

TOBISHIMA

Corporate report
2023

スマートな未来へ New Business Contractor



Message from the President

2023 marked the 140th anniversary of TOBISHIMA's founding in 1883.

We would like to express our sincere gratitude to the long-standing support and patronage of our stakeholders, who have enabled us to come this far.

Going forward, we will continue to accelerate our efforts to swiftly establish a next-generation business management structure and secure a stable customer base through organizational reforms centered on productivity improvement by streamlining our business processes.

Driven by the innovative mindset encoded into TOBISHIMA's DNA, the entire company will take on the challenge of transforming our construction production processes ahead of industry peers, and create new businesses that go beyond the existing boundaries of the construction industry. We will also continue our efforts to grow as a New Business Contractor that supports and is committed to achieving the creation of businesses by a diverse range of people.

We ask for your continued support and patronage of TOBISHIMA.

Please visit our website for more information on our past achievements and technologies.



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乗京正弘
Masahiro Norikyo
President

The 140-year History of TOBISHIMA

The foundations of the TOBISHIMA Group date back to 1883, when it was contracted for the demolition of Fukui Castle. Since then, we've continued to grow and respond to social needs. Drawing on the experience and capabilities accumulated over the past 140 years, TOBISHIMA will continue to evolve and boldly advance to create new value.

Bunkichi Tobishima, the founder instrumental to the subsequent success of Tobishima-gumi, was born in 1876 as the first son of Bunjiro Tobishima. At 13, he became a key assistant to his father as a stone mason and gradually honed his skills. For a construction project in 1901, at a time when ox carts were commonly used to transport earth and sand, he introduced handcarts, the latest invention at the time. This innovation reduced costs, halved construction times, and won high acclaim.

Work on building hydroelectric power stations added to his reputation. A swelling tide of hydroelectric power station construction boosted the Company to national prominence and earned it the reputation as a leading company in water-related facility construction and civil engineering.

Bunkichi Tobishima's word set forth the following ideal: *To benefit oneself, one must first make sacrifices that benefit others. Coupled with innovations, these sacrifices will be duly rewarded.* These words may remind us of a more modern phrase: *The customer's needs come first.* His integrity and strong sense of responsibility for work won him an outstanding reputation and the trust of those who requested the services of his company. The company won a steady stream of orders to build electric power stations across the country.

His character and charisma attracted many capable partners, including Santaro Kumagai (founder of Kumagai Gumi) and Matabei Maeda (founder of Maeda Corporation), and generated the driving force behind Tobishima-gumi.

TOBISHIMA's foundations lie in the integrity, sincerity, and good faith of these forerunners, qualities since handed down from generation to generation.



Bunkichi Tobishima
Founder

Founding Period (1883-1919)



Demolition of Fukui Castle (1883)
Bunjiro Tobishima founded Tobishima-gumi, which was contracted to demolish Fukui Castle as its first job.

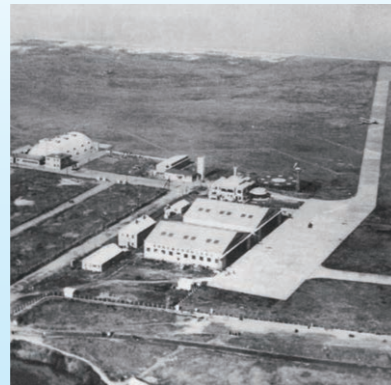
1905
Contracted to construct Kyoto Electric's Nakao power plant (Fukui Prefecture) as its first hydroelectric power plant project.



Echizen Electric Railway (1915)
Construction of Nakao power plant was completed, and the supply of power began, enabling plans for construction of the Echizen Electric Railway to commence. Undertook the construction work between Fukui and Ohno.

1916
Tobishima-gumi Corporation (representative director, Bunkichi Tobishima) founded with 100,000 yen in capital, with headquarters located in Toyoshimanaka-cho, Fukui City.

Growth Period (1920-1959)



Haneda Airfield (1931)
Contracted to execute reclamation work for Tokyo Airfield, Japan's first national airfield for aircraft on a 53-ha site. The airfield featured one runway measuring 300 meters in length and 15 meters in width.

1940
Headquarters moved from Fukui City to Kudan, Kojimachi Ward, Tokyo.

1946
Tobishima-gumi applied for rehabilitation under the Corporate Reorganization Law and was dissolved.

Development Period (1960-1990)



Seikan Tunnel (1982)
This 53.8 km railway tunnel runs below the Tsugaru Strait, connecting Honshu (the Japanese mainland) and Hokkaido. Tobishima completed the 5.5 km Sanyoushi section on the Honshu side. Fraught with heavy technical challenges and constant flooding hazards, this project had significant consequences for integrating the nation and was selected as one of the 20 Selections of Japan's 20th Century Heritage.



