the other hand, gross profit on completed construction contracts was up 92.2% year on year to 37.2 billion yen, buoyed by higher net sales on completed construction contracts and the improved profitability of ongoing projects, causing the profit margin to rise 5.6 percentage points to 14.3%. Profit surpassed our initial forecast by 41.7%.

(Billions of yen)

		Fiscal 2023 results	Fiscal 2024 results	Fiscal 2025 outlook	Priority measures (excerpted from Medium-Term Management Plan 2025)	Progress
Civil Engineering	Gross profit on completed construction contracts	20.2 (15.2%)	**19.7 (15.0%)**	22.3 (17.2%)	**Civil Engineering** • Continue to win orders and expand construction in areas where the Group has a competitive advantage • Strengthen efforts related to large-scale renewal of public infrastructure • Engage in disaster prevention and mitigation as well as national land resilience measures **Building Construction** • Bolster strategic initiatives to expand areas in which the Group maintains a competitive advantage • Manage profitability more rigorously by application at the time of receiving orders (strengthen portfolio management) • Strengthen design framework and capacity **Shared Civil Engineering, Building Construction Measures** • Strengthen the construction framework by cultivating human resources and building stronger relationships with partner companies • Increase profit productivity through digital transformation and production process reform • Respond appropriately to surges in labor and material costs **Overseas** • Carefully select ODA projects in light of risk assessments • Expand the customer base for private-sector projects with a focus on production facilities **Life cycle support business** • Pursue customer satisfaction through a level of diversified services that only a large construction company can achieve • Maximize synergy effects through collaboration between the renewal and general building service management businesses	• The Civil Engineering business capitalized on advanced technological capabilities in areas where the Group has a competitive advantage, including urban and mountain tunnel civil engineering projects. The construction gross profit margin remained at a high level. • Developed GeOrchestra®, a digital twin app that implements geological evaluation AI and construction information modeling (CIM); applied it to actual projects • In the Building Construction business, orders and sales for government projects in addition to logistics and production facilities made steady progress. In particular, the amount of and margin on profit on completed construction contracts was up substantially year on year. • Concluded an agreement with Japan's Ministry of Agriculture, Forestry and Fisheries to promote the use of wood and timber in building construction; made progress in the development of wood construction technologies and techniques in the use of timber
	YoY change	-4.8% (-0.7 points)	**-2.5% (-0.2 points)**	+13.1% (+2.1 points)		
	Net sales on completed construction contracts	133.2	**131.2**	130.0		
	YoY change	-0.2%	**-1.5%**	-1.0%		
Building Construction	Gross profit on completed construction contracts	19.3 (8.6%)	**37.2 (14.3%)**	30.7 (11.8%)		
	YoY change	+12.6% (+0.3 points)	**+92.2% (+5.6 points)**	-17.6% (-2.4 points)		
	Net sales on completed construction contracts	224.2	**261.4**	260.0		
	YoY change	+8.8%	**+16.6%**	-0.5%		

* Fiscal 2024 results and fiscal 2025 outlooks are from the Consolidated Financial Results for the Fiscal Year Ended March 31, 2025.
* Figures in parentheses under gross profit on completed construction contracts indicate profit margins

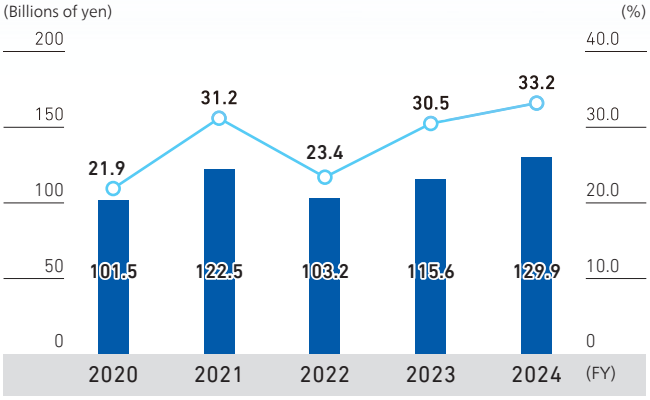
In Detail

Continuing to Win Orders in Areas Where the Group Has a Competitive Advantage

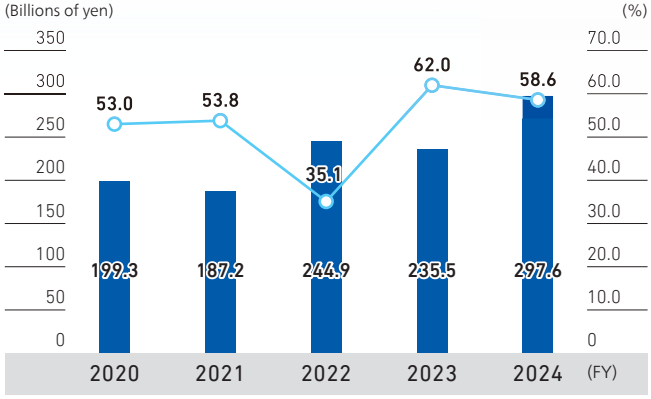
Orders received in the Civil Engineering business totaled 129.9 billion yen. This 12% year-on-year increase was driven by orders for power plant and road tunnel construction. Like last year, mountain tunnel work (roadwork) orders, an area where the company excels, accounted for more than 30% of total orders.

Orders in the Building Construction business totaled 297.6 billion yen. We received multiple orders for the construction of production and logistics facilities, both focus areas for the business, which accounted for 58% of total orders.

Civil Engineering Business: Proportion of Roadwork Orders



Building Construction Business: Proportion of Factory, Warehouse, and Logistics Facility Orders



* Roadwork includes mountain expressway tunnels, an area where Hazama Ando has a long track record.

Topics

Aiming for Environmentally Friendly Design and Construction:

New Retail Location for Historic Japanese Confectionery Maker

In designing and building the new LAGO Otsu retail complex on the shores of Japan's picturesque Lake Biwa, Hazama Ando took into account various environmental considerations, aiming to make the project a "zero carbon, zero waste park." Treated waste water from an adjacent water reclamation center is being used as a heat source for the air conditioning equipment, helping to realize energy savings. Solar panels are installed on the building's roof and in the parking lot to generate power, which earned the project Nearly ZEB certification (for 77% energy saving). In pursuit of zero waste, soil from the civic plaza that originally stood on the site was reused as an earthen covering for the building. Additionally, recycled compost made from red bean skins discarded during the process of making traditional Japanese sweets is used to help improve soil quality.



LAGO Otsu.

Please see pages 29, 31, and 33 for detailed measures for the Civil Engineering, Building Construction, and Overseas businesses.
LAGO Otsu uses Carbon Pool concrete for the concrete paving of its garden paths. For details, please see p. 20.

Management Issue: Enhancing Business Growth (Non-Construction Business)

Seeking to transform our business portfolio to achieve a proper balance between stand-alone and recurring profit, Medium-Term Management Plan 2025 incorporates 40 billion yen in growth investments over the three-year period of the plan. By the fiscal year ended March 2025, we had invested a cumulative total of 12.88 billion yen (7.25 billion yen in fiscal 2023 and 5.62 billion yen in fiscal 2024). Outlays in the energy business were 1.06 billion in the fiscal year ended March 2025, and we continue to pursue initiatives in the grid storage battery and solar power purchase agreement businesses. The Sakaide Biomass Power Plant, which had been under construction, started commercial operation in June 2025. We invested a total of 2.11 billion yen in real estate and infrastructure management businesses, with one of our Group companies completing and starting operation of a medium-scale mixed-use building development project. We continue to explore potential partner strategic investment. We also invested 2.45 billion yen in innovation and technology development, as well as in updating research facilities at the Technical Research Institute in Tsukuba.

(Billions of yen)

		Fiscal 2024 results	Medium-Term Management Plan 2025	Priority measures (excerpted from Medium-Term Management Plan 2025)	Progress
Energy creation initiatives	Scale of renewable energy business development (cumulative total)	2020-2024 **56 MW**	2020-2025 80 MW	• Promote development, acquisition of renewable energy power plants Solar power generation: 50 MW; biomass: 20 MW; small- and medium-output hydroelectric power: 5 MW; onshore wind power, etc.: 5 MW • Promote renewable energy-related technological development • Acquire and roll out green hydrogen utilization expertise	• Continued initiatives in the solar power purchase agreement business (10 projects, 6 MW) • Sakaide Biomass Power Plant started operation in June 2025 • Established a special purpose company for the Nakatsugawa grid storage battery project, began construction of grid storage batteries, targeting 2028 launch of operations
	Amount of investment (cumulative total)	2023-2024 **1.28**	2023-2025 10.0		
Real estate and infrastructure management business	Amount of investment (cumulative total)	2020-2024 **5.56**	2023-2025 10.0	• Public-private partnership, private-finance initiative business operator selection: More than five projects (three years) • Secure stable earnings and promote initiatives that contribute to collaboration with the construction business • Implement investments based on a cautious approach toward investment risks and business profitability	• Completed, started operation of medium-scale mixed-use building development project (SOLUX Kanayama) in fiscal 2024
Technology, R&D	Amount of R&D investment	**2.2**	2.0	• Develop technologies (ICT, BIM/CIM, etc.) that contribute to improvements in productivity, safety, and competitiveness and address shortages in the labor force • Develop technologies (carbon neutrality, green transformation, etc.) that contribute to the achievement of the SDGs • Research basic technologies, etc.	• Completed a large triaxial shaking table at the Technical Research Institute, for use in model testing to predict behavior and impact for structures during earthquakes and to develop new construction methods
Group businesses	Operating profit	**1.0**	2.8	• Strengthen cost competitiveness by capitalizing on the expertise of various Group companies • Both expand business scale, including transactions outside the Group, and boost productivity	• Rolled out measures leveraging the strengths of owning a precast concrete plant (developed a method for manufacturing low-carbon segments that can accommodate two cycles per day, commenced trial manufacturing of precast products using Carbon Pool concrete)
	Net sales	**23.7**	30.2		
Partner strategic investment	Amount of investment (cumulative total)	2023-2024 **0.12**	2023-2025 10.0	• Bolster areas of the construction business where the Group has expertise and a competitive advantage • Expand into peripheral businesses and reinforce complementary areas	• Took an equity interest in a temporary employment agency and made it an affiliated company; significantly contributed to efforts aimed at strengthening the Group's worksite construction framework • Took an equity interest in BIM-related companies and made them affiliated companies; took steps to strengthen cooperation with the Group, including in the training of younger Hazama Ando staff, personnel exchanges, and joint technology development

* Business development scale is calculated based on the equity stake of Hazama Ando

Topics

Entry into Grid Storage Battery Business in Nakatsugawa in Gifu Prefecture

As a new growth investment project, Hazama Ando entered the grid storage battery business, forming Nakatsugawa Power Storage LLC, a joint venture with Nippon Koei Energy Solutions, a subsidiary of Integrated Design & Engineering Holdings, to carry out the businesses.

In line with the expanding incorporation of renewable energy in recent years, the importance of grid storage batteries as a means of adjusting the balance between power supply and demand has increased. We believe this new project will develop into a significant business that can contribute to stabilizing the power grid in Japan.

Hazama Ando is pursuing an array of renewable energy projects to create environmental value, one of the four areas of value creation outlined in Hazama Ando VISION2030, our long-term vision. These include investing in a biomass power generation project and developing a solar power purchase agreement business to contribute to customer moves to achieve carbon neutrality. The Group will steadily promote initiatives like these to contribute to the realization of a carbon-free, recycling-oriented society with a low environmental impact.



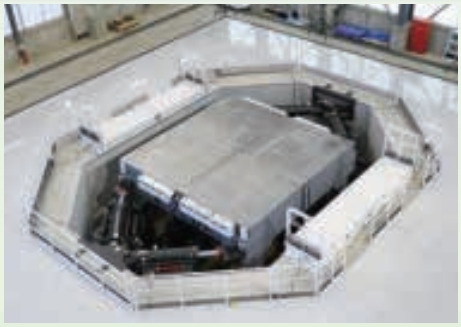
Rendering of completed Nakatsugawa Power Storage plant.

- Business operator: Nakatsugawa Power Storage LLC
- Planned location for battery installation: Nakatsugawa City, Gifu Prefecture
- Rated output, capacity: 20 MW, 80 MWh
- Start of operations: 2028 (scheduled)
- Main roles of each company
  Nippon Koei Energy Solutions: electrical construction supervision, aggregation, asset management
  Hazama Ando: civil engineering supervision

Topics

Large Triaxial Shaking Table Completed at Technical Research Institute

We completed a new large triaxial shaking table on the premises of the Technical Research Institute. The shaking table is used to conduct realistic experiments reproducing the motion of earthquakes. We upgraded the existing shaking table, which was installed more than 30 years ago and had become outdated. Completed in August 2024, the new shaking table is designed to account for large-amplitude seismic motion caused by an inland epicenter earthquake, as well as the long-period, long-duration seismic motion caused by the kind of massive earthquake that is feared to occur in the future, such as an earthquake involving the Nankai Trough off Japan's southern coast. The table boasts industry-leading excitation performance (3G maximum acceleration when loaded with a rated weight of 20 tons, and maximum velocity of 200 centimeters per second).



Large triaxial shaking table.

Going forward, we plan to use this technology to test the earthquake resistance of various structures and to develop vibration isolation and damping technologies.

For details on initiatives of the Technical Research Institute, please see the Sustainability Report.

Increasing the Value of Human Capital, Promoting ESG Management

We are revising our personnel systems to increase the value of our human capital, including revising remuneration levels for older employees (aged 60-64). Meanwhile, our employee engagement score, which in part measures employees' willingness to contribute to the company and their job satisfaction, reached 77% as of September 2024, a year-on-year increase of 2 points.

In the environmental field, we updated our greenhouse gas emission reduction target to match a 1.5°C scenario and reacquired Science Based Targets (SBT) certification, with the goal of achieving carbon neutrality by 2050. In terms of corporate governance underpinning these efforts, we sought to ensure the independence and diversity of management by transitioning to an Audit and Supervisory Committee, and are steadily pursuing more robust ESG management under the direction of the Sustainability Committee.

		Progress
Environment	Help to bring about a carbon neutral society	• Updated greenhouse gas emission reduction target to match a 1.5°C scenario in December 2024, reacquired SBT certification
Society	Increase the value of human capital	• Revised remuneration levels in July 2024, including for employees rehired after retirement • Scored employee engagement in September 2024: 77% (+2 points from fiscal 2023) • Held exam preparation training for first-class architect and other qualifications • Number of female managers as of March 2025: 47 (+9 from March 2024)
	Human rights	• Conducted human rights policy training (100% attendance rate)
	Promote regional development	• Supported a health promotion event based on a partnership agreement with the city of Kuki and a startup company
Governance	Transition to a company with an Audit and Supervisory Committee	• Following the Ordinary General Meeting of Shareholders for the fiscal year ended March 2025, the ratio of external board directors was 67% and the ratio of female board directors was 33%
	Establish the Sustainability Committee, etc.	• In fiscal 2024, meetings were held in May, August, November, and March • Expanded the scope of our human rights due diligence survey of companies that employ foreign technical trainees to 67 companies in fiscal 2024 from 23 in fiscal 2023
	Reduce strategic shareholdings	• Financial Strategies Please see p. 18

Please see the Sustainability Report for environmental measures and data.
Please see p. 37 and the Sustainability Report for measures to increase the value of human capital.
Please see p. 48 for more information on corporate governance, including human rights due diligence.
Please see p. 36 for details on the new post-retirement re-employment system.

Hazama Ando Materiality

Basic Approach to Materiality

Companies are currently being called on to reflect and put in place a framework to manage a "double materiality" approach in their sustainability strategies, identifying material issues from the perspectives of both the positive and negative impacts on society and the environment and social and environmental risks and opportunities related to the company's growth. Hazama Ando has worked to instill awareness of materiality at every level in the Group and have gradually reflected this in our strategies.

Gradually Strengthening Our Materiality Approach

We have been incorporating a double materiality framework in stages since 2019, taking into account not only various initiatives and ESG evaluation methods, but also regularly obtaining feedback from stakeholders and holding periodic meetings with outside experts and sustainability practitioners. We continue to reflect our findings in various financial and non-financial initiatives and performance indicators.

Process of Gradual Strengthening

2019	2020	2021	2023
Reconstructed key strategic themes (materiality) ■ Reanalyzed various social and environmental policies on the basis of double materiality and analyzed various performance indicators to determine the importance of policies - Impact of business on society and the environment (positive and negative impact on society) - Impact on the Group's sustainable growth and differentiation strategies (financial risks and opportunities)	**Stepped up incorporation of financial (ESG) materiality** ■ Formulated long-term vision Hazama Ando VISION2030, began incorporating ESG factors into Medium-Term Management Plan ■ Medium-Term Management Plan 2025 established most important ESG indicators directly linked to business performance	**Formulated core SDGs and key performance indicators as broad common sustainability indicators** ■ Comprehensively prepared performance indicators common to financial (ESG) and CSR strategies ■ Accelerated strengthening of target management and individual disclosure while continuously updating content	**Further strengthened double materiality approach** ■ Comprehensively prepared performance indicators common to financial (ESG) and CSR strategies ■ Aligned ESG and sustainability policy frameworks with financial strategies (see table below)

Hazama Ando's Materiality and Topics about Core Activities

	Key Sustainability Themes (Material Topics Chosen from an Impact Perspective)	Key Management Issues Identified in the Medium-Term Management Plan (Material ESG Topics Chosen from a Financial Perspective)
Materiality 1 Helping to solve social issues and create value for society (S)	■ Achieving the satisfaction of society and customers and earning their trust ■ Working in harmony with the communities we serve ■ Creating safe, comfortable working environments	■ Increasing the value of human capital ■■ Enhancing business growth (reinforcing digital transformation initiatives and operating businesses in a timely manner to adapt to changes in the external environment)
Materiality 2 Protecting and being attuned to the natural environment (E)	■ Creating environmental abundance	
Materiality 3 Promoting sustainable management and taking full responsibility for corporate actions (G)	■ Conducting fair and honest corporate activities ■ Engaging in dialogue with stakeholders	■ Promoting ESG management (strengthening sustainability governance, rigorous compliance)

Particularly Important External Initiatives, Guidance, and ESG Evaluations Referenced

Global Reporting Initiative (GRI) GRI Standards / IFRS Foundation ISSB Standards /
United Nations Sustainable Development Goals (SDGs) and Global Compact / EU European Sustainability Reporting Standard /
Carbon Disclosure Project (CDP) / MSCI ESG Ratings / Task Force on Climate-related Financial Disclosures (TCFD) / SBT Initiative, etc.

Pursuing PDCA in Line with Materiality

In line with our three material issues, we are currently pursuing Group-wide PDCA management of our core SDGs and key performance indicators, which are common financial and CSR indicators.

We updated the content again in July 2024 to underscore the linkage with the Medium-Term Management Plan. Please refer to the Sustainability Report for details.

Priority Core SDGs and Key Performance Indicators

Squares indicate key performance indicators in Medium-Term Management Plan 2025

Material Issues/ Relevant SDGs	Key Sustainability Themes	Core SDGs	Key Performance Indicators	Metrics	Deadline	Results for Fiscal 2024
Helping to solve social issues and create value for society  S	■ Achieving the satisfaction of society and customers and earning their trust ■ Working in harmony with the communities we serve ■ Safe, comfortable working	3	Serious work-related accidents	0 cases	Every year	1 case
			Frequency rate	0.40 or less	2024	0.60
		4	Rate of human rights education and training attendance	100%	Every year	100%
		5	Number of female managers (equivalent to manager class)	60 persons	2025	47 persons
		8	Eight or more closures in four weeks*1 Civil engineering Building construction	 100% 100%	 Every year Every year	 88.1% 83.6%
		8	Employee engagement score	80% or more	2025	77%
		8	Human resources investment	5.5 billion yen increase (compared to fiscal 2022)	2025	5.4 billion yen increase
		8	Number of certified employees	Increase by at least 10%	2025	About 4% increase
		9	Productivity improvement*2	Over 10% (compared to fiscal 2020)	2025	31.4%
		9	Patent applications	75/year	2025	44
		11	Regional development projects	3 or more (over 3 years)	2025	2 cases ongoing
Protecting and being attuned to the natural environment  E	■ Creating environmental abundance	13	Greenhouse gas emission reduction rate (Scope 1 and 2)	At least 34% (compared to fiscal 2017)	2025	35.7%
		13	Greenhouse gas emission reduction rate (Scope 3)	At least 21% (compared to fiscal 2017)	2025	31.5%
		7	Number of ZEB projects	5	2025	21
		7	Scale of renewable energy business development	80 MW	2025	56 MW
		7	Proportion of renewable energy used for electricity	80%	2030	41%
		12	Serious environmental incidents	0 cases	Every year	0 cases
		12	Recycling of construction site waste Civil engineering: Reduction of overall mixed waste volume Building construction: Reduction of mixed waste intensity at new construction projects	 0.76 ton/construction cost (100 millions of yen) 6.5 kg/total floor space (m^2)	 2025 2025	 0.50t 7.7kg
Promoting sustainable management and taking full responsibility for corporate actions  G	■ Conducting fair and honest corporate activities ■ Engaging in dialogue with stakeholders	5	Ratio of female board directors	30% or more	Every year	33.3%
		8	Ratio of external board directors	50% (a majority)	Every year	66.6%
		8	Information security course attendance	100%	Every year	100%
		8	Compliance training attendance	100%	Every year	100%
		8	Number of yearly Sustainability Committee meeting	4	2025	4
		8	Reduce strategic shareholdings	Reduce ratio of market value of shares held (or net assets if unlisted) to total balance sheet amount to less than 10% of consolidated net assets	2025	17.3%

*1 Beginning in fiscal 2024, data is collected for all sites, including those where eight or more closures are unfeasible.
*2 Calculated based on the productivity index of the Japan Federation of Construction Contractors. Based on construction amount per engineer and skilled worker per 8-hour day (completed construction amount/manpower)

Financial Strategies



To realize more stable profits in response to changes in the operating environment surrounding the construction industry, we are aiming to transform the business portfolio to achieve a balance between businesses that generate stand-alone and recurring profit. At the same time, we are seeking to invest aggressively in growth and enhance returns to shareholders, employees, and other stakeholders while securing a sound financial position.

Shinichi Monjugawa
Executive Officer,
Director of Administration Division

Pursuing Management with an Eye to Capital Costs and Share Prices

Each fiscal year, we categorize our business risks and opportunities and take stock of the current context of the Group, including the return on capital. Through results briefings and other disclosure, we seek to inform stakeholders of where we stand, along with progress in our investment plans targeting sustainable growth and in our key measures.

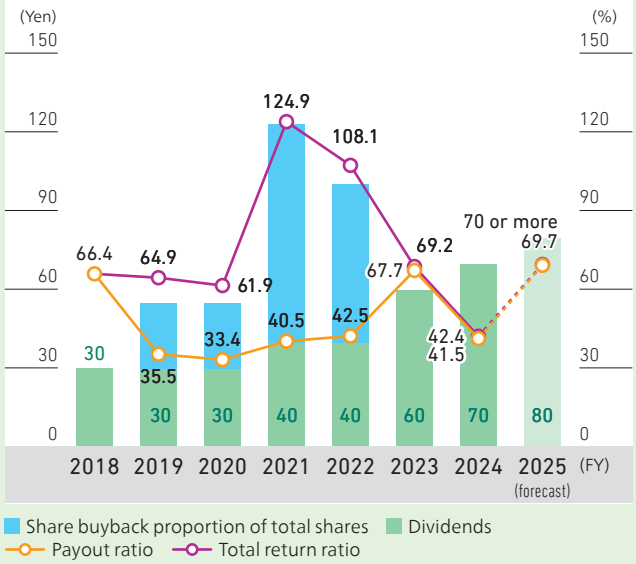
We also emphasize return on equity (ROE) as a way of realizing management that can increase capital efficiency. Medium-Term Management Plan 2025 set ROE that takes into account equity spread as a key performance indicator. As of the end of March 2025, our price-to-book ratio (PBR) was 1.25 times, up from 1.21 times at the end of the previous fiscal year. Although the price-to-earnings ratio (PER) was down year on year, ROE was higher, reflecting a significant increase in earnings.

While continuing to manage the balance sheet, we will make steady headway with the initiatives set out in the Medium-Term Management Plan and manage the business with an awareness of capital efficiency. We will also actively engage in investor and shareholder relations to gain a more in-depth understanding of our business.

Concerning PBR, PER, and ROE

	PBR	≒	ROE	×	PER
End of fiscal 2023	1.21 times		9.4%		13.38 times
			Net profit to sales ratio: 3.5%		
			Total asset turnover: 1.21 times		
			Financial leverage: 2.18 times		
			(Equity ratio: 46.0%)		
End of fiscal 2024	1.25 times ↑		16.3% ↑		8.09 times ↓
			Net profit to sales ratio: 6.2%		
			Total asset turnover: 1.20 times		
			Financial leverage: 2.17 times		
			(Equity ratio: 46.0%)		

Dividends, Payout ratio, Total return ratio



Shareholder Returns

Our basic policy for shareholder returns is to pay consistently stable dividends, taking into consideration business performance, consolidated financial results, future earnings, and other factors.

We plan to pay an annual dividend of 80 yen for the fiscal year ending March 2026, a dividend level we feel we can maintain, taking into consideration factors such as the level of profit and equity going forward and the financial context. Although one of the main performance indicators of Medium-Term Management Plan 2025 is a total return ratio of 70% or more in the plan's final year, the actual payout ratio for the fiscal year ended March 2025 was 41.5%, and we expect this to be 69.7% for the fiscal year ending March 2026.

We also consider share buybacks to be an important measure of shareholder returns and will explore and implement such buybacks while being attentive to improving capital efficiency and further returning profits to shareholders, after comprehensively taking into account growth investments, business performance, and the financial situation.

Strategic Shareholdings

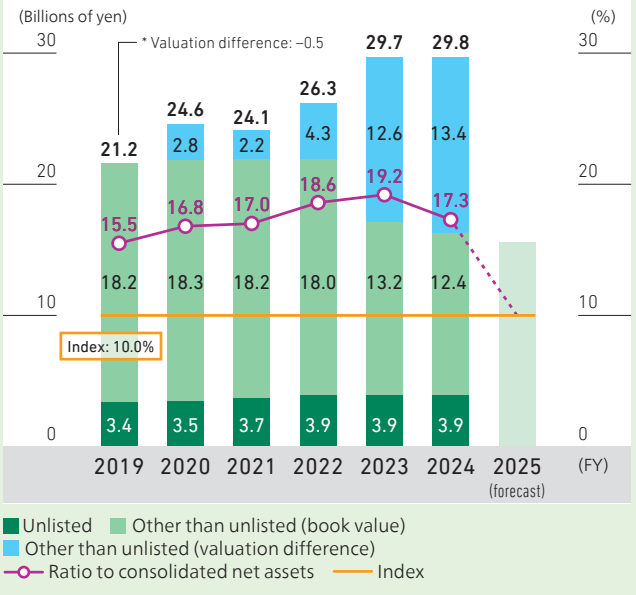
In addition to the objective of receiving income from changes in share value or from dividends related to shares, we position shares that we deem will lead to sustainable growth and enhance corporate value as strategic shareholdings.

Our basic policy is to examine the economic rationality and significance of holding shares from the perspective of capital efficiency as well as maintaining and strengthening relationships with business partners, and to hold such shares only when we recognize the appropriateness of doing so. Our goal is to reduce the ratio of strategic shareholdings to consolidated net assets to less than 10% by the end of the fiscal year ending March 2026, the final year of Medium-Term Management Plan 2025.

For the fiscal year ended March 2025, we reduced our holdings of listed shares by four and our holdings of unlisted shares by six. As a result, although the valuation of the listed shares increased, the ratio of strategic shareholdings to consolidated net assets decreased from 19.2% to 17.3%.

We will continue to draw down strategic shareholdings and use the resulting funds effectively to further promote management that can increase capital efficiency, thereby enhancing corporate value.

Ratio of Market Value of Shares Held to Consolidated Net Assets



Shareholdings



Special Feature: Hazama Ando's Value Creation Story

Having formulated Hazama Ando VISION2030, our long-term vision, we are working to create value. Here we showcase some of our latest achievements.

Case01

Innovation at the Construction Site:

San-En-Nanshin Ikeshima Main Tunnel



- Value created: Customer value | Employee value
- Highlights: Greater efficiency and safety at every stage of construction, successful completion of one of Japan's most challenging tunnel construction projects

We held a ceremony on March 2, 2025 to mark the completion of the 2018 San-En-Nanshin Ikeshima main tunnel construction project (Aokuzure pass tunnel). This was one of Japan's most challenging tunnel construction projects, as about 1,125 meters of the 2,144-meter-long construction consisted of highly fragile, Grade E* ground. Once it opens to traffic, the tunnel is expected to contribute to the development of transportation infrastructure in the San-En-Nanshin region and improve lifelines for the regional community.

Construction Stage 1

Planned use of high-grade steel supports and high-strength shotcrete

After beginning excavation, we used a non-standard, special support pattern for the latter half of the tunnel, in a section about 840 meters into the tunnel. To withstand the heavy earth pressure, we used high-grade steel supports with higher strength than standard supports and rock bolts with around 1.6 times the strength of normal rock bolts, as well as high-strength sprayed concrete, called shotcrete, with twice the strength of standard shotcrete.



Installation of high-grade steel supports

Construction Stage 2

Continuous excavation using rarely used double support method

Even with the use of high-grade steel, the supports were being significantly deformed when there was still 350 meters of tunnel to be excavated. Taking safety and workability into consideration, we decided to switch to double supports, a method rarely used in any region of Japan. This was the first time Hazama Ando had used this method in full-scale construction, but it proved to be the key to conquering the challenges of this tunnel, with construction making smooth headway.



Spraying ultra-high-strength shotcrete

Construction Stage 3

First use of ultra-high-strength shotcrete in a Japanese tunnel

When excavation reached the section near the penetration point where the earth cover was greatest, about 150 meters deep into the tunnel, we employed ultra-high-strength shotcrete developed on-site—the first time for this material to be used in a Japanese tunnel. This shotcrete boasts three times the strength of standard shotcrete and 1.5 times the strength of the high-strength shotcrete used elsewhere.

Even in this challenging environment, we completed excavation without halts, achieving accuracy within about 1 centimeter.

* One indicator used as a guide for tunnel excavation. Ground grades are classified from A to E, with A indicating a relatively stable ground layer. The lower the grade, the more unstable the ground.

Achieving Our VISION2030

Case02

Development and social implementation of Carbon Pool concrete



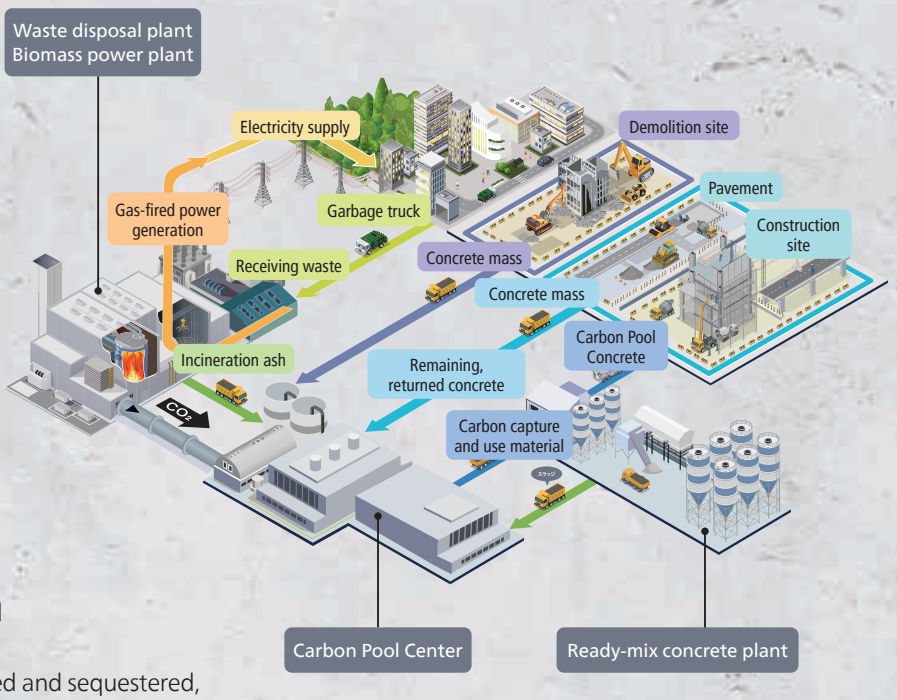
- Value created: Customer value | Environmental value
- Highlights: Pursuit of carbon neutrality in society, cultivation of new competitive strengths

Bringing together 15 companies and organizations, the Carbon Pool Concrete Consortium is a project led by Hazama Ando to pursue the development and social implementation of Carbon Pool concrete*1. The project began in 2022 when it was selected for inclusion in the Green Innovation Fund project administered by the New Energy and Industrial Technology Development Organization (NEDO) to develop technology for producing concrete and cement using CO_2.

Research and collaboration

Use of CO_2 derived from biomass*2

Part of the project involves collaboration with Nippon Steel Engineering, Tokyo's Clean Authority, and other partners, with whom we successfully conducted a trial to capture, absorb, and sequester biomass-derived CO_2 emitted from the incinerators of Tokyo's 23 wards in concrete blocks, which were installed as benches at the Expo 2025 Osaka, Kansai, Japan.



Raising social awareness

Use in Expo 2025 Osaka, Kansai, Japan

Benches and flooring made from Carbon Pool concrete, which absorbs and sequesters CO_2 contained in exhaust gases from biomass power plants, are being displayed and used in the Future City pavilion at the Expo 2025 Osaka, Kansai, Japan, which opened in April 2025. The concrete is also being used in the pavement on the pavilion's exterior. Altogether, a total of 3,171 kilograms of CO_2 was absorbed and sequestered, and we continued to monitor the project throughout the Expo.

Expanding application

Expanding Carbon Pool concrete to a wide range of applications

Carbon Pool concrete manufactured at our first dedicated facility, the Carbon Pool Center Ritto in Ritto, Shiga Prefecture, has been adopted for the concrete pavement of garden paths and some parking lots at LAGO Otsu in Otsu, Shiga Prefecture, a commercial facility we constructed, which opened in March 2025. We are gradually expanding the scope of use for this concrete, aiming to circulate resources within the various regions of Japan, where CO_2 and concrete waste generated in the region are recycled for use in local structures.



LAGO Otsu (garden path)

*1 We are establishing a regional circulation system in which CO_2 and other waste generated during cement firing and other processes are sequestered in concrete-derived industrial waste and reused as concrete material. Furthermore, concrete that uses new technology to maximize and accelerate CO_2 absorption will achieve net-negative carbon output by reducing CO_2 by more than 310 kg-CO_2/m^3, which is more than the amount generated during cement firing and other processes.

*2 Biogenic CO_2 generated from urban waste. CO_2 generated by burning general waste, including paper and food waste, is deemed to have net-zero emissions from the perspective of life cycle assessment, and is thus considered a carbon-neutral resource.



01
Kazuhiko Kuniya
Representative Director and CEO

02
Mieko Kuwayama
External Board Director

03
Katsuhiko Ito
External Board Director (Audit and Supervisory Committee Member)

Reinforcing Hazama Ando's Governance and Pursuing Human Capital Management

The fiscal year ending March 2026 marks the final year of Medium-Term Management Plan 2025. What role have outside directors played in putting this plan in place and achieving its goals? President Kuniya and external board directors Mieko Kuwayama and Katsuhiko Ito sat down to discuss the human capital management initiatives that the Group considers to be a top priority.

Regarding the Effectiveness of the Board of Directors

Kuwayama: I've been serving as an external board director for Hazama Ando since 2018. With the aim of enhancing corporate value and reinforcing the corporate governance framework, in 2023 we transitioned from a company with a board of auditors to a company with an Audit and Supervisory Committee. I feel that discussions at Board of Directors meetings have subsequently become more lively and the quality of our deliberations has improved.

Following the transition, the company reduced the size of the Board, and external board directors now make up the majority of Board members while female directors account for a third of its members. Board members are also diverse, bringing a wealth of knowledge and experience to the table, which I believe has increased the Board's effectiveness.

Ito: I was appointed as an Audit and Supervisory Committee member in the first year of the transition. I serve as an auditor for other companies as well, but as a board director, I take my voting rights very seriously. The Audit and Supervisory Committee does not simply audit legality—we also look at the appropriateness of operations prior to legal considerations, from a social perspective, for example. The company also expects us to play that role.

The company's Board of Directors narrows down its agenda, putting priority on intensive discussions of longer-term management issues. The Group is also implementing strategies decided by the Board in a timely manner.

Kuniya: Previous Board of Directors meetings involved a really large number of agenda items, and it was hard to devote time to anything other than just getting through everything. We've made improvements on this score, establishing a flow in which management issues are discussed and translated into actions, which are then monitored. Major agenda items concern steps that will lead to enhancing corporate value over the longer term and bolstering the Group's appeal. Board meetings also include discussions about measures to improve

the share price as a means of resolving current issues.

We are striving to improve our evaluation of the Board's effectiveness. With the aid of a law firm, we revised the response format and question content of our questionnaire, and held discussions in Board meetings about ways to improve effectiveness.



> “Because external board directors are in a different position than internal board directors, we are able to take a different view of things. So, I try to make decisions while being mindful of keeping my distance from the executive team, and am aware that we act as a bridge between people inside the Group and those on the outside.”

Ito: I feel that if external board directors are too close to the executive team, our impartiality will be clouded. Because external board directors are in a different position than internal board directors, we are able to take a different view of things. So, I try to make decisions while being mindful of keeping my distance from the executive team, and am aware that we act as a bridge between people inside the Group and those on the outside.

Kuwayama: My personal sense is that it is a positive thing that none of the external board directors has a background in the construction industry. Of course, myself and all the other external board directors are working hard to gain knowledge about the Group and about the specific challenges in store for the construction industry. For example, I have read up on Hazama Ando's history to understand the corporate culture, and am also actively trying to glean information from people on the front lines. However, if we focus solely on understanding the Group, we can fail to adequately recognize changes in the global situation and issues occurring in other sectors that could also pose problems for the construction industry. I believe the role of an external board director is to bring new perspectives to bear on business operations.

Kuniya: When we were formulating the current Medium-Term Management Plan 2025, as Director of the Corporate Strategy Division, my focus was on how to overcome weaknesses in the Group. But then our external board directors at the time pointed out that we should focus instead on enhancing Hazama Ando's strengths, and I really took that element on board.

I would like our external board directors to gain a more in-depth understanding of the construction industry and the situation on the ground for the Group. In the fiscal year ended March 2025, we conducted several construction site tours, including of the Tokai No. 2 Nuclear Power Plant where construction defects have caused considerable concern, as well as the Saudi Arabia Pavilion at the Expo 2025 Osaka, Kansai, Japan, among other sites. We also actively hold off-site meetings between myself and external board directors as well as among the external board directors themselves. These also feed into topics of discussion at Board meetings about management issues.



Participation by external board directors in the Women's Forum*.

* An initiative launched in 2016 with the aim of further motivating female employees and continuing to reform and foster a corporate culture in which every employee can thrive.

Human Capital Management

Ito: The biggest move in the Group at present is its efforts in human capital management. President Kuniya, you previously stated that you aim for Hazama Ando to be known as the general contractor that cares the most about its employees. You publicly reiterated this in June 2025, and the Group has now revised its personnel system with the goals of fostering an employment environment where older employees can thrive and realizing diverse working styles. (Changes to the system went into effect in April and July 2025.)

The construction industry faces particular challenges with regard to human resources issues. There's a deeply engrained culture of craftsmanship in the industry, where the norm is to learn by watching and there's a sense of rivalry with the people around you. Coupled with the increasing age of workers, it seems that passing on skills is an especially difficult issue. I've also heard that construction projects have become larger in scale in recent years, which has meant that the work is more difficult and there is a greater division of labor, so there are fewer projects suitable for young employees to gain experience.

Your changes to the personnel system aren't just about making more effective use of senior employees—they also include encouraging younger employees to thrive and expanding your support for a balance between work and

private life. I think you deserve high marks for designing the system to make it easier for younger employees to fulfill their potential. I hope to see you operate a cycle of properly implementing the system, thoroughly measuring its effectiveness, and making further improvements.

Kuwayama: The current labor market in Japan is more fluid than ever, which is why I believe you were compelled to make fundamental reforms to the personnel system. The new system includes measures to improve employee benefits and support the active participation of senior and female employees, which I believe will boost motivation for many employees and enable them to thrive. Down the road, however, we will see a serious decline in Japan's working-age population, and concerns over labor shortages remain. I believe the Group needs to accelerate its digital transformation strategy and its use of AI going forward.



"Having served as a board director for seven years, I know that Hazama Ando is a company that takes the opinions of its external board directors very seriously. Through venues to hold more in-depth discussions, our opinions are reflected in actual management policies and measures."

Kuniya: My sense was that personnel systems in the construction industry, including ours, had put priority on transitioning to the next generation of younger employees and didn't offer sufficient benefits to senior employees. In that sense, I think our reforms to the personnel system break new ground in the industry in Japan.

Currently, around 30% of our employees are mid-career hires. While we continue to take good care of our senior employees, other steps are needed. We did away with the rigid rules of the former system, such as the connection between job title and age and the years of experience required before a promotion, creating a framework that allows outstanding young employees and mid-career hires to fully demonstrate their capabilities in the Group. We also made changes to the system of transfers, which are an inseparable part of the construction industry. While making employee working styles more flexible, we have also provided generous incentives for people who are willing to transfer.

It's easy to say that we are the general contractor that cares the most about its employees, but we will continue to refine the system to ensure that employees are truly content to work for us.

Kuwayama: It's great to see that both the number of female managers and engagement scores are improving year by year, approaching the targets of the Medium-Term Management Plan. I hope you will aim for even greater heights in the next plan. At the same time, family circumstances and values vary between employees, making it hard for a single system to address the concerns of every employee—a tailored response is probably also needed. For example, wouldn't it be helpful to have a framework to pass along the experience, expertise, and wisdom of people who have successfully balanced their careers with family life, and of veteran employees? Also, is there a need for the Group to expand its ability to address employee issues? For instance, a hotline where employees can consult with experienced people about concerns related to work or career that they find difficult to discuss with their superiors or the Personnel Department. This could encourage employees to use these opportunities to devise their own solutions, and support teams in solving problems in the workplace.

Ito: Engagement scores don't tell the whole story. There is a constant need to explore whether employee satisfaction is truly feeding into motivation, and what the source of motivation is. For example, it's possible that the idea that female employees don't want to be transferred may itself represent a bias, so care is needed not to dampen employee motivation by making assumptions. In this sense, I think it's more critical than ever for companies to listen to employee opinions and to create a framework that allows employees to freely express their views to their superiors and to management.

Kuniya: I've recently been sharing my thoughts directly with all employees in "Message from the President" posts on the in-house portal. I've checked the number of views, and it looks like nearly all employees read the posts within two days or so after they go up. Also, starting in the fiscal year ended March 2025, we are pursuing branding measures under the tagline (slogan) "Be a ChangeBuilder." including airing TV commercials and signing a sponsorship contract with a professional athlete, actively seeking to project to the outside world the Group's image as a company that embraces challenges.

Ito: I heard that you decided on the tagline based on an in-house survey. Since employees had a direct hand in coming up with your corporate identity, I'm sure that had definite impact on boosting employee motivation. A company should be accessible to its employees. The mindset of employees changes when a company listens to and incorporates their opinions and supports them in taking on challenges. I believe this is what it means to be a company that cares the most about its employees.

Kuwayama: I hope all of your employees will take pride in their work and assume responsibility as a ChangeBuilder as they embrace new challenges.



Sponsorship activity (new employee tour to support professional race car driver Juju Noda).

Formulating the Next Medium-Term Management Plan

Kuniya: The international situation is constantly in flux, and economic trends are unstable. In this context, the construction industry is subject to extreme volatility, constantly subject to influences in our operating environment. Although we have maintained robust performance over the past several years, the future is uncertain. Hazama Ando VISION2030, our long-term vision, aims to diversify and stabilize earnings by expanding our non-construction businesses. But five or so years have passed since we formulated the vision, and we have yet to achieve the results we initially anticipated. In considering the next Medium-Term Management Plan, we are starting out by addressing fundamental issues, rather than simply extending current measures. However, our most important strategy is unchanged: building on the Group's strengths. Ideally, we want to establish a position in areas of strength that other companies can't emulate.



Ito: It may be that corporate management means continually questioning the strengths of your own company. These strengths can be vague and difficult to grasp, but ongoing efforts to identify them are essential. Another crucial factor for a company is its human resources. If you manage a company in a way that enhances the capabilities of your employees and attracts outstanding talent, it will become an organization that can weather adversity. I believe this is a strength of Hazama Ando. I hope to contribute to the human resources aspect of the Group.

Kuwayama: Having served as a board director for seven years, I know that Hazama Ando is a company that takes the opinions of its external board directors very seriously. This is reflected in its creation of venues to hold more in-depth discussions and in actual management policies and measures. I've found being an external board director very fulfilling, and I feel that this in itself is a strength of the Group.

As a member of the Nomination and Remuneration Committee, I carry out promotion interviews with employees who are approaching top management. All of them are highly confident in the Group's technological capabilities. To translate this confidence into enhanced corporate value, I feel that strategic business selection and venturing into new fields will be themes in the next Medium-Term Management Plan. I believe the Group is being called to formulate a plan that capitalizes on the strengths it wields in its businesses to pursue the sustainable growth and development of the Group and society.

> “Our external board directors pointed out that we should focus on enhancing Hazama Ando's strengths, and I really took that element on board.”