Kanagawa Science Park: KSP (1989)
Developed by Kanagawa Prefecture, Kawasaki City, and TOBISHIMA, this collection of facilities serves as an international center where R&D companies are incubated and developed, gather, and interact, to formulate creative R&D movements. The project was recognized by various honors, including the BCS Special Prize and the Prize of the Society of Heating, Air-Conditioning, and Sanitary Engineers of Japan.

Transformation Period (1991-2010)



Shizuoka Prefectural Fuji Swimming Pools (2001)
With an external profile that recalls a giant waterdrop, this building contains swimming pools equipped with movable floors and walls that change depths and distances. The facility is open to the public, including children, adults, and the elderly, as a fully equipped sports center. In 2003, it served as the main venue for the Summer National Sports Festival held in Shizuoka Prefecture.

2003
Celebrated 120th anniversary of the Company's founding.



Surikamigawa Dam (2006)
This rock-filled dam with a center core, one of the largest in the Tohoku region, supplies city water, including drinking water and water for other everyday uses to three cities and four towns, including Fukushima City. It also provides irrigation for rice paddies and agricultural land along the Surikami River and Abukuma River to support the thriving agriculture of this region.

Co-creation Period (2011-)



2013
Celebrated 130th anniversary of the Company's founding.

Wacoal New Kyoto Building (2016)
Designed to serve as a new marketing base, the building with its external fins and other design features expresses tact, gentleness, refinement, and purity. Incorporating a toggle brace seismic damping structure, the building attained S rank class, signifying Superior quality by CASBEE.



National Highway No. 45, Rikuzentakata Road (2018)
This 10 km limited highway was planned as a leading earthquake disaster reconstruction project. We constructed the 7.0 km section on the side of Rikuzentakata. Completion of the road will strongly help afflicted areas move forward with local reconstruction and is expected to play a major role in the development of local industries encompassing Iwate and Miyagi prefectures.



Mega Solar Park (2020)
To make the most of renewable energy and to achieve carbon neutrality, we installed 122,000 solar panels on a vast 65 ha site developed as part of a mega solar power plant project with an output power of 45 MW in Miyagi Prefecture.

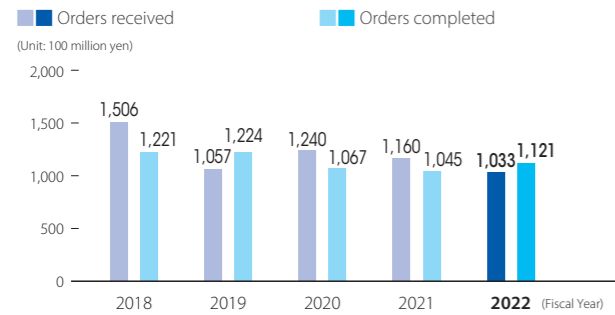


Kesennuma Disposal Site (2022)
The forest in the Kujo district and surrounding areas was cleared to make way for this new final disposal site for municipal solid waste. The entire structure involved the following work: 195,040 m³ of soil excavation and embankment, construction of a 410 m reversed T-type retaining wall, laying 23,792 m² of waterproof sheets, installing 321 m of groundwater collection pipes, installing 2,017 m of guttering, construction of a 4,014 m² concrete dam for the regulation pond used for disaster prevention, construction of a landfill gas treatment facility with five vertical pipes, and asphalt paving work for the 8,305 m² passageway. We also constructed a 9,760 m² storage facility covered with a roof (steel truss).

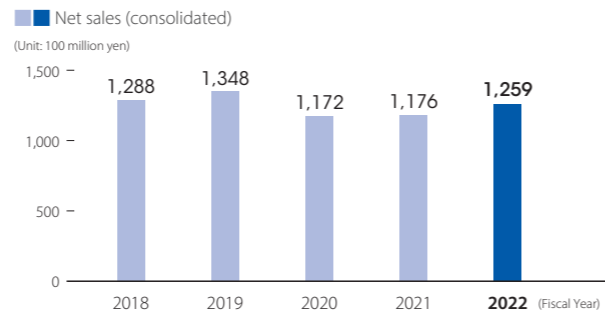
Financial/Non-financial Highlights

Financial

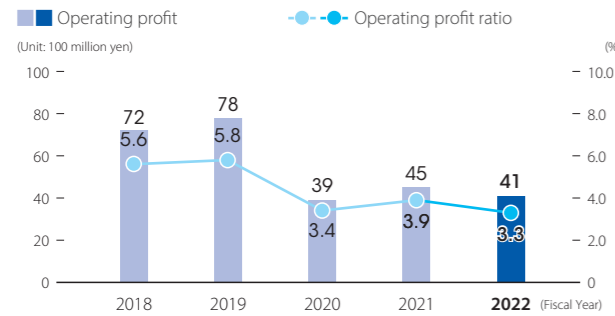
Orders received/completed (non-consolidated)
103.3 billion yen **112.1** billion yen