Directors and Audit and Supervisory Committee Members

As of June 27, 2025

Board Directors



Kazuhiko Kuniya
Representative Director and President



Takeshi Komatsu
Board Director and Senior Managing Executive Officer



Masami Fujita
External Board Director



Mariko Kitagawa
External Board Director



Mieko Kuwayama
External Board Director

	Kazuhiko Kuniya	Takeshi Komatsu	Masami Fujita	Mariko Kitagawa	Mieko Kuwayama
Board of Directors Meeting Attendance	15/15	15/15	15/15	15/15	15/15
Nomination and Remuneration Committee ★ Chair	●		★	●	●
Sustainability Committee ★ Chair	★	●	●	●	●

Profile

Kazuhiko Kuniya

April 1988
Joined HAZAMA CORPORATION

July 2018
General Manager of Business Administration Planning Department, President Office and General Manager of Civil Engineering Projects Planning Department, Civil Engineering Division

April 2019
General Manager of Business Administration Planning Department, Deputy Director of Construction Division

April 2020
Executive Officer, Deputy Director of Tokyo Branch

April 2021
Executive Officer, Director of Kanto Branch

April 2022
Managing Executive Officer, in charge of Information, Director of Corporate Strategy Division

June 2022
Board Director and Managing Executive Officer, in charge of Information, Director of Corporate Strategy Division

April 2023
Representative Director and President of the Company (to present)

Takeshi Komatsu

April 1982
Joined ANDO CORPORATION

April 2015
Executive Officer, Director of Kyushu Branch of the Company

April 2018
Executive Officer, Director of Nagoya Branch

April 2019
Executive Officer, Director of Tokyo Branch

April 2020
Managing Executive Officer, Director of Tokyo Branch

April 2021
Managing Executive Officer, Director of Business Development Division

June 2021
Board Director and Managing Executive Officer, Director of Business Development Division (to present)

April 2024
Board Director and Senior Managing Executive Officer, Director of Business Development Division

April 2025
Board Director and Senior Managing Executive Officer, Director of Building Construction Division (to present)

Masami Fujita

April 1980
Joined Fujitsu Limited

June 2012
Representative Director and Vice President of Fujitsu Limited

April 2016
Representative Director and President of Fujitsu Marketing Limited (currently Fujitsu Japan Limited)

June 2017
External Board Director of the Company (to present)

June 2019
President and Representative Director of SHINKO ELECTRIC INDUSTRIES CO., LTD.

June 2021
Chairman and Representative Director of SHINKO ELECTRIC INDUSTRIES CO., LTD.

March 2023
Outside Director of DIC Corporation (to present)

Mariko Kitagawa

May 1999
Joined Tsukishima Soko Co., Ltd.

June 2001
Board Director of Simax Co., Ltd. (to present)

June 2004
Representative Director and President of Tsukishima Soko Co., Ltd. (to present)

June 2007
Board Director of Tsukishima Butsuryu Service K.K. (to present)

June 2017
External Board Director of the Company (to present)

Mieko Kuwayama

April 1970
Joined Shiseido Company, Limited

June 2012
Specially Appointed Professor, Graduate School of Law at Hitotsubashi University

April 2015
Visiting Researcher of Hitotsubashi CFO Research Center (to present)

June 2017
External Board Director of Fujitsu General Limited (to present)

April 2018
Senior Researcher of Business Ethics Research Center (to present)

June 2018
External Board Director of the Company (to present)

Expertise and Experience (Skill Matrix)











Corporate management, management strategy
Sales, marketing
Safety, quality control
Environmental strategy
Technology development, digital transformation strategies
Finance, accounting
Risk management, compliance
Human capital

Board Directors
(Audit and Supervisory Committee Members)



Shinya Miyamori
Board Director
(Full-Time Audit and Supervisory Committee Member)

15/15

●

●

April 1983
Joined HAZAMA CORPORATION
April 2013
General Manager of Finance Department, Administration Division of the Company
January 2016
Deputy Director of Administration Division and General Manager of Finance Department, Administration Division
April 2016
Executive Officer, Director of Administration Division in charge of Disaster Management
June 2017
Board Director and Executive Officer, Director of Administration Division in charge of Disaster Management
April 2018
Board Director and Managing Executive Officer, Director of Administration Division in charge of Disaster Management
April 2022
Board Director and Senior Managing Executive Officer, in charge of Finance, Director of Administration Division in charge of Disaster Management
April 2023
Board Director
June 2023
Board Director, Audit and Supervisory Committee Member (to present)



Harufumi Mochizuki
External Board Director
(Audit and Supervisory Committee Member)

15/15

●

July 2003
Commissioner, Small and Medium Enterprise Agency, Ministry of International Trade and Industry (METI)
July 2006
Commissioner, Agency for Natural Resources and Energy
July 2008
Vice-Minister, Economy, Trade and Industry
June 2012
Independent Director, Hitachi, Ltd.
June 2014
Outside Director, Audit & Supervisory Board Member, ITOCHU Corporation
June 2023
Special Advisor, Tokyo Small and Medium Business Investment & Consultation Co., Ltd. (to present)
June 2023
Outside Director, NEC Corporation (to present)
June 2023
External Board Director, Audit and Supervisory Committee Member (to present)
June 2023
Chairman, Center for Information on Security Trade Control (to present)
June 2024
Outside Director, Chateraise Holdings Co., Ltd. (to present)



Rie Kawaguchi
External Board Director
(Audit and Supervisory Committee Member)

15/15

●

April 1996
Registered as a tax accountant
August 1996
Board Director, Fukuoka M&A Center Co., Ltd. (to present)
February 2003
Passed USCPA exam
May 2004
Board Director, Chikura Shobo Co., Ltd. (to present)
April 2015
Member of Kawaguchi Tax Accountant Office (to present)
June 2022
External Board Director of the Company
June 2023
External Board Director, Audit and Supervisory Committee Member (to present)



Katsuhiko Ito
External Board Director
(Audit and Supervisory Committee Member)

15/15

●

October 2000
Registered as an attorney-at-law, became a member of Tokyo Bar Association
June 2001
Statutory Auditor, Nihon Itomic Co., Ltd. (to present)
April 2008
Member, Legal Trainees Training Committee, Tokyo Bar Association (to present)
January 2011
Member of Judicial Committee, Tokyo Summary Court (to present)
December 2020
Partner, ITN Law Office (to present)
March 2021
Outside Director (Audit and Supervisory Committee Member), Zoom Corporation (to present)
June 2022
Substitute Audit & Supervisory Board Member
June 2023
External Board Director, Audit and Supervisory Committee Member (to present)
April 2025
Executive Director, Kanto Federation of Bar Associations (to present)

*For definitions of each skill, please refer to the following website:
https://www.ad-hzm.co.jp/assets/pdf/en/ir/stock_information/convocation/2025_e.pdf

Note: The above table shows knowledge, experience, and skills particularly expected of each board director and does not indicate all of the knowledge, experience, and skills possessed by each director.
* Masami Fujita, Mariko Kitagawa, Mieko Kuwayama, Harufumi Mochizuki, Rie Kawaguchi, and Katsuhiko Ito are external board directors as stipulated in Article 2, Item 15 of the Companies Act.

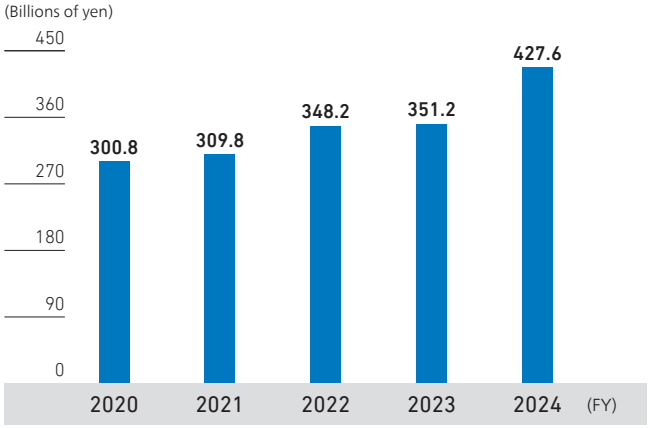
Executive Officers
(other than those who also serve as board directors)

Vice Presidents	Toru Ikegami
	Atsushi Sugao
Managing Executive Officers	Ryutaro Miyagawa
	Hiroshi Sone
	Hiroshi Nakanishi
	Akio Fujimoto
	Hisakazu Gosho
	Yoshihisa Sakai
	Hiroto Iizuka
Executive Officers	Kazutaka Miyazaki
	Takeaki Inoue
	Makoto Kinoshita
	Tadashi Shimizu
	Shinichi Monjugawa
	Hirofumi Taniguchi
	Ichiro Nagai
	Katsuo Endo
	Yukinori Furukawa
	Jiro Kuroda
	Shintaro Motoshige
	Tadashi Kiryu
	Akira Nishio
	Satoshi Matsuno
	Hideaki Taniguchi
	Chihiro Ariga
	Keisei Uehara
	Yusuke Wakayama
	Chikara Ishida
	Shogo Matsuo

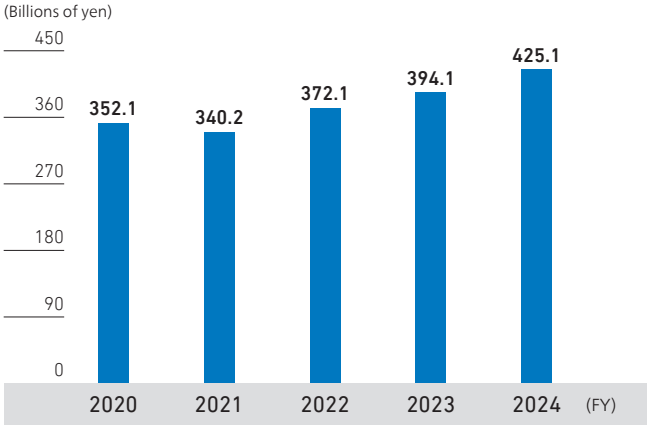
Financial and Non-Financial Highlights

Financial Performance

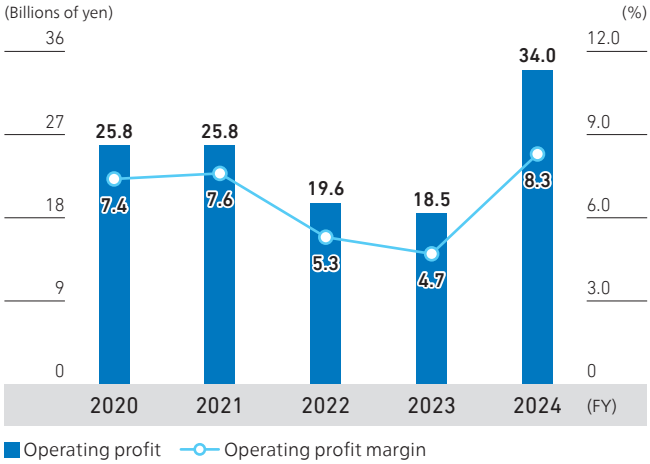
Orders received (non-consolidated)



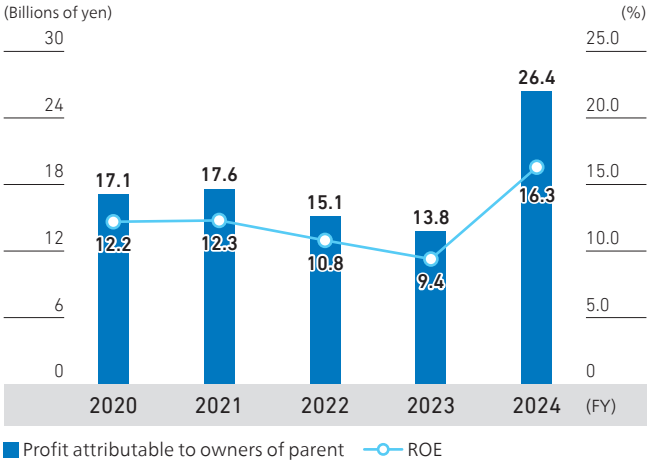
Net sales



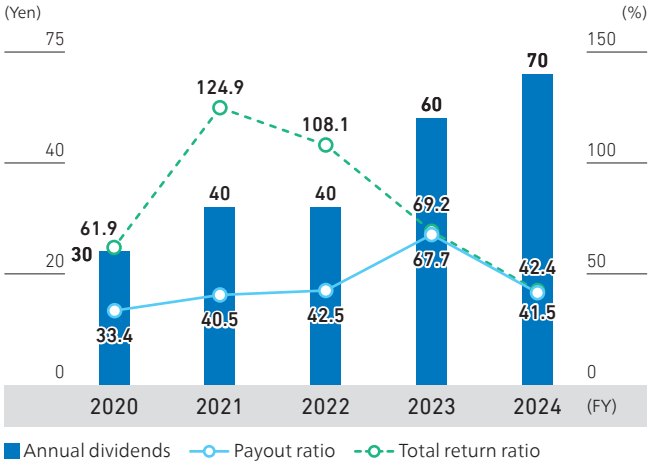
Operating profit, Operating profit margin



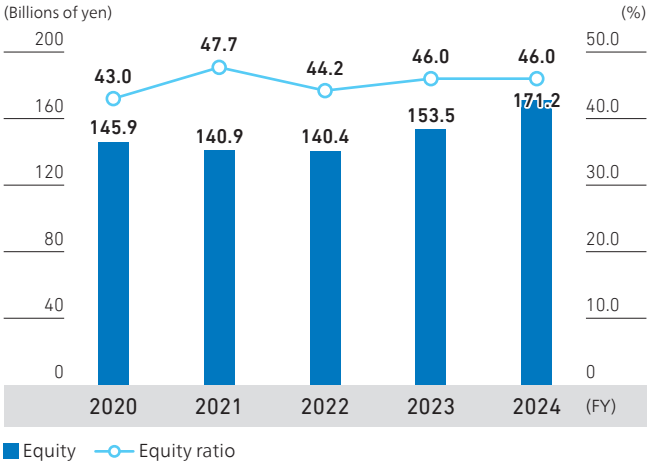
Profit attributable to owners of parent, ROE



Annual dividends, Payout ratio, Total return ratio

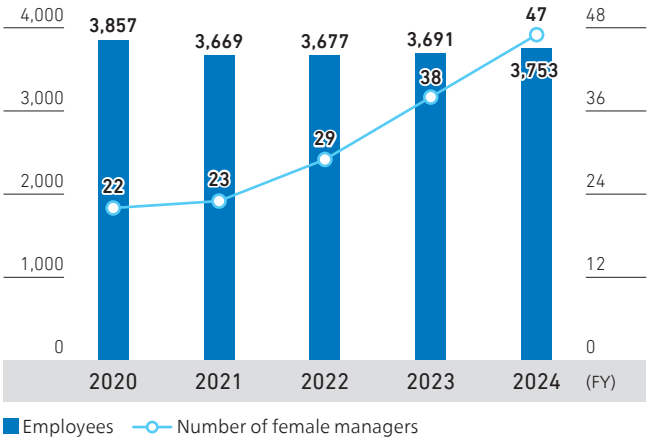


Equity, Equity ratio

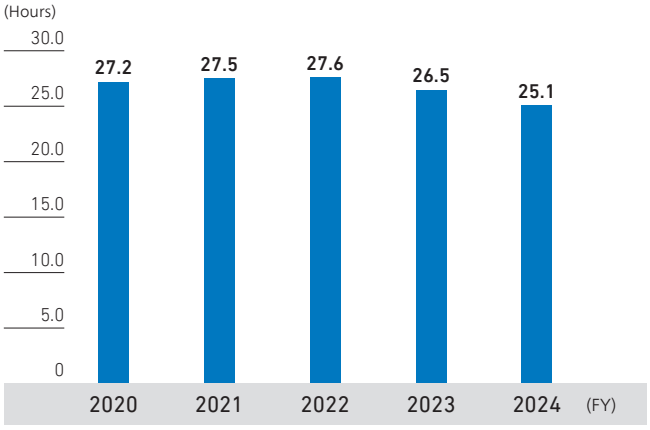


Non-Financial Performance

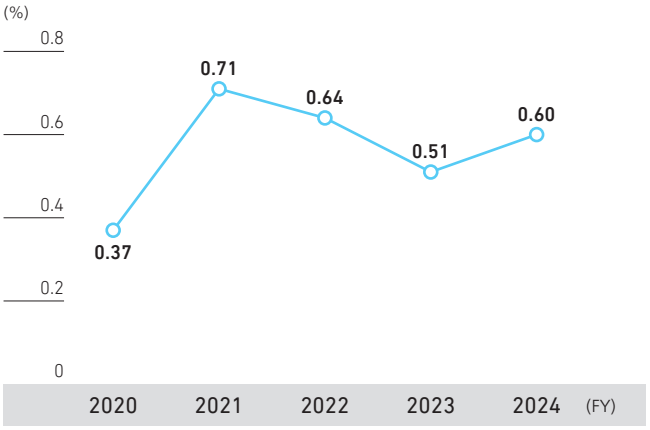
Number of employees (consolidated)/ Number of female managers (non-consolidated)



Average overtime per month (non-consolidated)

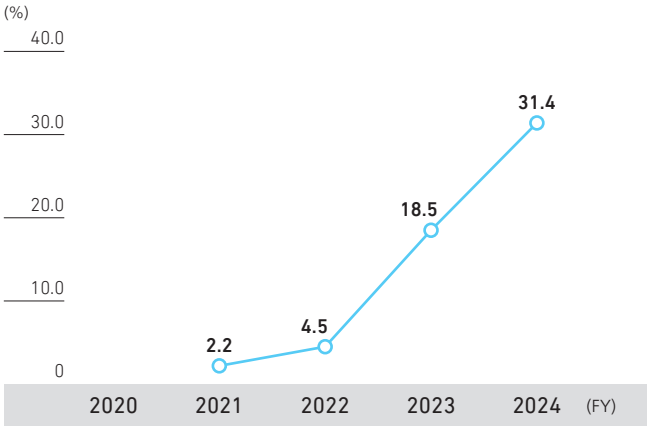


Safety performance (frequency rate) (non-consolidated)



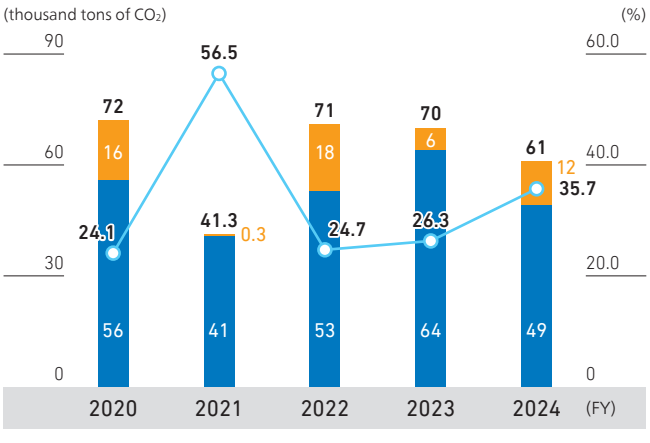
Frequency rate indicates the prevalence of work-related fatalities and injuries per 1 million working hours. Lower values for frequency rate indicate higher safety performance.

Productivity improvement compared to fiscal 2020 (non-consolidated)

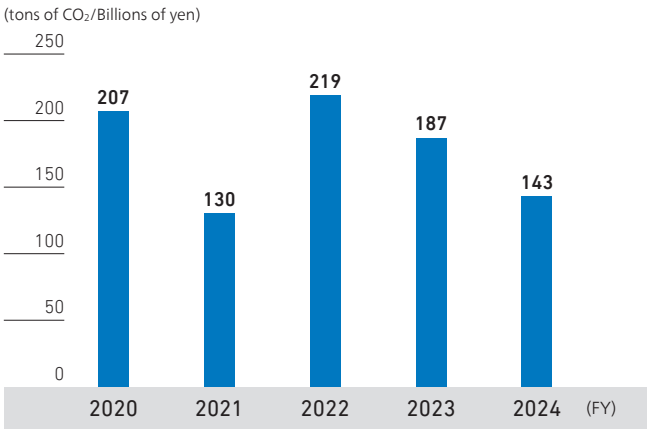


Note: Regarding productivity improvement up to fiscal 2020, civil engineering improved by about 45% and building construction improved by about 44% compared to fiscal 2013, the first year of the Hazama Ando merger (values reported to the Japan Federation of Construction Contractors).

Greenhouse gas emissions (Scope 1 and 2)



Carbon intensity (non-consolidated)



Civil Engineering



Ryutaro Miyagawa
Managing Executive Officer, Director of Civil Engineering Division

Quantitative Indicators

Non-consolidated plan	Fiscal 2024 plan	Fiscal 2024 results	Fiscal 2025 plan
Gross profit on completed construction contracts (profit margin)	19.1 billion yen (15.3%)	**19.7 billion yen (15.0%)**	22.3 billion yen (17.2%)
Net sales of completed construction contracts	125.0 billion yen	**131.2 billion yen**	130.0 billion yen

* Financial forecasts for fiscal 2025 are from the Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

Business Overview for Fiscal 2024 (Year Ended March 2025)

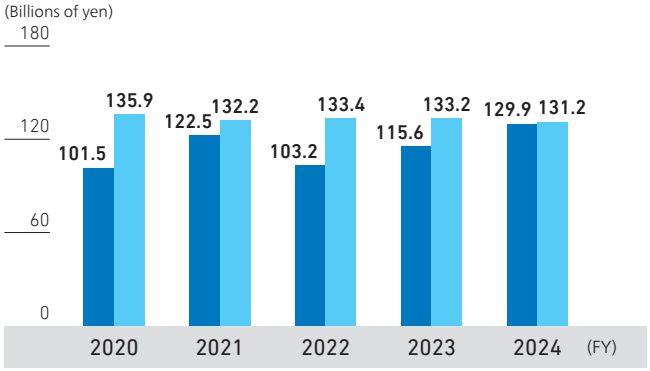
Both government and private-sector construction investment remained brisk in the fiscal year ended March 2025, and we expect a solid order environment for the time being. Various factors warrant ongoing monitoring, however, including the rising costs of construction materials, energy, and labor, labor shortages, and developments in U.S. policy.

In this business environment, ongoing construction at civil engineering projects in Japan progressed more or less in line with expectations, and both net sales of completed construction contracts and gross profit on completed construction contracts have maintained a certain level of profit.

We will continue to reinforce actions to win orders that emphasize profitability and productivity, working to maintain and expand orders centered on urban, mountain tunnel, and power civil engineering projects, areas in which we boast industry-leading strengths and a record of accomplishments. At the same time, we will accelerate the development and on-site deployment of construction automation and labor-saving technologies, pursuing productivity gains and reforms to working styles.

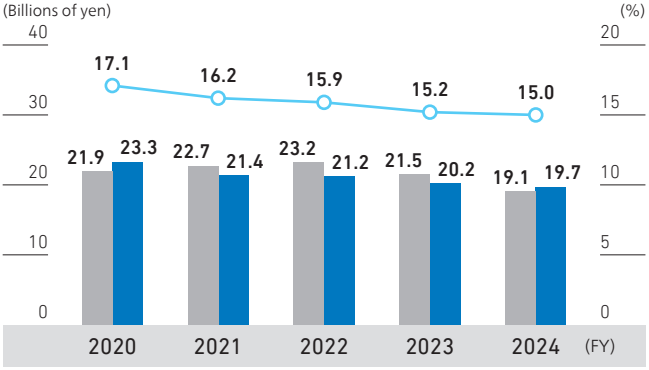
In the area of large-scale, highly challenging construction projects, while continuing to operate the Thoroughly Commit to Quality Project launched in the fiscal year ended March 2024, we established a new Project Assessment Office to conduct risk assessments for all planned projects from a perspective that is independent of the business lines to further strengthen our project management capabilities. We have also assigned experienced experts from construction and technology departments as support staff for various projects. By thus reinforcing our organizational monitoring and support framework, we are striving to rigorously manage risks after receiving an order and to prevent risks from materializing, placing top priority on safety and quality.

Orders received, Net sales of completed construction contracts (non-consolidated)



Orders Net sales of completed construction contracts
* Graphs include overseas Civil Engineering business

Gross profit on completed construction contracts, Construction gross profit margin (non-consolidated)



Gross profit on completed construction contracts (forecast)
Gross profit on completed construction contracts
Construction gross profit margin

Civil Engineering

Market Trends and Management Resources to Be Deployed

Market Trends

Firm trends in public investment
Growth in public and private investment in the renewal and decarbonization business sectors

- While the market for new government offices is expected to remain flat, the market overall will remain stable (increase in disaster prevention and mitigation, national land resilience, and defense-related projects)
- Renewal business growth in line with aging infrastructure (renewal of highways as well as water and sewage facilities)
- Market growth toward carbon neutrality by 2050 (work in various areas including the shift to hybrid dams, decarbonization and replacement of thermal power plants and in the steelmaking, chemicals, and other manufacturing sectors, and the resumption of operations at nuclear power plants)

Management Resources to Be Deployed

- Track record and technological superiority in high-difficulty urban civil engineering construction (including shield and large-scale excavation work)
- Wealth of experience in mountain tunnel construction; possession of digital technology-based automated and advanced integrated mountain tunneling management system (i-NATM®) technologies
- Extensive construction experience in the field of power engineering (dams and power plants)
- Extensive construction experience in water and sewage facility renewal construction
- Possession of specialty technologies (including radiation waste treatment technology, large cross-section non-excavation technology: wing joint segment method)
- Precast concrete plants held by the Group (three locations with a manufacturing capacity of 150,000 cubic meters per year)
- Construction framework and systems in collaboration with technically reliable and competent partner companies
- On-site support framework and systems built on experienced technical departments at head and branch offices

Technical

Technical Information

Joint Development of AI-Based Roadheader Equipped with Debris Loading Function for Mechanical Excavation

We continue to refine our integrated mountain tunneling management system (i-NATM®) in an effort to significantly increase productivity in mountain tunnel construction. In a new phase of development, we jointly developed an AI-based roadheader with Mitsui Miike Machinery Co., Ltd. Equipped with earth collection and discharge functions, the roadheader enables automated and remote excavation for use in mechanical excavation methods.

Mechanical excavation typically requires operators of heavy machinery to work for long stretches of time in environments where dust is generated. Automating this work is thus important not only in terms of saving labor but also from the perspectives of safety and the environment. We aim to put the new roadheader to work in an actual mountain tunneling project in the fiscal year ending March 2026, further refining our automated excavation capabilities.



AI-based roadheader.

Impact

Activity Highlight

Underground Tunnel Construction to Help Address Issues such as Water Pollution and Drought

Kasumigaura Ishioka water delivery tunnel (first work area)

We excavated and built the Ishioka tunnel, part of the Lake Kasumigaura water tunnel project, using a slurry shield method for the first section spanning the Ibaraki and Mito shafts, which has a total length of around 3,800 meters.

The Lake Kasumigaura water tunnel project has several objectives: purifying the water quality of Lake Kasumigaura and Lake Senba, ensuring necessary river levels, and making effective use of water. It seeks to achieve these objectives by connecting the downstream section of the Naka River with Lake Kasumigaura and with the downstream section of the Tone River via underground tunnels. We made use of a variety of technologies in the construction, including developing segment supply equipment for the tunnel face and automating the operation of a battery-powered transport vehicle inside the tunnel.



The inside of the completed tunnel.

Building Construction



Takeshi Komatsu
Board Director and Senior Managing Executive Officer,
Director of Building Construction Division

Quantitative Indicators

Non-consolidated plan	Fiscal 2024 plan	Fiscal 2024 results	Fiscal 2025 plan
Gross profit on completed construction contracts (profit margin)	26.3 billion yen (10.5%)	**37.2 billion yen (14.3%)**	30.7 billion yen (11.8%)
Net sales of completed construction contracts	250.0 billion yen	**261.4 billion yen**	260.0 billion yen

* Financial forecasts for fiscal 2025 are from the Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

Business Overview for Fiscal 2024 (Year Ended March 2025)

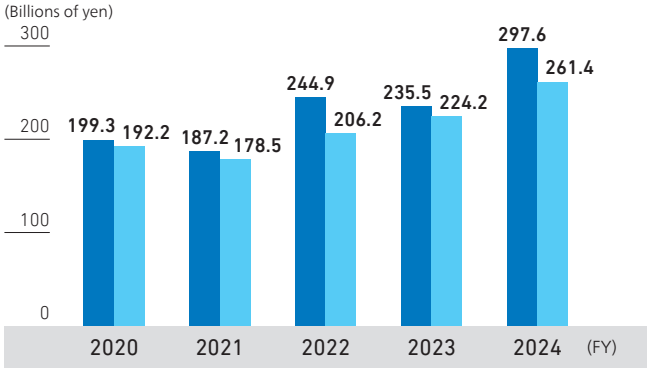
Private-sector companies evinced a firm desire to invest in capital equipment in the fiscal year ended March 2025, and we saw a solid trend of both government and private-sector construction investment. In terms of construction materials, while unit prices of both rebar and steel frames trended downward from the previous year, prices of concrete prices remained high, and the situation in general was unstable. Regarding labor costs as well, we continue to receive directives from the Ministry of Land, Infrastructure, Transport and Tourism to raise labor costs for public works projects.

In this business environment, we were able to secure higher profits on large-scale ongoing construction projects, achieving the highest construction gross profit margin since our merger in 2013.

As in the fiscal year ended March 2025, we will continue to pursue an approach of accepting orders with an emphasis on profitability, strategically selecting projects.

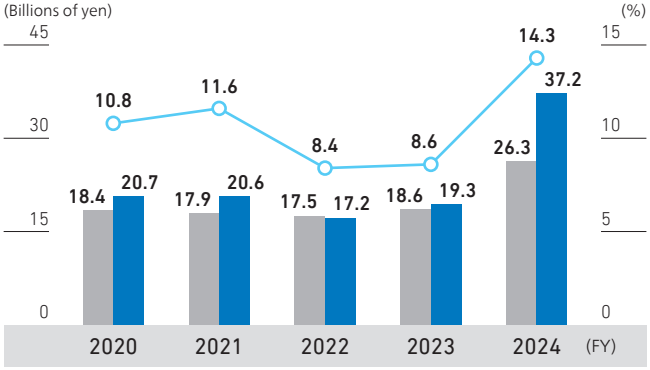
Furthermore, we will continue to develop the Building Construction business with a strong focus on quality, while honing our technological capabilities with a view to front-loading the construction workflow by reforming production processes through the more widespread use of BIM technology, capitalizing on ICT and AI to deploy efficient construction techniques, and providing high added value through life cycle support.

Orders received, Net sales of completed construction contracts (non-consolidated)



Orders Net sales of completed construction contracts
*The graph includes overseas building construction business

Gross profit on completed construction contracts, Construction gross profit margin (non-consolidated)



Gross profit on completed construction contracts (forecast)
Gross profit on completed construction contracts
Construction gross profit margin

Building Construction

Market Trends and Management Resources to Be Deployed

Market Trends

Private-sector investment is expected to firm. We will closely observe the impact of global conditions, uncertainty surrounding the future of financial markets, and rising materials and energy prices

- Favorable order environment for new construction projects
- Manufacturing industry exhibiting a return to domestic operations from an economic security perspective
- Renewal market expected to experience continued growth
- Market growth toward carbon neutrality in 2050 (diversification of needs, including environmentally friendly technology)

Management Resources to Be Deployed

- Continued stream of orders from leading existing customers
- Existing mechanisms that prioritize profitability in projects and initiatives
- Possession of and implementation track record for a diverse range of environmentally friendly technologies
  - ➡ New life cycle assessment method-based environmental impact assessment technology for buildings
  - ➡ Environmental proposal capabilities based on energy management technologies, including solar power generation PPA business
  - ➡ Net-ZEB and ZEH-M Oriented certification track record
- Precast concrete plants held by the Group (three locations with a manufacturing capacity of 150,000 cubic meters per year)
- Ability to address customer needs in the life cycle support business

Impact

Activity Highlight

Construction of Pavilion Symbolizing the Kingdom of Saudi Arabia at the Expo 2025 Osaka, Kansai, Japan

Saudi Arabia Pavilion

The Saudi Arabia Pavilion was the second largest pavilion at the Expo 2025 Osaka, Kansai, Japan. Its design was inspired by traditional urban structures in Saudi Arabia.

The pavilion entailed 18 structures spread out across the site, all connected by walkways. Exterior walls of the buildings were made of "desert white" marble, which is produced in the Kingdom of Saudi Arabia.

Despite an extremely tight construction schedule, we employed BIM and other technologies in pursuit of reproducing perspective, completing the construction of a pavilion that reflects the history and culture of the Kingdom of Saudi Arabia.



Exterior of the pavilion (evening view). Photo: SS Co., Ltd.

Constructing a New, Environmentally Friendly Headquarters in a Location with Deep Roots

Nikon Global Headquarters / Innovation Center

We constructed this new headquarters building in the neighborhood of Nishi-Oi in Tokyo's Shinagawa Ward, where Nikon Corporation has had a base for over a century. The building is environmentally friendly, boasting an exterior design that provides outstanding insulation from sunlight.

Site conditions for this project were extremely challenging, including a site elevation difference of more than five meters, a narrow construction yard, and restrictions on surrounding roads. Construction also required meticulous planning, including the adoption of large eaves that protrude about 19 meters out from the fourth floor and the use of a 14-meter precast floor slab to create a large open space. Through this construction, however, we were able to help the customer lay a foundation for sustainable growth.



Front of the new headquarters building. Photo: SS Co., Ltd.

Overseas Operations

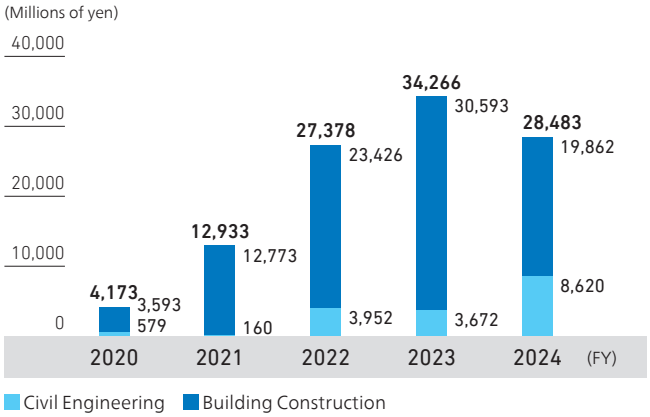
Contributing to the development of various countries with an extensive track record and network

Overseas, Hazama Ando's Civil Engineering business is responsible for exporting infrastructure and technology to developing countries, primarily through Overseas Development Assistance (ODA) projects. Our overseas Building Construction business boasts a wealth of experience in the construction of production facilities for Japanese- and foreign-affiliated clients in Asia and North America.

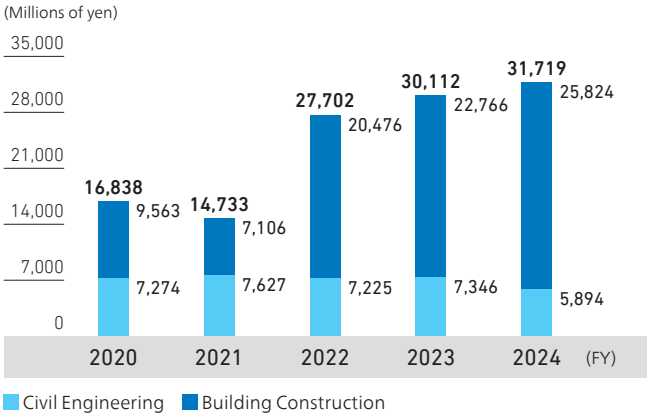
In the fiscal year ended March 2025, we received orders for multiple ODA projects in the Civil Engineering business, while the Building Construction business saw ongoing demand for production facilities from Japanese companies in North America. For overseas operations as a whole, orders received were down 16.9% year on year to 28.4 billion yen, while net sales on completed construction contracts increased 5.3% year on year to 31.7 billion yen. We will continue to develop strategic business activities in the fiscal year ending March 2026, with an eye to project volume and profitability, while closely monitoring the impact of U.S. trade policy on construction investment, further pursuing activities that contribute to the development of each country in which we operate.

Overseas Operations:
Orders received, Net sales on completed construction contracts (Civil Engineering and Building Construction)

Orders received



Net sales on completed construction contracts



Overseas Civil Engineering Projects

Developing facilities to improve water supply services in Nepal

Pokhara Water Supply Improvement Project

This aim of this project was to improve water supply services in Pokhara, Nepal's second largest city, by improving the city's water facilities. The city had faced issues such as a lack of proper water treatment and chlorine injection, and the frequency of water supply varied depending on the area. The project involved improving facilities to improve both the quality and frequency of water supply.

It took five and a half years to lay approximately 98 kilometers of pipe in steep mountainous areas and in the city's busy urban areas. However, we were able to weather the pandemic and other challenges that arose during the construction period and get the project done.



Aerial view of the water purification plant

Overseas Building Construction Projects

Construction of a coil center in Mexico specializing in the processing of high-grade electrical steel sheets

Nippon Steel Trading Coil Center in Mexico

Specializing in the processing of high-grade electrical steel sheets (high-performance materials used in the motor cores of electric vehicles), this coil center will serve as a new base for supplying the North American market, which is experiencing the rapid electrification of automobiles. We designed and built the center in Mexico's Lintel Industrial Park, where the supply chain for electric vehicle motors is concentrated.



Nippon Steel Trading Coil Center Mexico S.A. de C.V.

Pursuing Open Innovation

Guided by Hazama Ando VISION2030, we are actively pursuing initiatives to enhance the value creation capabilities of the Group while helping to bring about a sustainable society. In part, this entails improving and streamlining our operations by capitalizing on outside specialized technologies through collaboration with various companies in different industries. The following are some initiatives for the fiscal year ended March 2025.

Joint Development of *Chikuzo*, a Dedicated App Aimed at Eliminating Work-Related Accidents at Construction Sites

We have jointly developed *Chikuzo*, an app for use at construction sites, with the application platform provider Yappli. The app aims to make safety and quality education more efficient and speed up the sharing of information, thus reducing the risk of work-related accidents and improving work efficiency.

We converted safety and quality training content into videos and incorporated this along with in-house safety rules and accident case studies into the app. The result is an environment where construction management expertise and other information required at construction sites can be quickly and easily accessed.

As of May 2025, almost all workers on our construction sites are using the app. According to in-house research, the number of work-related accidents among skilled workers within 30 days of starting work at a site dropped by 27% in the year before and after the introduction of *Chikuzo*.

Going forward, we will continue to incorporate more content specializing in safety and quality training into the *Chikuzo* app, aiming to achieve zero workplace accidents by enabling better knowledge and information sharing among on-site employees.

Configuration of *Chikuzo screen*



Launch of Joint Development of *N-Pass*, a Training Solution for New Construction Workers

In collaboration with IT solution provider L is B Corp., we have developed *N-Pass*, a training solution for new construction workers. To make training more efficient, we have tied the solution to Knowledge Video, a video-sharing service for businesses, with the aim of shortening the overall training period while reducing the number of needed training staff and streamlining their workload.

N-Pass enables us to provide workers with a consistent training framework, from viewing training videos to taking comprehension tests and issuing certificates of completion. Also, by linking *N-Pass* to the business chat service *direct*, we have developed a solution that allows staff at construction sites to share the status of comprehension tests.

We found that the rollout of this solution not only cut the burden on training staff in half, but also lessened the burden on new construction workers themselves.

Use of *N-Pass*



SOCIAL

Materiality 1

Helping to solve social issues and create value for society

Relevant SDGs



Key Sustainability Themes

- Achieving the satisfaction of society and customers and earning their trust
- Working in harmony with the communities we serve
- Creating safe, comfortable working environments

Ongoing Monitoring and Strategic Actions to Address Risks and Opportunities

We are seeing ongoing moves in various regions to build disaster prevention and mitigation technology and national resilience into infrastructure and to develop regional communities, encompassing the construction of manufacturing, commercial, and logistics facilities. In addition to safety and resilience, customers look for high-quality construction approaches that help achieve carbon neutrality, longevity, and greater convenience. In meeting such demands, in addition to considering the surrounding environment, an increasingly critical management issue is building mutually beneficial relationships with the people with whom we work.

Hazama Ando is committed to accelerating the pace of high-quality construction that meets customer expectations while ensuring that our business activities are in harmony with the communities we serve. We aim to be a company that employees can take pride in. The key to achieving this is to actively invest in and train employees, as well as promote women's participation in the workforce, reform working styles, and improve employee engagement scores. These are the various KPIs set out in our Medium-Term Management Plan 2025, and we work continually to make improvements in these areas.

Key Performance Indicators, Achievements for Each SDG

Squares indicate key performance indicators in Medium-Term Management Plan 2025

Core SDGs	Key Performance Indicators	Metrics	Deadline (FY)	Fiscal 2024 Results
3	Serious work-related accidents	0 cases	Every year	1 case
	Frequency rate	0.40 or less	2024	0.60
4	Rate of human rights education and training attendance	100%	Every year	100%
5	Number of female managers (manager class or higher)	60 persons	2025	47 persons
8	Eight or more closures in four weeks*1 – Civil Engineering – Building Construction	100% 100%	Every year Every year	88.1% 83.6%
	Employee engagement score	80% or more	2025	77%
	Human resources investment	5.5 billion yen increase (compared to fiscal 2022)	2025	5.4 billion yen increase
	Number of certified employees	Increase by at least 10%	2025	About 4% increase
9	Productivity improvement*2	Over 10% (compared to fiscal 2020)	2025	31.4%
	Patent applications	75/year	2025	44
11	Regional development projects	3 or more (over 3 years)	2025	2 cases ongoing

*1 Beginning in fiscal 2024, data is collected for all sites, including those where eight or more closures are unfeasible.
*2 Calculated based on the productivity index of the Japan Federation of Construction Contractors. Based on construction amount per engineer and skilled worker per 8-hour day (completed construction amount/manpower)

Impact

Activity Highlights

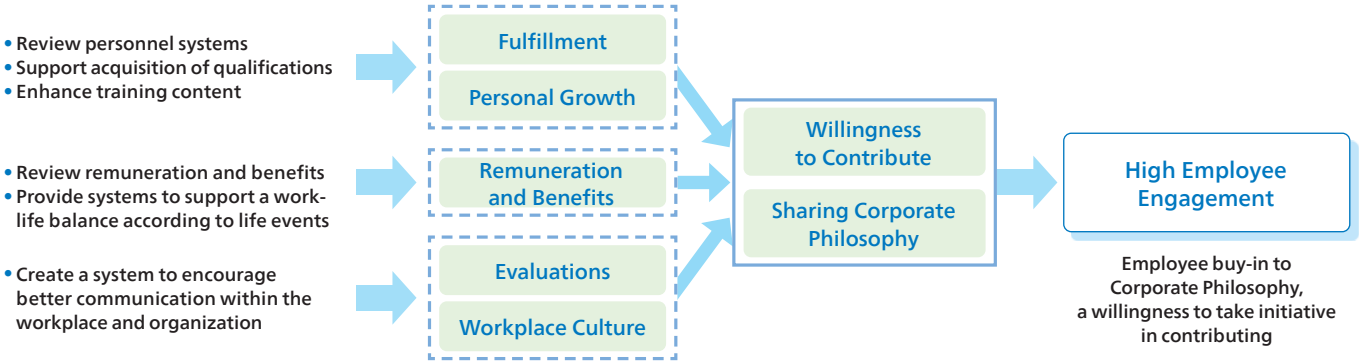
Employee Engagement Status

Medium-Term Management Plan 2025 has set employee engagement as a performance indicator. We survey employees in seven categories related to engagement—1. willingness to contribute, 2. sharing the Corporate Philosophy, 3. sense of fulfillment, 4. personal growth, 5. evaluations, 6. remuneration and benefits, and 7. workplace culture—and use the rate of positive responses to these categories as the employee engagement score (the KPI is an engagement score of 80% or more).

Employee engagement scores have shown marked increases in the category related to workplace culture—this score has risen every year, from 72% in the fiscal year ended March 2022, the first year of the current Medium-Term Management Plan, to 75% in the fiscal year ended March 2023 and 77% in the fiscal year ended March 2024.

We will continue to focus on the following areas to further improve employee engagement.

1. Review various personnel systems to ensure that employees of all ages are highly motivated and find fulfillment in their work. Support employees seeking qualifications and enhance training content.
2. Review remuneration and benefits according to employees' abilities and roles. Provide systems to support a work-life balance according to life events such as childcare, nursing care, and medical treatment.
3. Create a system to encourage better communication within the workplace and organization.



Introducing a New Post-Retirement Re-Employment System

For the Group to achieve sustainable growth, it is essential not only to develop younger employees early on but also to enable experienced employees (aged 60-64) to continue to play an active role.

We are revising our previous post-retirement re-employment system in the fiscal year ending in March 2026 to enable employees who reach the mandatory retirement age to continue to take pride in and derive fulfillment from their work. The previous system included a lower remuneration level after mandatory retirement; we have revised this to ensure continuity between personnel systems before and after retirement. In July 2025, aiming to increase employee engagement, we revised our personnel systems to further improve working conditions, including increasing wages, continuing and expanding support for employees in developing skills, addressing increasingly diverse attitudes toward job transfers, and enhancing various support measures to promote a balance between work and private life.

Going forward, we will continue to strive to be the company in the construction industry that cares the most about its employees, and will invest in human capital and take various steps to realize the well-being that we place at the center of our human resources strategies.

	Measures
Revising salary levels for senior employees	• Made salary levels before retirement and after re-employment equivalent (nationwide system and for employees appointed to managerial positions). • Considering diverse working styles, including employees caring for family members or for other reasons do not wish to be transferred outside the region, made in-region working styles the norm (allowances are equivalent to employees who transfer outside the region).
Discontinuing mandatory retirement age for managers and establishing new positions	• Discontinued the mandatory retirement age for managers so that employees can be appointed as managers regardless of age. • Created new two new positions: Meisters (people with highly advanced specialized knowledge and experience) and Senior Advisors (people responsible for developing successors).

For details on the revisions to our personnel systems, please refer to the Sustainability Report.

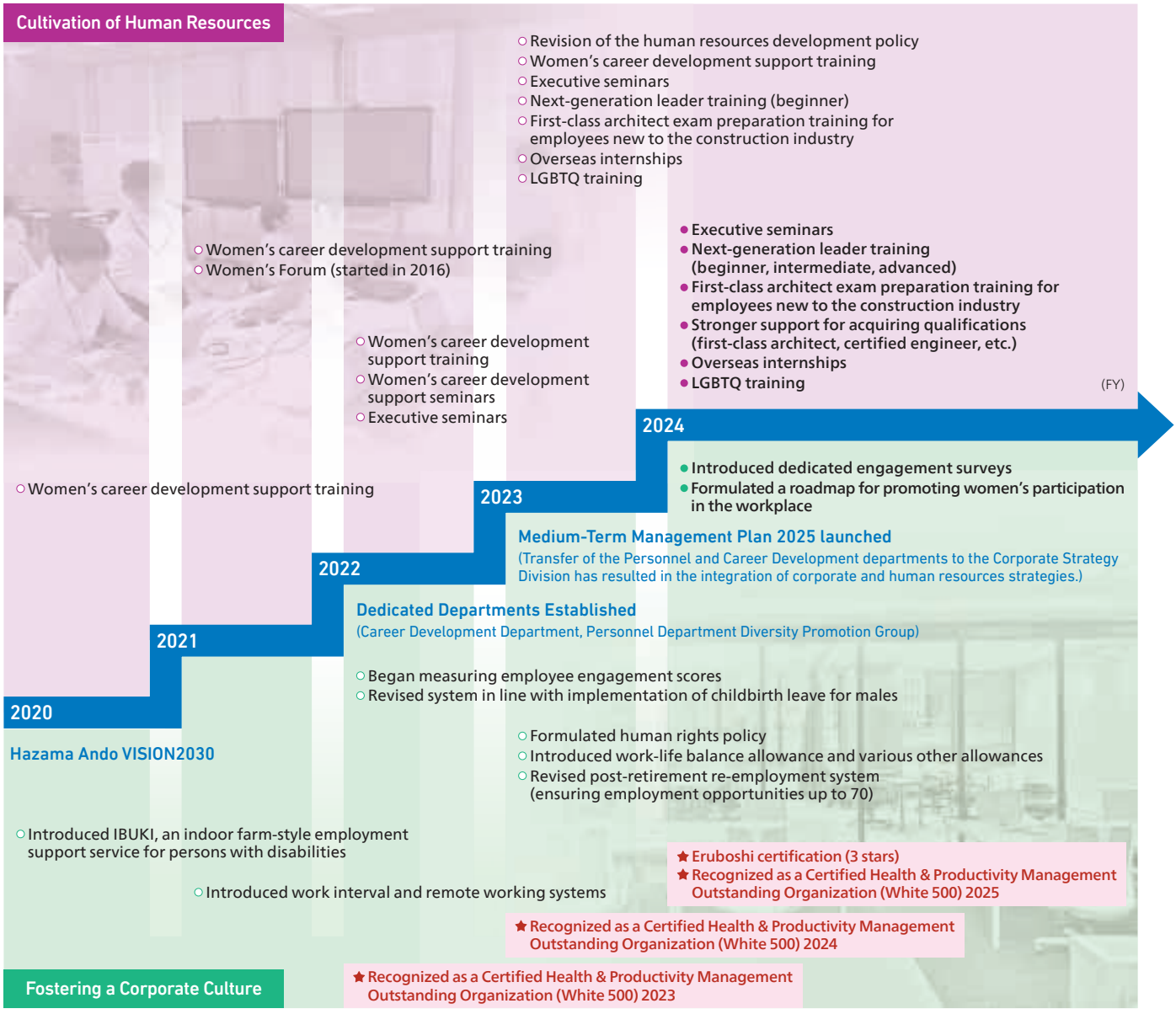
Increasing the Value of Human Capital

To increase the value of human capital, we have promoted measures that enhance the Company's appeal and contribute to increased employee engagement, including establishing a highly credible personnel evaluation system, raising remuneration levels, strengthening support for the further career development of employees, and realizing diverse work styles. At the same time, we are strengthening the management foundation by securing diverse human resources and maximizing employee value and, as a Group-wide performance indicator for the fiscal year ended March 2025, have set an employee engagement score of at least 80% in terms of positive responses to questions related to engagement in an employee survey.

Human Resources Development Policy

Developing human resources is a pursuit that involves everyone in the Group. All employees are called to hone their own abilities and expertise and take an active part in developing human capital across the organization. Based on this recognition, in April 2023 we revised the human resources development policy first formulated at the time of the merger in 2013. This policy will guide our efforts to create employee value as laid out in Hazama Ando VISION2030 as we seek for the Group and employees to grow together.

Sustainability Report 2025
Guidelines for human resources development



Hazama Ando's Personnel Development: Employees and the Group Growing Together

The Group guidelines for human resources development call for fostering an organizational culture in which diverse human resources can be motivated to live up to their potential and take on challenges for the sake of society. We actively provide opportunities for individuals to enhance their potential. While on-the-job training remains the core of our human resources development, since the establishment of our Career Development Department as a specialized department, we have also prepared a broad menu of off-the-job training programs to complement on-the-job training, reinforcing our efforts to cultivate employees.

To quickly equip new employees for the job, new recruits undergo several months of training at the Technical Research Institute under the guidance of experienced in-house instructors, gaining hands-on practice in nearly all construction processes, including assembling scaffolding, ordering materials and equipment, and placing concrete. Every year, younger employees in their 20s take part as instructors in this training program, building trust with the new hires they give guidance to. After that, the young employees act as mentors for the new employees, acting as helpful advisors and providing solid support for the employees' growth.

In addition to training measures for all employees, we provide training for select employees. Starting in the fiscal year ended March 2023, we have focused on developing leaders who will drive the company forward. Taking a long-term view of employee development, we are implementing programs to bring out and refine the capabilities of the next generation of leaders across a wide range of job positions, from top management to young employees. Part of these efforts involve the introduction of overseas internships, which aim to broaden employees' knowledge and experience and tie into future career advancement. Working on-site overseas for several months gives employees a valuable opportunity to discover the appeal of working abroad and discover new growth challenges.

Furthermore, we have established a new elective training system that allows diverse personnel to selectively pursue the training they need to meet their growth challenges. Under the term "free learning," we have also strengthened support for self-learning, such as studying to obtain qualifications or study English. By allowing employees to come forward for these opportunities, we aim to foster a culture in which employees take the initiative in their learning and in embracing new challenges.

Training Programs

	Program	Participants
By job position	Training for all new employees	New employees
	Basic management training	Newly promoted staff (group leader class)
	Intermediate management training	Newly promoted staff (manager class)
	Advanced management training	Newly promoted person (division manager class)
	New manager training	Newly appointed officers (division managers)
	Regional management training	Newly promoted staff (regional positions)
By job type	Specialized training	All employees
By area	Integrity, compliance, safety, diversity, information security, digital transformation, etc.	All employees
Selective training	Next-generation leader training	Selected employees
Self-directed learning	Selective training, English study, study to obtain qualification, etc.	Employees who apply

Support for Obtaining Qualifications

The Medium-Term Management Plan 2025 sets out increasing the number of people holding qualifications as a performance indicator of improvement to the value of human capital. We are reinforcing various forms of support in this area.

To support employees in obtaining first-class architect qualification, in the fiscal year ended March 2024, we started providing training to help new employees in the Building Construction area get qualified. We provide end-to-end support, from the written exam to the drafting exam, allowing employees to focus on obtaining qualification. We also have a system in place to subsidize the costs of employees attending schools to get qualified.

We have an ongoing support program for engineers, helping them to obtain qualifications by providing exam guidance, subsidizing the costs of outside courses, and holding in-house study sessions. Furthermore, we have established a Group-wide support system in which each candidate is assigned an in-house certified engineer as a supervisor who follows up on various requests for advice.

In this way, we are honing the technical capabilities of the Group by helping employees acquire specialized knowledge through qualifications, take on the challenge of addressing social issues, and contribute to continuous development.

Taking Advantage of Diverse Personnel

We are creating working environments where diverse personnel can draw on their individuality and enjoy their work regardless of nationality, gender, age, disability, or other difference.

In addition to realizing fair and open hiring practices, we have established a promotion system to reward employees who demonstrate stronger performance on the job.

For the foreign nationals we employ in Japan, we support their Japanese language learning and encourage networking with other foreign employees to help them demonstrate their full potential.

We also support a balance between work and home life. We have introduced our own work-life balance support system and put out handbooks on childcare support and long-term care to gain greater understanding of Group initiatives.

We will continue to work to foster an environment in which both men and women can work and raise a family without anxiety.

Capitalizing on Diverse Personnel

	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	**Fiscal 2024**
Employees taking childcare leave: male (percentage)	8 (13.6%)	17 (18.3%)	17 (26.6%)	29 (46.0%)	**37 (66.1%)**
Employees taking childcare leave: female (percentage)	13 (100%)	15 (100%)	15 (100%)	22 (100%)	**15 (100%)**
Returnees after childcare leave	9	16	16	13	**17**
Users of reduced working hour system	33	26	43	55	**55**
Job return applications	0	0	0	0	**0**
Employees rehired after retirement (percentage)	58 (90.6%)	52 (83.8%)	57 (82.6%)	60 (92.3%)	**80 (89.9%)**
Foreign employees	54	50	47	45	**39**
Employees with disabilities (including special disabilities)	45 (22)	50 (22)	52 (22)	53 (21)	**55 (21)**
Average length of employment: male (years)	18.9	18.8	18.8	19.0	**18.8**
Average length of employment: female (years)	11.1	11.5	11.7	11.9	**11.9**
Percentage of full-time female employees (to all employees)	12.9%	13.3%	14.2%	14.9%	**15.3%**
Percentage of women among new graduate hires (full-time)	9.6%	18.7%	20.5%	25.0%	**18.2%**
Percentage of female employees (new graduate and mid-career hires) among new hires (retirement employees)	12.9%	21.1%	25.4%	19.3%	**16.0%**
Ratio of women in management positions*	1.6%	1.7%	2.2%	2.9%	**3.5%**

* Assistant manager (equivalent to manager class) or above

T O P I C S

Encouraging Male Employees to Take Childcare Leave

Comment from an Employee on Taking Childcare Leave

Yohei Saito, Civil Engineering Department, Sapporo Branch

My wife gave birth to our second child while I was on assignment away from home. I wanted to alleviate the physical and mental burden on her and also thought I could also serve as a model for junior colleagues who might wish to take childcare leave in the future, so I took advantage of the childcare leave system for male employees for around a month after my wife came back from spending three months with her parents after giving birth.

I am currently still working at the construction site as an electrical engineer, but by letting the site manager and other colleagues know that I intended to take childcare leave soon after my wife settled in back at home, I was able to take leave without any concerns. I could do this even though I was the only electrical engineer on the site, thanks to a well-planned and thorough handover and the support of my colleagues.

I can normally only help out with childcare on weekends when I'm home from my work assignment. So, during childcare leave, I took care of all the childcare and housework tasks other than breastfeeding. It drove home for me how hard taking care of children is on my wife. It was also a valuable period in which I was able to see the growth of my eldest son up close.

Having taken childcare leave and experienced for myself how hard it is to take care of young children, I really want my junior colleagues to take the full three months of childcare leave after their child is born, and I am more strongly committed than ever to helping them do so.



Yohei Saito taking childcare leave

Average number of days of childcare leave taken by men ▶ **42.3 days / Fiscal 2024 result**

Prevention of Work-Related Accidents and Safety Performance

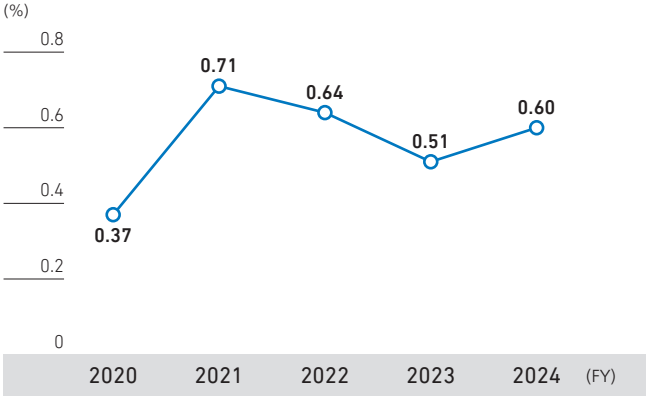
Occurrence of Work-Related Accidents

The number and frequency of work-related accidents remained roughly flat.

In the fiscal year ended March 2025, a relatively large number of accidents occurred while using construction machinery, including hoists. The most common cause of the accidents was unsafe behavior, such as instinctively reaching out to catch a suspended load or stepping into the path of a moving machine.

Even with the installation of measures to prevent entry and protective equipment, it is important to go back to basics to further prevent such unsafe behaviors. Our Group Health and Safety Slogan involves three aspects: point-out and call-out safety confirmation, follow the rules and work safely, and "Check!" Pointing out and calling out hazards enables workers themselves to recognize the risk of accidents, and can be expected to help prevent careless behavior. We will redouble our efforts to thoroughly instill these behaviors.

Safety performance (frequency rate)



Frequency rate indicates the prevalence of work-related fatalities and injuries per 1 million working hours. Lower values for frequency rate indicate higher safety performance.

Safety Patrols

Inspectors from the head office regularly conduct safety patrols, in which they check whether the Group's 10 Safety Steps to Avoid Repetitive Accidents are being observed. In addition, critical elements, such as work procedures and the construction framework, have been divided into 16 major categories to guide the inspections.

Furthermore, we are working to enable more accurate safety patrols by setting themes to focus on depending on the season and context, such as heatstroke in the summer and public disasters at construction sites where vital infrastructure is concentrated.

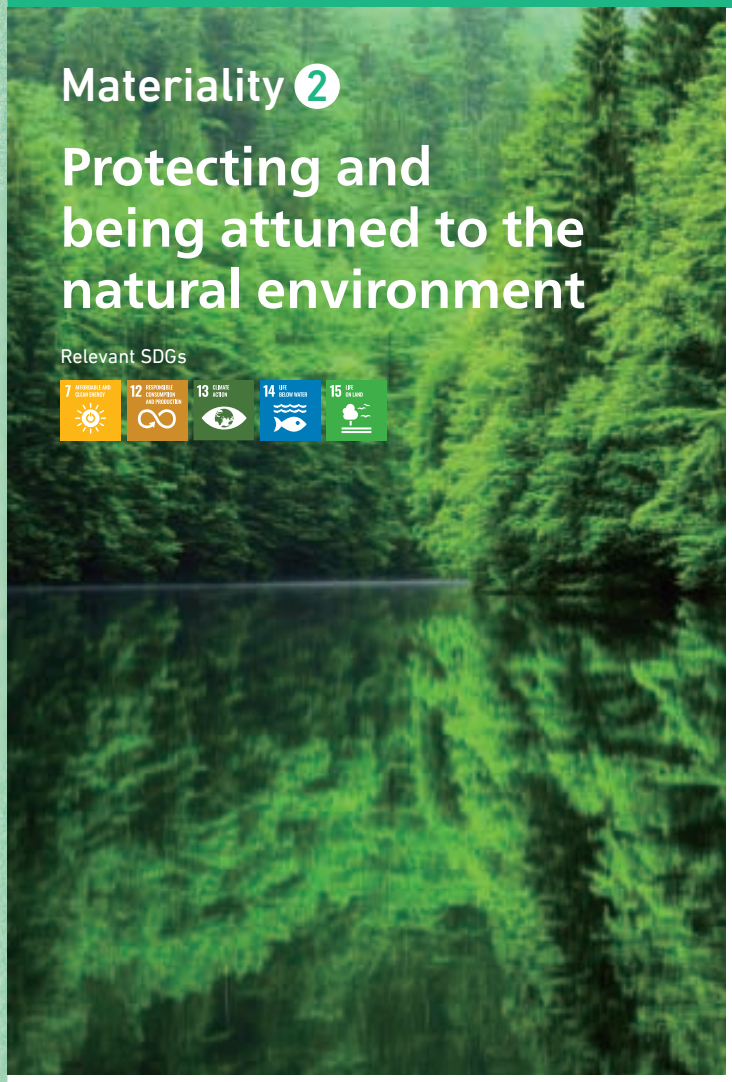
Since it is difficult to go directly on patrol to overseas construction sites, we confirm Group safety standards by using web cameras to conduct remote patrols via live broadcast at the site.

Safety Training

In regular group training sessions, in addition to reviewing basic rules and regulations, we also hold group discussions to consider how to prevent accidents from recurring by referring to recent accident case studies, incorporating the ideas of other people.

We also hold video-based and remote training, and are aiming to provide more visually impactful, memorable training by using virtual reality and digital signage.

ENVIRONMENT



Materiality 2

Protecting and being attuned to the natural environment

Relevant SDGs

Key Sustainability Themes

■ Creating environmental abundance
(responding to climate change, building a circular society, preserving biodiversity)

Ongoing Monitoring and Strategic Actions to Address Risks and Opportunities

Hazama Ando is pursuing environmentally oriented management by means of our own internal environmental management approach and construction that offers superior environmental performance. Addressing climate change in particular has become an issue of urgent concern. In this regard, we have set the reduction of greenhouse gas emissions and the development of a renewable energy business as performance indicators in our Medium-Term Management Plan 2025 and are moving ahead with strategic initiatives to address these issues. Amid current strong calls to systematically pursue carbon neutrality across supply chains, we are fostering accountability by implementing and disclosing these activities in accordance with external guidance and initiatives, such as SBT, RE100, and CDP, as well as the TCFD recommendations.

In building a circular society, in addition to appropriate waste management and recycling, we are also taking action to protect biodiversity.

By steadily carrying out these environmental management activities and creating environmental value, we are helping to protect the natural environment.

Key Performance Indicators, Achievements for Each SDG

Squares indicate key performance indicators in Medium-Term Management Plan 2025

Core SDGs	Key Performance Indicators	Metrics	Deadline (FY)	Fiscal 2024 Results
13	Greenhouse gas emission reduction rate (Scope 1 and 2)	At least 34% (compared to fiscal 2017)	2025	35.7%
	Greenhouse gas emission reduction rate (Scope 3)	At least 21% (compared to fiscal 2017)	2025	31.5%
7	Number of ZEB projects	5	2025	21
	Scale of renewable energy business development	80 MW	2025	56 MW
	Proportion of renewable energy used for electricity	80%	2030	41%
12	Serious environmental incidents	0 cases	Every year	0 cases
	Recycling of construction site waste – Civil engineering: Reduction of overall mixed waste volume – Building construction: Reduction of mixed waste intensity at new construction projects	0.76 ton/construction cost (100 millions of yen) 6.5 kg/total floor space (m^2)	2025 2025	0.50 tons 7.7 kg

Strategy

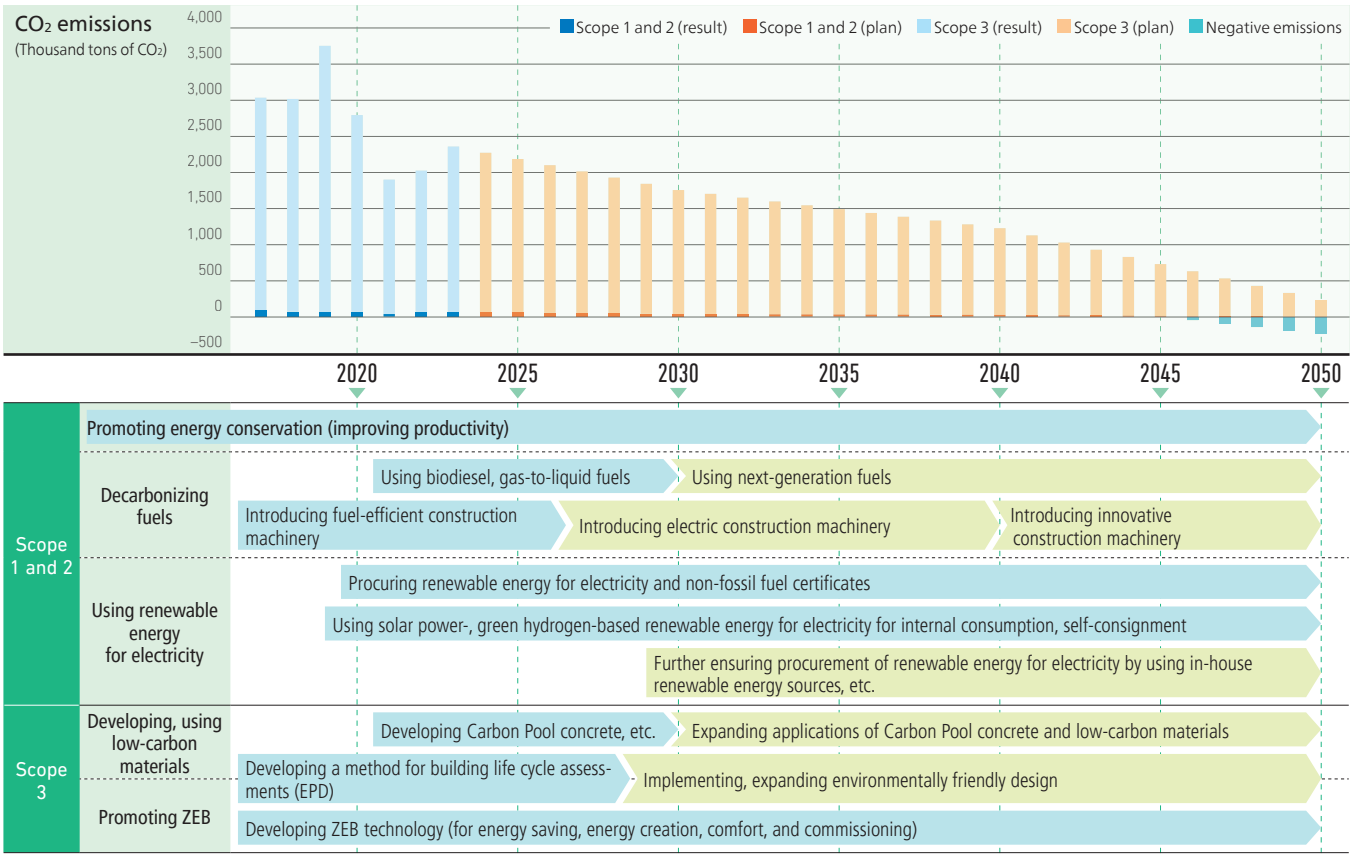
Strategic Highlights: Accelerating Decarbonization Strategies

Formulating, Disclosing a Roadmap toward Achieving Carbon Neutrality in Our Business Activities

Medium-Term Management Plan 2025 includes our commitment to become carbon neutral by 2050, and we have formulated and disclosed a roadmap for attaining this goal.

We will update the roadmap as necessary to reflect changes in social conditions and technological innovation, with the aim of making our business activities carbon neutral.

Hazama Ando's Roadmap to Carbon Neutrality



Greenhouse Gas Emissions Reduction Target Updated to 1.5°C Level, SBT Certification Re-Acquired

The Group's newly established greenhouse gas emissions reduction target for 2030 was recognized as being at the 1.5°C level, which aims to limit the rise in global average temperature to 1.5°C above pre-industrial levels. As a result, the Group re-acquired certification from the Science Based Targets (SBT) Initiative in December 2024.

In December 2019, the Group had set a WB2°C target, a science-based target for limiting the rise in global average temperature to "well below 2°C" above pre-industrial levels, receiving certification from the Science Based Target (SBT) Initiative. Given the recent acceleration of efforts to achieve carbon neutrality by 2050, however, we increased the target to 1.5°C.



In Detail

Select Environmental Data

For more detailed data, please see the Sustainability Report.

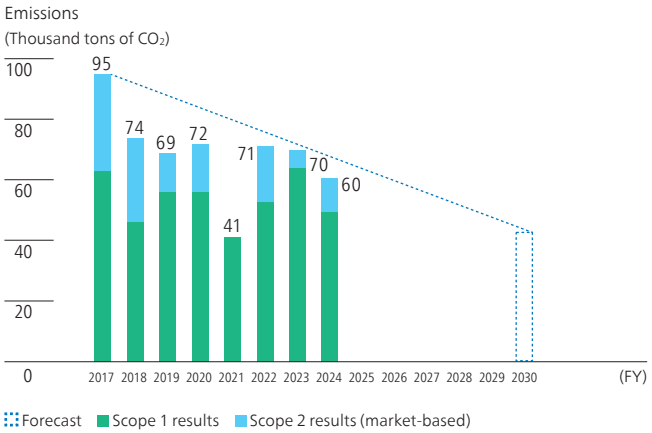
Greenhouse Gas Emissions and Use of Electric Power from Renewable Energy Sources in Fiscal 2024 (Group total for the period from April 2024 to March 2025)

The table below shows the Group's greenhouse gas emissions and the ratio of electric power from renewable energy sources in the fiscal year ended March 2025. We will continue to pursue measures to meet our targets in helping address global warming issues. We also obtained third-party assurance from SOCOTEC Certification Japan regarding greenhouse gas emissions (Scope 1, 2, and 3) and energy consumption for the year.

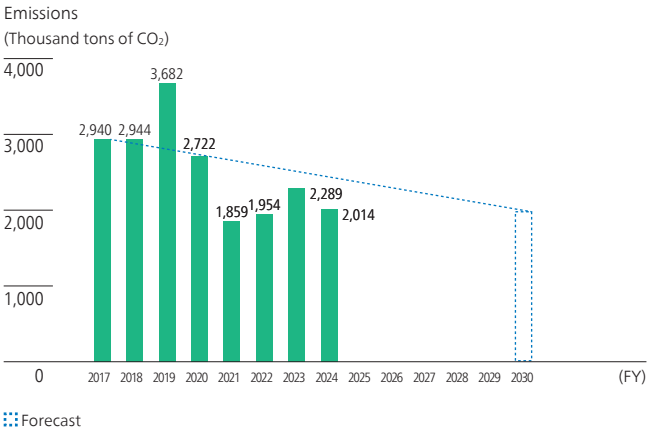
Category		Unit	Fiscal 2017 (base year)	Fiscal 2023 (previous year)	Fiscal 2024
GHG	Scope 1	Thousand tons of CO_2	63	64	49
	Used internally		—	—	15
	Used by partner companies		—	—	33
	Scope 2 (location-based)		31	22	19
	Scope 2 (market-based)		32	6	11
	Scope 1 and 2*1		95	70	60
	Scope 3*2		2,940	2,289	2,014
	(1) Purchased goods and services		810	756	928
	(1)-1: Main materials such as ready-mixed concrete, office supplies		541	506	654
	(1)-2: Purchased civil engineering and construction services		270	250	274
	(2) Capital goods		14	38	20
	(3) Fuel- and energy-related activities (not included in Scope 1 or Scope 2)		6	13	11
	(4) Upstream transportation and distribution		34	25	23
	(5) Waste generated in operations		50	1	6
	(6) Business travel		1	0	1
	(7) Employee commuting		1	1	1
	(11) Use of sold products		1,932	1,431	1,005
	(12) End-of-life treatment of sold products		91	23	20
	(13) Downstream leased assets		0	0	0
RE100	Electricity usage	MWh	60,707	54,861	48,506
	Electric power from renewable energy*3	MWh	—	37,424	20,081
	Ratio of electric power from renewable energy	%	—	68	41

*1 Scope 1 and Scope 2 are market-based values.
*2 (8) Upstream leased assets, (9) Downstream transportation and distribution, (10) Processing of sold products, (14) Franchises, and (15) Investments are not applicable and are not included in the above calculations.
*3 Includes only renewable energy electricity that meets RE100 standards.

Progress in Scope 1 and 2 targets



Progress in Scope 3 targets



Impact

Activity Highlights

Biomass Power Plant in Kagawa Boasts One of Japan's Largest Power Generation Output Capacities

Hazama Ando established Sakaide Biomass Power LLC through a joint investment with Shikoku Electric Power, Tokyo Gas, erex, Shinko Denso, and Sakaide Yusengumi. This limited liability company built the Sakaide Biomass Power Plant, which launched commercial operations on June 2, 2025.

This project involved the construction of a 75MW biomass power plant, one of the largest in Japan, on a 4.4-hectare site in the port area of the city of Sakaide in Kagawa Prefecture, on the island of Shikoku. The plant boasts an annual power generation capacity of around 530 million kWh (equivalent to the annual electricity consumption of roughly 170,000 households), and is expected to yield an annual reduction of around 220,000 tons of CO_2. We were also responsible for the civil engineering and building construction work for the plant.

Going forward, we will continue to contribute to the stable supply of electricity, the prevention of global warming, and the realization of a carbon-neutral society through this project.

Name	Sakaide Biomass Power Plant
Location	Hayashida-cho, Sakaide City, Kagawa Prefecture
Operating company	Sakaide Biomass Power, LLC
Investors	Shikoku Electric Power (36%), Hazama Ando (20%), Prominet Power (wholly owned subsidiary of Tokyo Gas, 15%), erex (14%), Shinko Denso (10%), Sakaide Yusengumi (5%)
Power generation output	74,950kW (annual power generation: approx. 530 million kWh)
CO_2 reduction	Approx. 220,000 tons per year
Fuel used	Wood pellets (approx. 320,000 tons per year)



Sakaide Biomass Power Plant

Hazama Ando's Technical Research Institute Re-Acquires Ikimono Symbiosis Business Office® Certification

Hazama Ando is pursuing initiatives to protect the natural environment and biodiversity to bring about nature positivity. As part of this, our Technical Research Institute in the city of Tsukuba in Ibaraki Prefecture is taking action to help to protect biodiversity conservation. The fruits of its efforts have been recognized: In February 2025, the institute was once again given Ikimono Symbiosis Business Office® certification by the Association for Business Innovation in harmony with Nature and Community.

The Institute received a higher score in this latest re-certification, reflecting the expanded scope of its initiatives and the higher quality of its green spaces compared to when it was initially certified in February 2022. Among its efforts to help protect biodiversity through the management of green spaces, the Institute received perfect scores in three areas.

1. **The Institute has green spaces that contribute to biodiversity in harmony with the surrounding environment**
   - It selected tree species making up surrounding green spaces in consideration of the local ecosystem
   - It incorporated flowering and fruit-bearing plants in consideration of the habitats and migration routes of creatures
2. **The Institute conducts maintenance and research in consideration of the local ecosystem.**
   - It made improvements to further increase biodiversity through the greening of walls and other green space renovations
   - It continuously conducts bird monitoring surveys and attempts to visualize the mechanisms of the ecosystem
3. **The Institute has a system in place for cultivating personnel who will protect biodiversity.**
   - It has set aside personnel to continuously work to protect biodiversity
   - It provides environmental education every year as part of new employee training



Creatures found around Hazama Ando's Technical Research Institute

Our Group Environmental Policy includes the call to take actions to protect, restore, and create biodiversity to help bring about a society that coexists with nature. Going forward, we will continue to steadily take action to realize nature positivity, with the aim of passing on an abundant natural environment to future generations.

TCFD Recommendations

Having declared its support for the Task Force on Climate-related Financial Disclosures (TCFD) in August 2021, Hazama Ando has been making disclosure based on the recommendations since the following October.

Note: Updated in August 2025

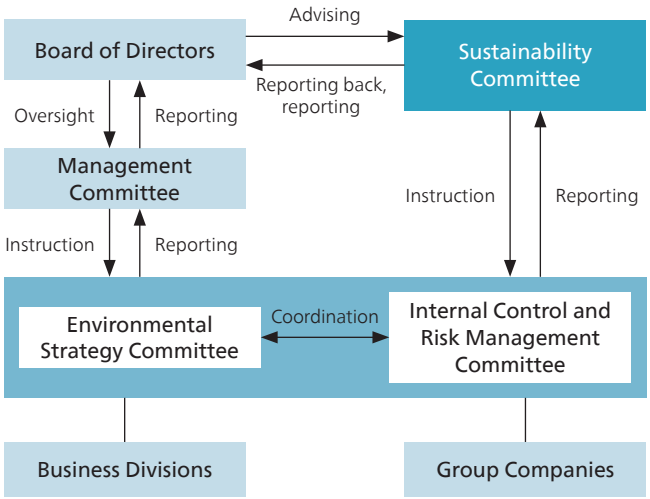
Task Force on Climate-related Financial Disclosures (TCFD)

Governance

Governance Framework for Managing Risks and Opportunities Stemming from Climate Change

- The Environmental Strategy Committee deliberates on risks and opportunities arising from climate change. The committee includes representatives from the business divisions and other executives. Meeting four times a year, members seek to identify risks and opportunities, analyze potential impact should they materialize, and consider measures in response. Results of deliberations are reported to the Board of Directors through the Management Committee.
- The Internal Control and Risk Management Committee examines and deliberates on the management of risks that may significantly impact business, including climate change. Their findings are reported to the Board of Directors after being discussed at the Sustainability Committee. The committee is working with the Environmental Strategy Committee to address risks arising from climate change.

Organizational Framework for Addressing Climate Change



Climate Change-Related Risks and Opportunities Identified through Scenario Analysis, Financial Impact on Our Businesses

- We are carrying out scenario analysis for 2030 and 2050, assuming 1.5°C, 2°C, and 4°C future temperature increase scenarios

Climate change-related risks and opportunities that affect Group businesses and their respective degree of impact

Risks

Category	Risk type	Risk factors	Financial impact on the Group if the risk materializes	Degree of impact	
				4°C scenario	1.5°C to 2°C scenario
Transition risk	Policy and legal	Introduction of carbon pricing	**Increase in material procurement costs due to the introduction of carbon pricing**	—	Large
			Higher materials procurement costs due to the introduction of carbon pricing	—	Large
Physical risks	Chronic	Rise in average summer temperatures	**Lower productivity of construction workers due to heat stress**	Large	Medium
			Higher costs of measures to respond to health hazards (heat stroke, etc.) for skilled construction workers	Small	Small
	Acute	Increasing severity and frequency of natural disasters	**Higher materials procurement costs due to supply chain disruptions; higher labor costs and construction site costs and delays due to damage at construction sites**	Medium	Small

Opportunities

Category	Opportunity type	Opportunity factors	Financial impact on the Group if the opportunity materializes	Degree of impact	
				4°C scenario	1.5°C to 2°C scenario
Opportunity	Energy source, market	Use of decarbonized energy sources	**Higher investment in construction of renewable energy power generation facilities**	Small	Medium
			Higher new construction orders stemming from energy management proposals	Medium	Large
	Products and services	Development, expansion of decarbonized products and services	**Wider adoption of ZEB and high added value**	Large	Large
			Higher demand for energy-saving renovations	Medium	Large
		Disaster prevention and mitigation, national resilience	**Higher demand for disaster prevention and mitigation and national resilience construction**	Large	Large

Risk Management

Process for Identifying, Assessing, and Managing Climate Change-Related Risks

- The Group has identified the risks and opportunities stemming from climate change under the guidance of the Environmental Strategy Committee.

Specifically, with an eye to the Group's supply and value chains, we are identifying the impact on the Group as a whole and possible impact on various processes, from development and design to materials procurement, construction, maintenance, and repair, and forecasting the financial impact that could occur under 4°C, 2°C, and 1.5°C scenarios. Moreover, we are using the following categories as assessment criteria: frequency, period of impact, magnitude of impact, relevance to core businesses, likelihood of occurrence, and timing of occurrence. Using these criteria, we have comprehensively assessed various risks and opportunities, assigning a degree of impact of large, medium, or small.

Metrics and Targets

Metrics Using Climate-Related Risk and Opportunity Analyses, and Correlation with and Targets for Scope 1, 2, and 3 Emissions

SBT-certified greenhouse gas reduction targets

Scope 1 and 2* reduction rates

Fiscal 2030: **42% reduction**
(compared to fiscal 2023)
Reference: 57.3% reduction (compared to fiscal 2017)

* Scope 1: Direct emissions associated with fuel use.
Scope 2: Indirect emissions associated with the use of electricity, etc.

Scope 3* reduction rate

Fiscal 2030: **25% reduction**
(compared to fiscal 2023)
Reference: 41.6% reduction (compared to fiscal 2017)

* Scope 3: Other indirect emissions in the supply chain

RE100 targets for electric power from renewable energy sources

Ratio of electric power from renewable energy sources used in business activities

Fiscal 2030: **80%**

Fiscal 2050: **100%**

- The Group's greenhouse gas emissions and ratio of electric power from renewable energy sources in the most recent fiscal year are disclosed on the corporate website and in the Sustainability Report.
- Going forward, we will take actions to mitigate risks and seize opportunities associated with these metrics. To pass on an abundant global environment to the next generation, the Group will steadfastly pursue initiatives to bring about a carbon-free, circular society.



Materiality 3

Promoting sustainable management and taking full responsibility for corporate actions

Relevant SDGs

Key Sustainability Themes

- Conducting fair and honest corporate activities
- Engaging in dialogue with stakeholders

Ongoing Monitoring and Strategic Actions to Address Risks and Opportunities

We have established a Sustainability Committee, which includes all external board directors as members, to provide a comprehensive overview of multifaceted impacts, including impacts on society, the environment, and human resources. The committee regularly discussing a wide range of ESG issues, which serves as the cornerstone for the appropriate management and transformation of our businesses. Four meetings were held in the fiscal year ended March 2025. We are also expanding the number of companies we survey for human rights due diligence, an area of great interest to our business partners, investors, and other stakeholders.

The committee also continually monitors metrics for the key measures required of listed companies in Japan in a number of areas, including ensuring diversity in their management teams, strengthening the balance between management and execution, and raising awareness of compliance and ensuring rigorous compliance with a view to supply chains. In this way, Hazama Ando is striving to ensure thoroughly fair and honest business activities while working to enhance the framework for communication with stakeholders.

Key Performance Indicators, Achievements for Each SDG

Squares indicate key performance indicators in Medium-Term Management Plan 2025

Core SDGs	Key Performance Indicators	Metrics	Deadline (FY)	Fiscal 2024 Results
5	Ratio of female board directors	30% or more	Every year	33.3%
8	Ratio of external board directors	50% (a majority)	Every year	66.6%
	Information security course attendance	100%	Every year	100%
	Compliance training attendance	100%	Every year	100%
	Number of yearly Sustainability Committee meetings	4	2025	4
	Reduce strategic shareholdings	Reduce ratio of market value of shares held (or net assets if unlisted) to total balance sheet amount to less than 10% of consolidated net assets	2025	17.3%

Corporate Governance

Increasingly today, society is calling for corporate management that helps address social and environmental issues. Companies are expected to pursue management that is underpinned by diverse values and skills and guided by efficient, sound governance offering a high degree of transparency.

Corporate Governance

The Company seeks to ensure more robust corporate governance and continuously enhance corporate value by further reinforcing the supervisory function of the Board of Directors and improving the flexibility of its business execution. To this end, we have transitioned to a company with an Audit and Supervisory Committee.

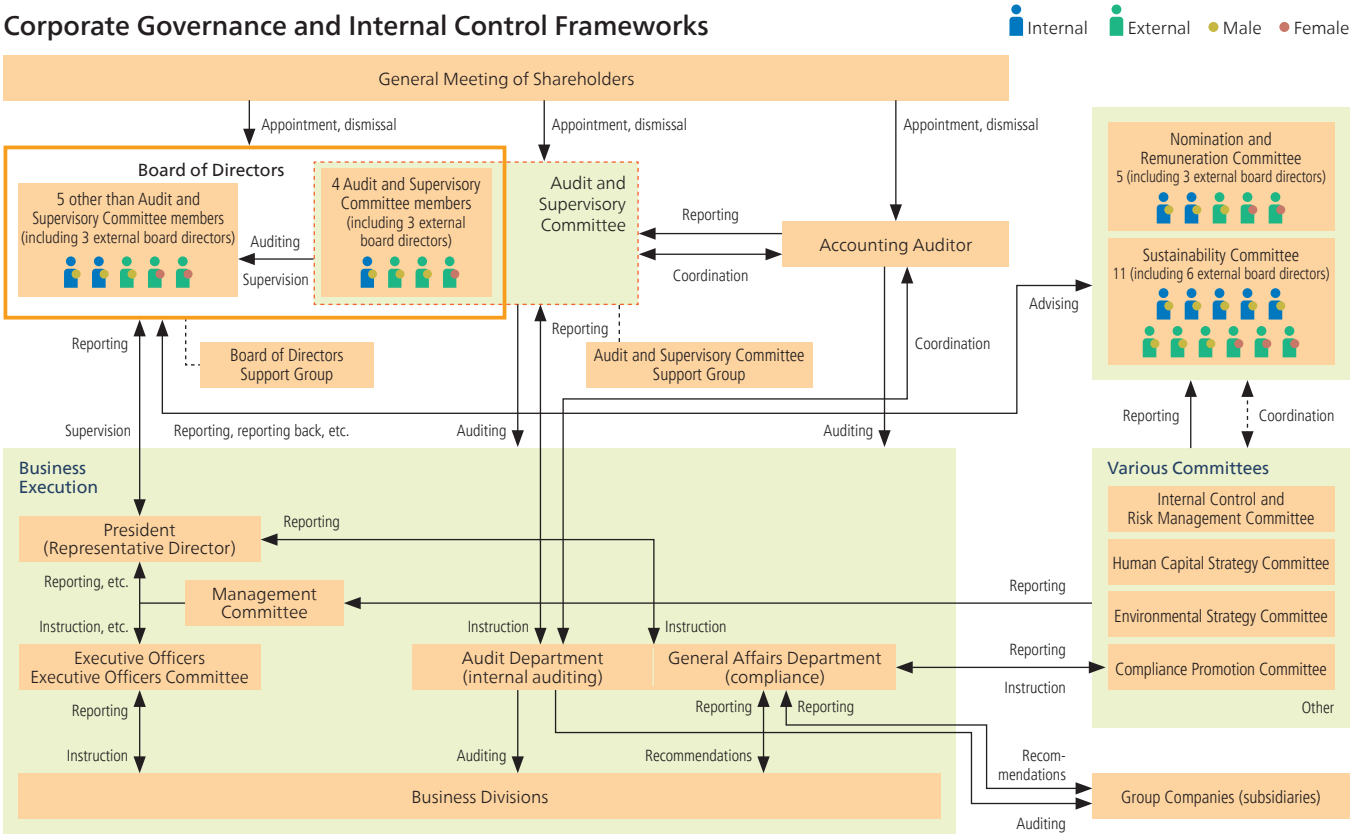
Independent, Diverse, Transparent Management

Board of Directors

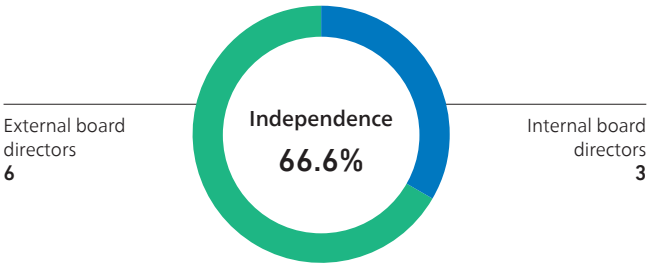
As of June 27, 2025, the Board of Directors consists of five members other than members who are Audit and Supervisory Committee members (including three external board directors) and four members who are Audit and Supervisory Committee members (including three external board directors), for a total of nine members. Three of the six outside directors are women. The Board makes decisions on important business matters and supervises business execution. It considers matters related to management plans, key management issues, and the scope of authority to be delegated, as well as confirms the results of evaluations of its effectiveness.

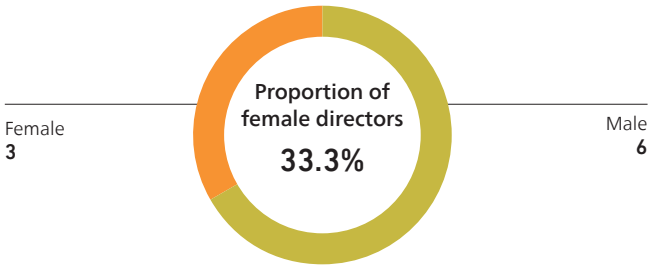
The Articles of Incorporation stipulate that some or all important decisions about business execution can be delegated to board directors. Some authority has also been delegated to the Representative Director and President. The Board of Directors thus focuses more narrowly on high-level discussions of more critical agenda items and on monitoring business execution.

Corporate Governance and Internal Control Frameworks



Makeup of Board Directors





Audit and Supervisory Committee

The Audit and Supervisory Committee is made up of four board directors (three of whom are external). The internal board director is appointed as a full-time member of the Audit and Supervisory Committee. It meets monthly in principle, and met a total of 16 times in the fiscal year ended March 2025. The Audit and Supervisory Committee has the authority to direct the Audit Department, which is tasked with internal auditing, and works closely not only with that department but also the Accounting Auditor to confirm the status of audits and evaluations of the internal control system, as well as audit the execution of duties by directors.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was established as an advisory board to the Board of Directors, advising on procedures related to the nomination and remuneration of directors and executive officers. To reinforce the independence and accountability of Board of Directors functions and to ensure the fairness, transparency, and objectivity of decisions made by the Board of Directors, the majority of committee members are independent external directors, and an external director has also been appointed to chair the committee.

The committee meets at least twice a year in principle, and met a total of eight times in the fiscal year ended March 2025. It deliberates and decides on matters concerning the nomination of director candidates, the appointment of executive officers, and the remuneration of the Company's directors and executive officers (excluding board directors who are members of the Audit and Supervisory Committee and external board directors), and reports to the Board of Directors.

Sustainability Committee

To pursue more thorough-going sustainability management and address ESG-related matters across the Group, the Group established the Sustainability Committee in June 2023. With the participation of board directors, the committee takes a comprehensive approach in considering and deliberating on various key ESG issues from a long-term, wide-ranging perspective.

Human Capital Governance

In selecting members of the Board of Directors, we look for the diverse personnel best suited to realize the Four Value Creation strategies set out in our long-term vision. In terms of creating employee value, following the June 2024 General Meeting of Shareholders, we determined that a majority, i.e., five of the nine board directors (four of whom should be external board directors) should possess human capital skills. The Board of Directors thus possesses the expertise to conduct adequate discussions around human capital, and regularly monitors human capital in the Group. Additionally, since 2016, the Company has introduced a performance- and stock-based remuneration system (executive remuneration board incentive plan) to give a longer-term incentive to board directors (excluding those who are Audit and Supervisory Committee members and external board directors) and executive officers. The Ordinary General Meeting of Shareholders held in June 2023 set an employee engagement score as an indicator to help management fulfill their duty to create an environment in which a diverse range of employees can thrive.

Analyzing and Evaluating the Effectiveness of the Board of Directors

In the Group, the Board of Directors analyzes and evaluates its own effectiveness every fiscal year with the aim of improving its efficiency and effectiveness. The evaluation method and results for the fiscal year ended March 2025 are outlined below.

(1) Method of evaluation

In the fiscal year ended March 2025, with the aid of an outside organization (a law firm), we administered a survey of all board directors (nine board directors, including four who were Audit and Supervisory Committee members). One new aspect this fiscal year was the change from an anonymous to a signed format, for the purpose of more accurately identifying issues that might not be fully grasped in an anonymous context and to enable more in-depth discussions surrounding board directors' awareness of issues and the background to the survey evaluation. Board of Directors meetings held in March and April 2025 included a candid exchange of opinions and discussion regarding the evaluation of the effectiveness of the Board of Directors and the issues it faces going forward.

<Survey evaluation items>

1. Effectiveness of Board of Directors centered on monitoring
2. Operation to support deliberations of Board of Directors
3. Deliberation and supervision of business strategies
4. Deliberation and supervision of risks
5. Evaluation and remuneration of the management team
6. Dialogue with shareholders and other stakeholders

(2) Overview of evaluation results

Deliberations at Board of Directors meetings, along with analysis and evaluations, determined that discussions at Board meetings were active, including recommendations and opinions drawing on the knowledge and experience of each director, and that the effectiveness of the Board of Directors, centered on monitoring, has been ensured. We received a similar evaluation from the outside organization (law firm). We believe this is the fruit of our efforts, following our transition in June 2023 to a company with an Audit and Supervisory Committee, to strengthen the Board's supervisory function and governance by delegating authority to the business execution side, narrowing down agenda items to be discussed at Board meetings, and ensuring adequate time to deliberate and discuss key matters and management issues.

The previous fiscal year's evaluation of the Board's

effectiveness also identified three areas as major issues: management that is conscious of the longer-term balance sheet (cost of capital), verification of the quality management system to prevent serious quality defects, and the securing and cultivation of human resources. The Board of Directors discussed and considered these issues, indicating the general direction to be taken and urging the executive divisions to take action. However, as it was confirmed that there is room for further improvement in some areas, the Board of Directors will continue to monitor these issues while verifying their outcomes. We will also continue working to provide stronger support for the operation of the Board of Directors and improve practical aspects of Board operations.

Based on the considerations and deliberations at Board meetings, the Group will pursue the following initiatives to improve the effectiveness of the Board of Directors in the fiscal year ending March 2026.

1. Hold more robust discussions regarding management strategies aimed at enhancing corporate value over the longer term
   - Deepen the Board's involvement in formulating the next Medium-Term Management Plan
   - Expand opportunities for external board directors to gain a more in-depth understanding of the construction industry and Group businesses
2. Strengthen oversight of succession planning and human resource strategies
   - Appropriately share the deliberation process and results of the Nomination and Remuneration Committee with the Board of Directors for confirmation

Management Efficiency

The Group makes a clear distinction between the Board of Directors and board directors as having decision-making and business execution supervisory functions, and the Management Committee and Executive Officers Committee as having a business execution function. Matters to be resolved by the Board of Directors other than those stipulated by law and the Articles of Incorporation are clearly stipulated in our Regulations on Job Responsibilities and Authority and Regulations on Decision-Making. To speed up decision-making, the authority to make decisions on business execution other than the above may be properly delegated to the Management Committee, executive directors, or executive officers or other personnel appointed by the Board of Directors. These persons make decisions based on the Regulations on Decision-Making established by resolution of the Board of Directors.

Policy for Deciding Executive Remuneration Amounts

Remuneration for board directors and executive officers (excluding board directors who are Audit and Supervisory Committee members and external board directors) consists of basic monetary remuneration and performance- and stock-based remuneration. Regarding remuneration for individual board directors, basic remuneration is fixed monthly remuneration determined based on a remuneration table for each position at an appropriate level that comprehensively takes into account company performance, job responsibilities, and other factors in each fiscal year. The Group grants performance-based remuneration that functions as sufficient incentive for board directors and executive officers to take greater ownership in contributing to longer-term improvements in performance and to increased corporate value. Points are awarded to eligible employees at a fixed time each year based on the degree to which performance indicators, determined with reference to the performance indicators set out in the medium-term management plan, were achieved. Company stock is then granted to employees at the time of their retirement, based on the amount of points accumulated. The ratio of basic and performance-based remuneration is set at around 70:30. Half of performance-based remuneration is converted into cash and paid in cash.

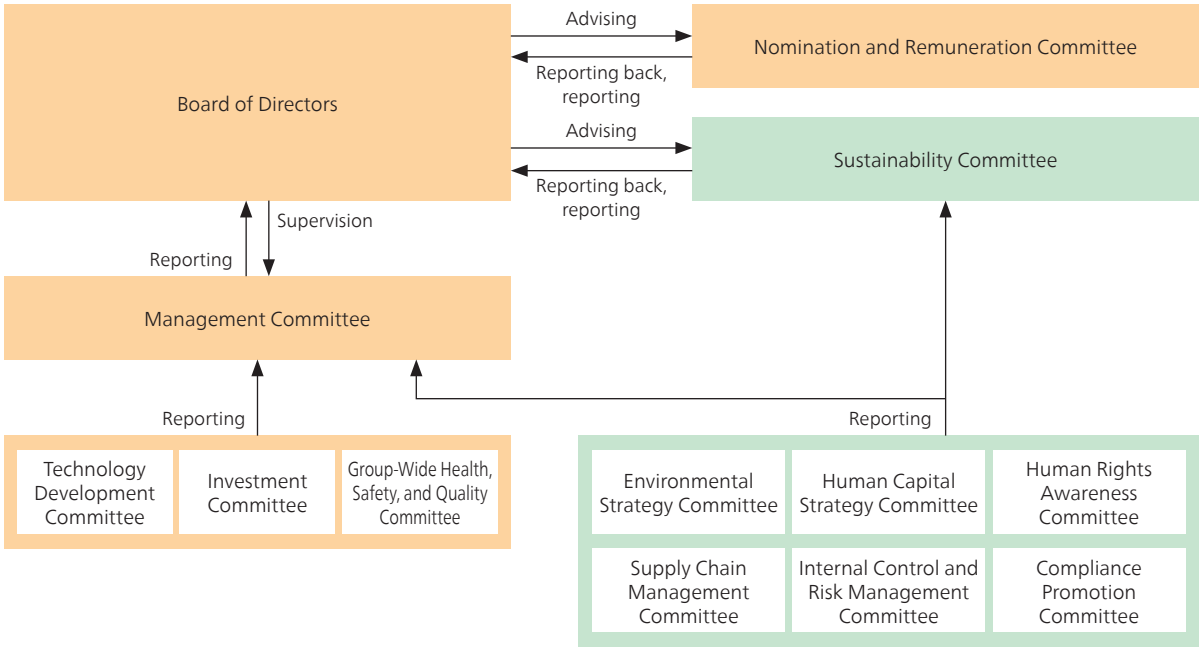
Remuneration for external board directors responsible for supervisory functions and board directors who are members of the Audit and Supervisory Committee consists solely of fixed monetary remuneration, which is basic remuneration.

All remuneration is paid within the scope of total remuneration resolved at the General Meeting of Shareholders. In determining remuneration amounts, the Nomination and Remuneration Committee deliberates and decides on assessment methods that reflect Group-wide performance and evaluations of individual divisions for which the board directors and executive officers are responsible, including developing basic remuneration tables. The committee then reports to the Board of Directors, which resolves and decides on remuneration amounts.

Sustainability Management Framework

We aim to be a corporate group that addresses the expectations of society and continues to create further value. To achieve this, we have set three key strategic themes (materiality) from an ESG perspective: "Helping to solve social issues and create value for society;" "Protecting and being attuned to the natural environment;" and "Promoting sustainable management and taking full responsibility for corporate actions." We have set performance indicators for each of these themes to guide our efforts to pursue sustainable management. We established the Sustainability Committee in June 2023 as an advisory board to the Board of Directors to further promote ESG management in the Group. At the same time, we established advisory committees on the executive side to collaborate with the Sustainability Committee and deliberate on a range of ESG issues, including the environment, human capital strategies, supply chain management, and human rights awareness.

Framework for Promoting Sustainability Management



Note: The above are advisory committees that collaborate with the Sustainability Committee

Main Advisory Committees

Committee	Chair	Role	Number of meetings in fiscal 2024	Main themes
Sustainability Committee	Kazuhiko Kuniya (President) Note: Attended by external board director	Deliberates on various issues related to ESG, reports and gives recommendations to the Board of Directors	4	• Identifying material issues, risks and opportunities • Sustainability strategies, consideration of performance indicators, disclosure materials
Environmental Strategy Committee	Toru Ikegami (Vice President)	Deliberates on, proposes general environmental strategies to contribute to the Company's sustainable management, including Group-wide environmental policies and goals	6	• Reassessment of TCFD-based risks and opportunities • Consideration of environmental measures
Human Capital Strategy Committee	Atsushi Sugao (Vice President)	Deliberates on, proposes human capital strategies	4	• Consideration of measures to promote human capital management
Human Rights Awareness Committee	Atsushi Sugao (Vice President)	Deliberates on, proposes Group-wide and organizational efforts to address human rights issues	4	• Reporting on human rights awareness activities and consideration of implementation
Supply Chain Management Committee	Toru Ikegami (Vice President)	Deliberates on, proposes supply chain issues in collaboration with partner construction companies	4	• Human rights due diligence plans and initiatives
Internal Control and Risk Management Committee	Atsushi Sugao (Vice President)	Deliberates on, proposes issues related to the framework for ensuring proper operations and the internal control system related to operation in general	3	• Confirming management status of internal control system • Assessing risks, designating priority risks • Evaluating effectiveness of internal risk management framework
Compliance Promotion Committee	Atsushi Sugao (Vice President)	Deliberates on, proposes issues related to compliance promotion	4	• Formulating compliance promotion plans • Monitoring compliance activities

Human Rights Due Diligence

In accordance with our Human Rights Policy, the Hazama Ando Group conducts human rights due diligence to identify, prevent, and mitigate any adverse impact on human rights.

As in the previous fiscal year, with the aim of preventing human rights violations, we administered questionnaires in the fiscal year ended March 2025 to major partner companies in Japan that employ foreign technical interns, who are considered to be at high risk for such violations. After collating and analyzing the results of the questionnaires, we found no negative impact on human rights. The questionnaire covered the following areas.

1. Questionnaire overview

(1) Questionnaire period

August 2024-January 2025

(2) Questionnaire items

Major partner companies in Japan that employ foreign technical interns (67 responding companies). Of these, we held direct interviews with three companies and with the foreign technical interns they employ.

Nationalities, numbers of foreign technical interns employed by partner companies surveyed

Vietnam	280
Cambodia	48
Philippines	137
Laos	4
Nepal	27
Bangladesh	13
Myanmar	178
Indonesia	152
China	11
Thailand	7
Total	**857**

(3) Purpose of questionnaire

To gauge human rights status of foreign technical interns and prevent or mitigate negative impact, if any

(4) Questionnaire methodology

Questionnaire with 29 question items, direct dialogue with partner companies if needed

2. Main areas surveyed

1	**Technical internship plan** (training according to plan, instructor selection)
2	**Employment conditions** (presentation of employment terms and contract in native language)
3	**Wages, working hours, and holidays** (payment, wage levels, management of working hours, overtime, work on holidays, and holiday entitlement)
4	**Food, housing, utility bills, etc., borne by technical intern trainee on a regular basis** (agreed in writing, at appropriate amounts)
5	**Coverage of expenses for travel and return to country** (checking whether trainees are required to bear these costs)
6	**Accommodation** (checking availability of adequate living space and facilities)
7	**Protection of technical interns** (checking collection of security deposits, payment of fees to supervising organizations, prohibited acts such as confiscating bankbooks or passports)
8	**Health and safety** (health checkups; provision of helmets, safety belts, and other protective equipment; training on work content and use of machinery, etc.)
9	**Consultation support framework** (giving information on consultation centers in native language, etc.)

We also administer questionnaires to major business partners to ascertain the status of implementation of our Procurement Policy.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	FY 3/2021	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025
(ASSETS)					
Current assets					
Cash and deposits	129,317	66,080	75,597	50,212	**57,294**
Notes receivable, accounts receivable from completed construction contracts and other	121,390	140,431	145,094	181,565	**214,186**
Costs on construction contracts in progress	5,887	4,075	3,667	5,002	**3,583**
Other inventories	8,823	7,930	7,079	4,152	**4,686**
Other	9,023	9,567	14,101	9,223	**8,319**
Allowance for doubtful accounts	(12)	(14)	(160)	(217)	**(257)**
Total current assets	**274,429**	**228,070**	**245,379**	**249,938**	**287,813**
Non-current assets					
Property, plant and equipment					
Buildings and structures	23,649	22,894	23,489	27,477	**29,110**
Machinery, vehicles, tools, furniture and fixtures	11,977	12,879	11,251	12,496	**16,150**
Land	15,799	15,852	15,486	16,032	**15,620**
Other	852	1,961	3,253	3,558	**462**
Accumulated depreciation	(22,723)	(23,400)	(22,125)	(23,412)	**(25,904)**
Total property, plant and equipment	29,555	30,186	31,355	36,152	**35,440**
Intangible assets	1,505	1,542	1,610	1,693	**1,772**
Investments and other assets					
Investment securities	21,697	20,960	25,020	28,250	**28,048**
Long-term loans receivable	132	73	62	46	**33**
Deferred tax assets	7,819	7,091	6,455	6,037	**5,809**
Retirement benefit asset	707	2,546	3,518	5,689	**5,548**
Other	3,765	4,862	5,081	6,872	**7,508**
Allowance for doubtful accounts	(1)	(1)	(470)	(534)	**(0)**
Total investments and other assets	34,120	35,532	39,668	46,362	**46,947**
Total non-current assets	**65,181**	**67,262**	**72,634**	**84,207**	**84,160**
Total assets	**339,610**	**295,332**	**318,014**	**334,145**	**371,974**

* Regarding the consolidated financial statements, figures for previous fiscal years have not been reclassified.

(Millions of yen)

	FY 3/2021	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025
(LIABILITIES)					
Current liabilities					
Accounts payable for construction contracts and other	70,624	47,134	54,474	55,315	**58,138**
Short-term borrowings	16,312	16,676	16,489	16,348	**20,982**
Current portion of bonds payable	291	237	127	35	**–**
Income taxes payable	4,907	3,071	3,962	3,624	**7,781**
Advances received on construction contracts in progress	27,608	18,237	33,268	33,563	**35,333**
Deposits received	30,512	34,038	40,873	44,996	**47,461**
Provision for warranties for completed construction	2,129	1,442	2,784	2,106	**2,266**
Provision for bonuses	2,595	2,690	2,883	3,144	**3,585**
Provision for loss on construction contracts	1,248	595	653	453	**966**
Provision for loss on damage due to fire	5,996	3,921	—	—	**—**
Other	11,756	12,343	8,700	6,915	**9,957**
Total current liabilities	**173,984**	**140,388**	**164,217**	**166,503**	**186,473**
Non-current liabilities					
Bonds payable	400	162	35	—	**—**
Long-term borrowings	8,271	7,640	7,463	7,249	**6,916**
Deferred tax liabilities	37	37	31	26	**—**
Retirement benefit liability	8,857	3,816	3,198	3,672	**3,338**
Provision for environmental measures	139	138	138	—	**—**
Provision for management board incentive plan trust	116	162	207	270	**383**
Provision for employee stock ownership plan trust	—	—	303	755	**1,228**
Other	1,127	1,302	1,092	1,198	**1,448**
Total non-current liabilities	**18,949**	**13,261**	**12,472**	**13,172**	**13,316**
Total liabilities	**192,934**	**153,650**	**176,689**	**179,675**	**199,790**
(NET ASSETS)					
Shareholders' equity					
Share capital	17,006	17,006	17,006	17,006	**17,006**
Capital surplus	19,919	17,058	17,058	17,678	**17,678**
Retained earnings	115,086	114,124	122,656	128,575	**145,412**
Treasury shares	(10,187)	(10,422)	(21,106)	(21,595)	**(21,455)**
Total shareholders' equity	**141,824**	**137,766**	**135,614**	**141,664**	**158,641**
Accumulated other comprehensive income					
Valuation difference on available-for-sale securities	3,754	2,996	3,845	6,638	**6,788**
Deferred gains or losses on hedges	—	(345)	178	1,974	**2,996**
Foreign currency translation adjustment	55	85	203	283	**398**
Remeasurements of defined benefit plans	281	417	644	3,008	**2,383**
Total accumulated other comprehensive income	**4,091**	**3,154**	**4,871**	**11,905**	**12,565**
Share acquisition rights	**3**	**—**	**—**	**—**	**—**
Non-controlling interests	**758**	**761**	**839**	**900**	**976**
Total net assets	**146,676**	**141,682**	**141,324**	**154,470**	**172,183**
Total liabilities and net assets	**339,610**	**295,332**	**318,014**	**334,145**	**371,974**

Consolidated Statements of Income

(Millions of yen)

	FY 3/2021	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025
Net sales					
Net sales of completed construction contracts	331,549	316,153	345,858	364,008	398,142
Sales in other businesses	20,451	24,139	26,288	30,119	27,018
Total net sales	**352,000**	**340,293**	**372,146**	**394,128**	**425,160**
Cost of sales					
Cost of sales of completed construction contracts	287,106	273,098	306,530	323,245	340,361
Cost of sales in other businesses	16,729	20,332	23,592	27,569	23,835
Total cost of sales	**303,835**	**293,431**	**330,122**	**350,815**	**364,197**
Gross profit					
Gross profit on completed construction contracts	44,443	43,054	39,327	40,763	57,780
Gross profit - other business	3,722	3,806	2,695	2,549	3,182
Total gross profit	**48,165**	**46,861**	**42,023**	**43,313**	**60,962**
Selling, general and administrative expenses	**20,808**	**20,261**	**22,170**	**24,721**	**25,718**
Operating profit	**27,357**	**26,600**	**19,853**	**18,591**	**35,243**
Non-operating income					
Interest income	38	25	73	144	125
Dividend income	327	291	374	470	613
Foreign exchange gains	—	—	329	254	–
Insurance claim income	—	—	—	—	383
Late charges income	—	166	—	—	–
Gain on extinguishment of debt	—	187	—	—	–
Other	103	156	223	372	316
Total non-operating income	**469**	**827**	**1,001**	**1,241**	**1,438**
Non-operating expenses					
Interest expenses	333	320	350	438	528
Share of loss of entities accounted for using equity method	—	273	53	66	206
Foreign exchange losses	19	104	—	—	289
Commission expenses	849	—	187	291	377
Compensation for damage	—	376	428	—	709
Foreign law-related expenses	—	—	—	244	—
Other	733	513	227	246	516
Total non-operating expenses	**1,935**	**1,588**	**1,246**	**1,287**	**2,628**
Ordinary profit	**25,891**	**25,838**	**19,608**	**18,545**	**34,053**
Extraordinary income					
Gain on reversal of provision for environmental measures	—	—	—	54	—
Compensation for damage received	—	—	2,700	—	—
Gain on reversal of provision for loss on damage due to fire	27	—	305	—	—
Subsidy income	354	67	94	22	51
Gain on sales of non-current assets	12	—	63	44	331
Gain on sales of investment securities	160	241	179	540	4,033
Insurance claim income	—	—	—	33	—
Total extraordinary income	**555**	**308**	**3,344**	**694**	**4,416**
Extraordinary losses					
Loss on damage due to fire	25	180	—	—	—
Impairment loss	884	—	75	—	32
Loss on tax purpose reduction entry of non-current assets	354	66	90	35	51
Loss on sales of non-current assets	—	18	—	—	—
Loss on retirement of non-current assets	19	115	73	114	77
Loss on valuation of investment securities	—	27	71	38	—
Head office relocation expenses	—	306	338	—	—
Loss on litigation	74	42	3	138	16
Total extraordinary losses	**1,359**	**757**	**653**	**325**	**178**
Profit before income taxes	**25,087**	**25,390**	**22,299**	**18,914**	**38,292**
Income taxes - current	7,789	6,768	6,978	6,729	11,899
Income taxes - deferred	138	949	142	(1,695)	(33)
Total income taxes	**7,928**	**7,717**	**7,120**	**5,033**	**11,866**
Profit	**17,159**	**17,672**	**15,178**	**13,880**	**26,425**
Profit (loss) attributable to non-controlling interests	**(30)**	**1**	**(9)**	**2**	**(18)**
Profit attributable to owners of parent	**17,189**	**17,671**	**15,187**	**13,878**	**26,444**

* The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and other standards have been applied from the fiscal year ended March 2022. Figures for previous fiscal years have not been retroactively adjusted.

Consolidated Statement of Cash Flows

(Millions of yen)

	FY 3/2021	FY 3/2022	FY 3/2023	FY 3/2024	FY 3/2025
Cash flows from operating activities					
Profit before income taxes	25,087	25,390	22,299	18,914	**38,292**
Depreciation	2,080	2,410	2,100	2,495	**3,504**
Loss on tax purpose reduction entry of non-current assets	354	66	90	35	**51**
Subsidy income	(354)	(67)	(94)	(22)	**(51)**
Compensation for damage received	—	—	(2,700)	—	**—**
Loss on damage due to fire	25	180	—	—	**—**
Impairment loss	884	—	75	—	**32**
Increase (decrease) in allowance for doubtful accounts	(1)	1	615	120	**(493)**
Increase (decrease) in provision for warranties for completed construction	(241)	(686)	1,341	(677)	**159**
Increase (decrease) in provision for loss on construction contracts	293	(653)	58	(200)	**512**
Increase (decrease) in provision for loss on damage due to fire	(702)	(2,075)	(305)	—	**—**
Increase (decrease) in retirement benefit liability	(1,912)	(4,964)	(195)	1,959	**(683)**
Decrease (increase) in retirement benefit asset	(447)	(1,719)	(1,077)	(252)	**(373)**
Interest and dividend income	(365)	(317)	(447)	(614)	**(738)**
Interest expenses	333	320	350	438	**528**
Foreign exchange losses (gains)	(73)	181	(370)	(640)	**140**
Loss (gain) on sales of investment securities	(160)	(241)	(179)	(540)	**(4,033)**
Loss (gain) on sales of property, plant and equipment	(12)	13	—	—	**—**
Share of loss (profit) of entities accounted for using equity method	—	273	53	66	**206**
Decrease (increase) in trade receivables	16,317	(18,961)	(4,647)	(36,460)	**(32,609)**
Decrease (increase) in costs on construction contracts in progress	(963)	1,518	408	(1,333)	**1,419**
Decrease (increase) in other inventories	(4,136)	893	850	2,927	**(534)**
Decrease (increase) in advances paid	990	606	(168)	632	**556**
Decrease (increase) in consumption taxes refund receivable	—	—	(3,736)	3,040	**1,008**
Increase (decrease) in trade payables	(8,289)	(23,506)	7,326	(842)	**2,815**
Increase (decrease) in advances received on construction contracts in progress	(3,245)	(9,151)	15,021	288	**1,760**
Increase (decrease) in deposits received	3,050	3,525	6,835	4,122	**2,465**
Increase (decrease) in accrued consumption taxes	3,254	(2,521)	(1,026)	394	**1,888**
Other, net	5,865	4,298	(2,430)	1,909	**3,247**
Subtotal	**37,630**	**(25,184)**	**40,045**	**(4,237)**	**19,073**
Interest and dividends received	393	290	419	597	**705**
Interest paid	(356)	(298)	(350)	(426)	**(547)**
Compensation paid for damage	(756)	(2,210)	(5,467)	(85)	**(445)**
Income taxes paid	(7,755)	(8,683)	(6,204)	(6,996)	**(7,993)**
Proceeds from compensation for damage	—	—	2,700	—	**—**
Proceeds from insurance income	—	—	1,130	33	**383**
Net cash provided by (used in) operating activities	**29,154**	**(36,086)**	**32,272**	**(11,115)**	**11,176**
Cash flows from investing activities					
Payments into time deposits	(60)	(1,345)	(1,241)	(71)	**(1,426)**
Proceeds from withdrawal of time deposits	221	1,281	1,467	71	**1,426**
Purchase of short-term and long-term investment securities	(429)	(433)	(3,071)	(300)	**(118)**
Proceeds from sales of short-term and long-term investment securities	299	358	336	1,468	**4,816**
Purchase of property, plant and equipment	(2,934)	(2,558)	(2,999)	(7,077)	**(4,126)**
Proceeds from sales of property, plant and equipment	16	20	347	215	**1,857**
Proceeds from refund of leasehold and guarantee deposits	—	—	712	66	**—**
Payments of leasehold and guarantee deposits	(955)	(104)	—	—	**—**
Payments for investments in capital of subsidiaries and associates	—	(1,876)	—	—	**—**
Subsidies received	354	67	94	22	**51**
Other, net	(466)	40	(386)	(491)	**(880)**
Net cash provided by (used in) investing activities	**(3,954)**	**(4,549)**	**(4,740)**	**(6,095)**	**1,600**
Cash flows from financing activities					
Net increase (decrease) in short-term borrowings	(91)	(31)	(81)	(69)	**4,911**
Proceeds from long-term borrowings	4,107	4,291	4,611	4,302	**3,962**
Repayments of long-term borrowings	(5,534)	(4,570)	(4,953)	(4,686)	**(4,558)**
Redemption of bonds	(341)	(291)	(237)	(127)	**(35)**
Purchase of treasury shares	(4,936)	(15,328)	(10,631)	(2)	**—**
Dividends paid	(5,802)	(6,423)	(6,656)	(7,959)	**(9,606)**
Dividends paid to non-controlling interests	(2)	(2)	(2)	(2)	**(3)**
Other, net	(52)	(208)	(474)	(507)	**(420)**
Net cash provided by (used in) financing activities	**(12,656)**	**(22,565)**	**(18,425)**	**(9,053)**	**(5,751)**
Effect of exchange rate change on cash and cash equivalents	**28**	**(94)**	**479**	**786**	**(101)**
Net increase (decrease) in cash and cash equivalents	**12,573**	**(63,295)**	**9,586**	**(25,477)**	**6,923**
Cash and cash equivalents at beginning of period	**115,461**	**128,035**	**64,739**	**74,326**	**48,848**
Cash and cash equivalents at end of period	**128,035**	**64,739**	**74,326**	**48,848**	**55,772**

12-Year Financial Data

		FY 3/2014	FY 3/2015	FY 3/2016	FY 3/2017
Consolidated Financial Data					
Orders received (non-consolidated)	(Millions of yen)	333,759	399,307	362,213	429,286
Net sales	(Millions of yen)	371,216	369,702	379,258	407,994
Operating profit	(Millions of yen)	12,077	18,518	25,456	37,018
Ordinary profit	(Millions of yen)	11,258	18,120	23,301	36,239
Profit attributable to owners of parent	(Millions of yen)	16,414	7,240	14,983	26,277
Operating profit margin	(%)	3.3	5.0	6.7	9.1
Research and development expenses	(Millions of yen)	1,926	1,829	2,177	2,732
Capital expenditures	(Millions of yen)	1,266	784	2,690	3,068
Total assets	(Millions of yen)	260,646	269,720	300,368	318,387
Net assets	(Millions of yen)	54,381	64,622	76,978	100,744
Interest-bearing debt	(Millions of yen)	39,419	33,687	41,375	41,234
Cash flows from operating activities	(Millions of yen)	7,464	15,716	34,722	(1,802)
Cash flows from investing activities	(Millions of yen)	3,593	(134)	(12,015)	6,316
Cash flows from financing activities	(Millions of yen)	(53)	(7,489)	5,940	(3,375)
Annual dividends		5	8	12	20
Payout ratio	(%)	5.2	20.4	14.8	14.1
Equity ratio	(%)	20.6	23.7	25.4	31.4
Return on equity (ROE)	(%)	37.7	12.3	21.4	29.9
Debt-to-equity ratio	(Times)	0.73	0.53	0.54	0.41
Non-Consolidated Building Construction Business Operating Results					
Net sales on completed construction contracts (Civil Engineering and Building Construction)	(Millions of yen)	346,129	347,555	355,957	373,098
Net sales on completed construction contracts (Civil Engineering)	(Millions of yen)	110,109	121,572	122,494	134,174
Net sales on completed construction contracts (Building Construction)	(Millions of yen)	236,019	225,983	233,462	238,923
Construction gross profit margin (Civil Engineering)	(%)	11.2	11.6	16.3	24.4
Construction gross profit margin (Building Construction)	(%)	5.3	8.2	9.3	9.5
Consolidated Number of Employees					
Number of employees		3,888	3,786	3,769	3,850

* The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and other standards have been applied from the fiscal year ended March 2022. Figures for previous fiscal years have not been retroactively adjusted.

	FY 3/2018	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022	FY 3/2023	FY 3/2024	**FY 3/2025**
	349,192	427,651	380,281	300,869	309,843	348,220	351,204	**427,614**
	377,020	359,971	378,135	352,000	340,293	372,146	394,128	**425,160**
	35,714	23,692	24,699	27,357	26,600	19,853	18,591	**35,243**
	34,767	22,495	23,983	25,891	25,838	19,608	18,545	**34,053**
	23,862	8,862	16,803	17,189	17,671	15,187	13,878	**26,444**
	9.5	6.6	6.5	7.8	7.8	5.3	4.7	**8.3**
	3,611	2,518	2,632	2,832	2,755	3,141	3,360	**4,548**
	2,531	2,062	4,152	3,777	3,123	3,724	7,578	**6,210**
	329,780	349,656	339,772	339,610	295,332	318,014	334,145	**371,974**
	122,400	133,682	136,900	146,676	141,682	141,324	154,470	**172,183**
	39,923	29,273	27,137	25,275	24,716	24,115	23,633	**27,898**
	38,127	5,900	(3,102)	29,154	(36,086)	32,272	(11,115)	**11,176**
	(2,260)	(2,356)	(3,016)	(3,954)	(4,549)	(4,740)	(6,095)	**1,600**
	(3,962)	(7,779)	(13,244)	(12,656)	(22,565)	(18,425)	(9,053)	**(5,751)**
	25	30	30	30	40	40	60	**70**
	19.4	66.4	35.5	33.4	40.5	42.5	67.7	**41.5**
	36.9	38.0	40.0	43.0	47.7	44.2	46.0	**46.0**
	21.5	7.0	12.5	12.2	12.3	10.8	9.4	**16.3**
	0.33	0.22	0.20	0.17	0.18	0.17	0.15	**0.16**
	343,468	327,649	351,527	328,044	310,790	339,634	357,473	**392,680**
	127,473	118,790	124,314	135,932	132,264	133,430	133,223	**131,261**
	215,994	208,858	227,213	192,111	178,526	206,203	224,249	**261,419**
	22.2	20.3	17.7	17.1	16.2	15.9	15.2	**15.0**
	11.8	8.8	9.3	10.8	11.6	8.4	8.6	**14.3**
	3,852	3,966	3,998	3,857	3,669	3,677	3,691	**3,753**

Stock Information

As of March 31, 2025

Authorized shares 400,000,000 (common stock)

Issued shares 181,021,197 (common stock) (including 20,908,177 in treasury stock)

Number of shares per trading unit 100

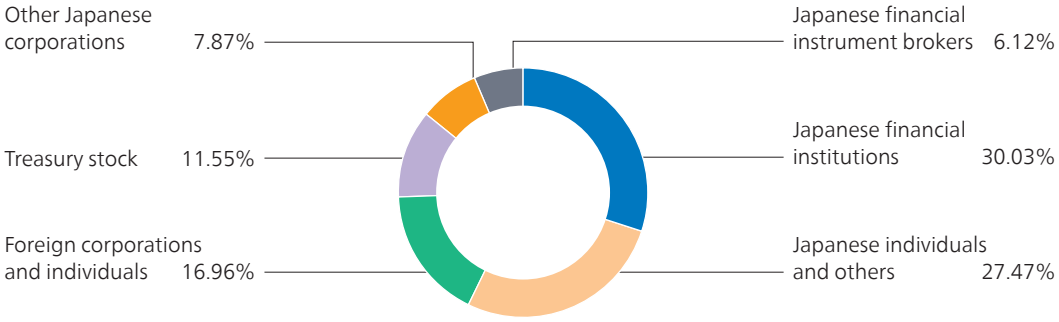
Number of shareholders (common stock) 76,552

Top ten major shareholders

Name	Shares held (thousands)	Shareholding ratio
The Master Trust Bank of Japan, Ltd. (Trust Account)	30,801	19.24
Custody Bank of Japan, Ltd. (Trust Account)	9,707	6.06
Hazama Ando Group Business Partner Shareholding Association	7,452	4.65
JPMorgan Securities Japan Co., Ltd.	5,048	3.15
BNYM AS AGT/CLTS 10 PERCENT	2,729	1.70
Asahi Mutual Life Insurance Company	2,616	1.63
STATE STREET BANK AND TRUST COMPANY 505001	2,256	1.41
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	2,220	1.39
STATE STREET BANK WEST CLIENT - TREATY 505234	2,153	1.34
JP MORGAN CHASE BANK 385781	2,132	1.33

* Although the Company holds treasury stock (20,908,177 shares), it is not included in the above list of major shareholders.
* Shareholding ratios are calculated after excluding treasury stock.
* The number of shares held by The Master Trust Bank of Japan, Ltd. does not include shares set aside in an executive stock-option plan (1,255,055 shares) or shares set aside in a stock-granting employee stock ownership plan (2,092,177 shares).

Distribution by shareholder type



Major Initiatives We Support

Science Based Targets initiative (SBTi)

The SBTi is a global partnership jointly established in 2015 by four organizations—CDP, the United Nations Global Compact, World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). Its role is to urge companies to set targets for reducing greenhouse gas emissions that are consistent with scientific knowledge, for the purpose of limiting global temperature rise to well-below 2°C above pre-industrial levels.

RE100 (Renewable Energy 100%)

A global initiative led by the Climate Group in partnership with CDP, RE100 is a coalition of businesses committed to transitioning to 100% renewable electricity used in business by 2050.

Task Force on Climate-related Financial Disclosures (TCFD)

In response to a request from the G20, the Financial Stability Board (FSB), which includes the participation of central banks, financial authorities, and international organizations, established the Task Force to consider the means of climate change-related disclosure and the response of financial institutions.

Corporate Profile

As of April 1, 2025

Name HAZAMA ANDO CORPORATION

Established October 1, 2003

Address 1-9-1 Higashi-Shimbashi, Minato-ku, Tokyo 105-7360, Japan

Capital 17,006,123,275 yen

Number of employees 3,753 (consolidated) 3,333 (non-consolidated)
(As of March 31, 2025)

Business areas

1. Civil engineering, building construction, and other construction inspection, surveying, planning, designing, execution, supervising, technical guidance contracts, commissioning, and consulting services
2. Provision of building supplies, machinery, and equipment
3. Real estate transactions and ownership and use of real property and securities
4. Soil survey and remediation contracts, business involving waste collection, handling, and disposal, and related consulting services
5. Planning, design, and consulting services relating to area development, urban development, environmental improvement, etc.
6. Power generation, electric, thermal, and other energy supply business, and consulting services relating to such business
7. Investment in real estate special purpose companies involving building construction contracts, purchase and sale of equity interests therein, and ownership and sale of trust beneficiary rights
8. Acquisition, development, licensing, and sale of software, industrial property rights, and expertise relating to the use of computers
9. Building maintenance and security services
10. Businesses incidental to each of the preceding items
11. Joint management with partners of each of the preceding businesses and investment in other businesses

Network

In Japan

Head Office
1-9-1, Higashi-Shimbashi, Minato-ku, Tokyo 107-7360, Japan
81-3-3575-6001

Metropolitan Area Civil Engineering Branch
1-9-1, Higashi-Shimbashi, Minato-ku, Tokyo 105-7360, Japan
81-3-3575-6180

Metropolitan Area Building Construction Branch
1-9-1, Higashi-Shimbashi, Minato-ku, Tokyo 105-7360, Japan
81-3-3575-6170

Sapporo Branch
8-1-1, Minami Ichijo Nishi, Chuo-ku, Sapporo, Hokkaido 060-0061, Japan
81-11-272-6500

Tohoku Branch
1-2-32, Katahira, Aoba-ku, Sendai, Miyagi 980-8640, Japan
81-22-266-8111

Hokuriku Branch
1-22, Higashi Bandai-cho, Chuo-ku, Niigata 950-0082, Japan
81-25-243-5577

Shizuoka Branch
2-12, Oute-machi, Aoi-ku, Shizuoka 420-8612, Japan
81-54-255-3431

Nagoya Branch
1-8-20, Marunouchi, Naka-ku, Nagoya 460-0002, Japan
81-52-211-4151

Osaka Branch
6-2-6, Fukushima, Fukushima-ku, Osaka 553-0003, Japan
81-6-6453-2190

Shikoku Branch
11-1, Katahara-machi, Takamatsu, Kagawa 760-0040, Japan
81-87-826-0826

Hiroshima Branch
8-18, Teppocho, Naka-ku, Hiroshima 730-0017, Japan
81-82-962-5311

Kyushu Branch
1-8-10, Daimyo, Chuo-ku, Fukuoka 810-0041, Japan
81-92-724-1131

Technical Research Institute
515-1, Karima, Tsukuba, Ibaraki 305-0822, Japan
81-29-858-8800

Overseas Thailand, Vietnam, Malaysia, Indonesia, Myanmar, Sri Lanka, Laos, Cambodia, Nepal, Turkey, Mexico, U.S., Panama, Honduras

Major subsidiaries and affiliates

Hazama Ando Kogyo Co., Ltd.
Aoyama Kiko Co., Ltd.
Ryoko Kaihatsu Co., Ltd.
HAZAMA ANDO (THAILAND) CO., LTD.
PT. Hazama Ando Murinda (Indonesia)
VIETNAM DEVELOPMENT CONSTRUCTION CO., LTD.

Editorial Policy

We published the Corporate Report 2025 and the Sustainability Report 2025 as tools for communicating with our stakeholders and as tools for sharing awareness of the sustainability of the Group's employees.

Corporate Report 2025 focuses on gaining a clearer understanding among our stakeholders of the essence of our management strategies and their results. It provides a brief introduction of the Group's management strategies for continuing to create value to address social issues, and offers highlights of results for the fiscal year ended March 2025 in relation to the U.N.'s SDGs, which have garnered attention in society in recent years. Messages from top management also give an outline of our management vision and explain its goals and progress toward achieving them.

Part of our ongoing efforts to enhance disclosure, Sustainability Report 2025 summarizes details of various sustainability activities and a range of environmental data most relevant to experts. The report is posted on our corporate website. Based on the principles and content of various guidance issued by GRI and other agencies, after clarifying Group policies and main thrusts of our initiatives, the Report gives concrete examples and seeks to explain the direction of the initiatives.

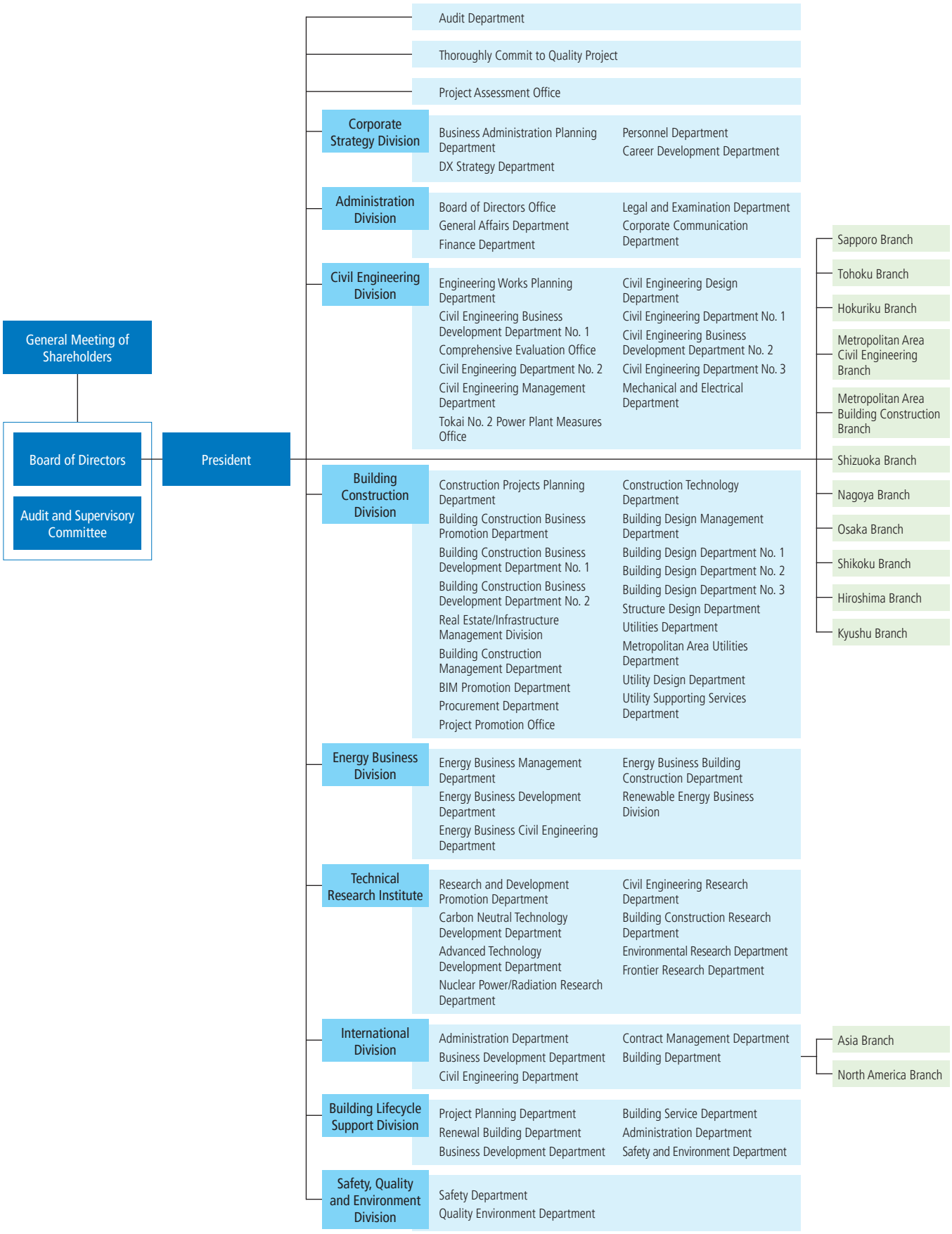
Sustainability Report 2025 can be downloaded from the sustainability section of our website below.

IR Library / Corporate Report:
https://www.ad-hzm.co.jp/english/corporate_report/

Report scope	In principle, Hazama Ando, but some reported activities include affiliated companies.
Reporting period	Fiscal 2024 (April 2024—March 2025). Some information on activities in fiscal 2025 is also included.
Publication date	November 2025 (previous publication: November 2024)
Referenced guidelines	- Japan Ministry of the Environment, Environmental Reporting Guidelines 2018 - Global Reporting Initiative, GRI Standards - IFRS Foundation, Integrated Reporting Framework and ISSB Standards - Japan Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation

Organization Chart

As of April 1, 2025



Third-Party Opinion

Hazama Ando has been robustly disseminating information about its sustainability management through the Corporate Report and Sustainability Report. Here, I would like to summarize what I appreciate about the company's disclosure via these two reports from the perspectives of labor, the environment, and sustainability technology, as well as express my hopes for further progress.

Achievements and Expectations in the Working Environment and Human Capital

I hear that the construction industry is currently facing acute labor shortages. Ensuring safety and quality at worksites while keeping to construction schedules, and at the same time continuing to enhance employee contentment are becoming increasingly complex management challenges. In this context, Hazama Ando has recently set the lofty goal of being the general contractor that cares the most about its employees. Both reports indicate that the company is committed to creating rewarding work environments, continuing to take ambitious steps such as promoting occupational health and safety and reforming working styles, as well as improving benefits for senior employees under a post-retirement re-employment system and enhancing its training systems.

I am very pleased to see that these efforts have borne fruit in the form of rising employee engagement scores (p. 36 in the Corporate Report). I would like the company to continue to steadily make a more positive impact on human capital by carefully gauging the situation on the frontlines and pursuing careful dialogue. Some steps I would like to see are the implementation of eight or more closures in four weeks at all worksites, further reductions in long working hours, and flexible career paths for employees.

Achievements and Expectations in Environmental Management

On the environmental front, I see the carbon neutral roadmap formulated under Medium-Term Management Plan 2025 (p. 42 in the Corporate Report) as a major step forward. This roadmap allows stakeholders both inside and outside the Group to share common goals and a path forward,



Masaatsu Doi
Professor, Institute of Regional Development Graduate School of Social Well-Being Studies, Hosei University

After completing post-doctoral studies at Hitotsubashi's Graduate School of Commerce and Management, Dr. Doi in 2009 became an associate professor in the Faculty of Regional Policy at the Takasaki City University of Economics. He moved to Hosei University in 2014 and has been in his current position since 2016. He is also a visiting researcher at the Free University of Berlin. His specializes in corporate social responsibility (CSR) and social innovation. His publications include Social Entrepreneurs: Legitimacy in the Process of Promoting CSI (Chikura Publishing Company) and he has overseen Better Business: How the B Corp Movement Is Remaking Capitalism (Newton Press).

which makes it easier to draw up technology development and investment plans. At the same time, it gives the Group an advantage in terms of competitive bidding and international procurement. I hope the company will continue to increase the transparency of its environmental impacts under international frameworks like Science Based Targets (SBT) certification (p. 42 in the Corporate Report) and RE100, as well as Japan's GX League, thereby building trust with ESG investors, public- and private-sector customers, and ultimately consumers, both in Japan and overseas.

Achievements and Expectations in Sustainability Technologies

The Group has actively been developing sustainability technologies, and making steady headway in their social implementation. One example is the introduction of a digital twin application (a technology that recreates real-world situations in virtual space using 3D models and other tools; p. 11 in the Sustainability Report). This comports with the push by the Japanese government to realize remotely controlled and automated construction sites. As a leading-edge initiative consistent with Japan's i-Construction 2.0 policy, the app is a prime example of supporting the digital transformation of construction management.

Carbon Pool concrete technology is a further major strength for the Group (p. 20 in the Corporate Report). This technology involves using remaining and recovered concrete, previously considered industrial waste, as raw materials. The company is expanding the scope of applications for this technology, having used it at the Expo 2025 Osaka, Kansai, Japan. Society is paying increasing attention to the sequestering of CO_2 during the manufacturing and use stages, and I look forward to seeing the full-scale adoption and widespread use of Carbon Pool concrete starting in 2030, in line with the roadmap.

In Conclusion

The tagline "Be a ChangeBuilder." (p. 41 in the Sustainability Report), used in television commercials with themes centered around women's empowerment and making social inroads, conveys Hazama Ando's strong commitment to sustainability management. As a company that literally builds and drives change in the construction industry, I hope to see the Group make an active positive impact on society, the environment, and ultimately its business model, demonstrating the value of a management model that incorporates sustainability. I'd like to add my support to the company as it takes on the challenge of setting new standards to create a better society, even while sometimes having to confront lingering industry norms and subconscious attitudes.

HAZAMA ANDO
CORPORATION

Published by
HAZAMA ANDO CORPORATION
1-9-1, Higashi-Shimbashi, Minato-ku,
Tokyo 105-7360, Japan

Inquiries
Corporate Communication Department
Tel 81-3-3575-6094　Fax 81-3-3575-6017
URL https://www.ad-hzm.co.jp/english/