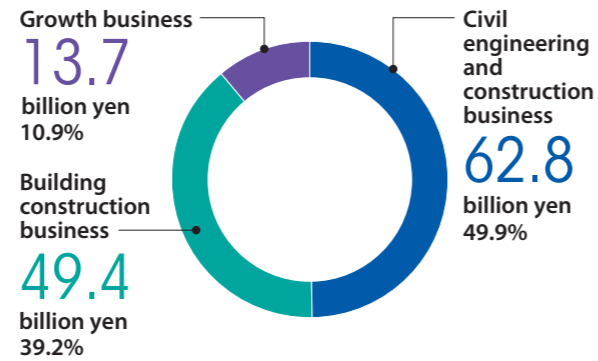
Net sales (consolidated)
125.9 billion yen



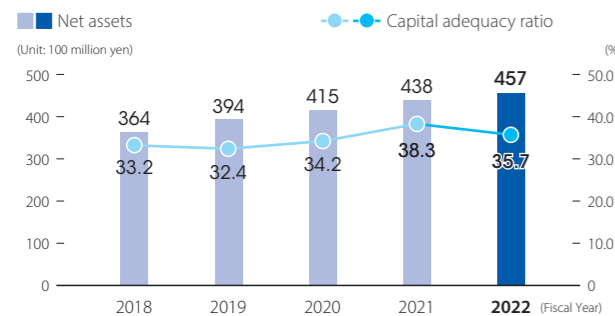
Operating profit/Operating profit ratio (consolidated)
4.1 billion yen **3.3%**



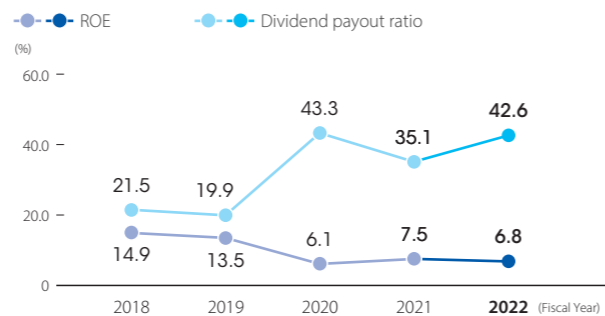
Sales component ratio (consolidated)



Net assets/Capital adequacy ratio (consolidated)
45.7 billion yen **35.7%**

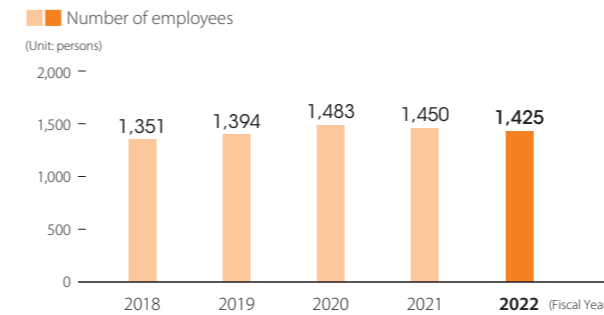


ROE (consolidated)/Dividend payout ratio (non-consolidated)
6.8% **42.6%**

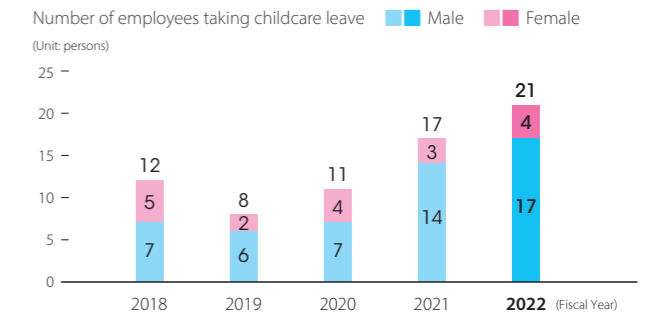


Non-financial

Number of employees (consolidated)
1,425



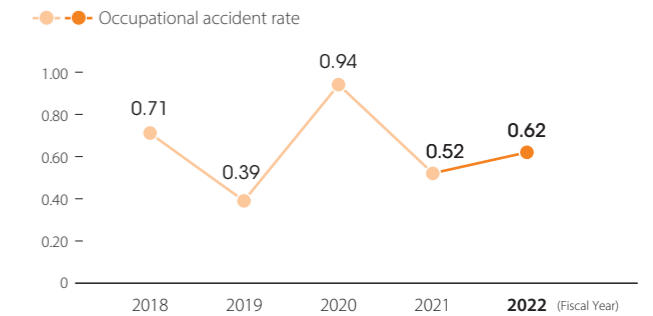
Number of employees taking childcare leave (non-consolidated)
21



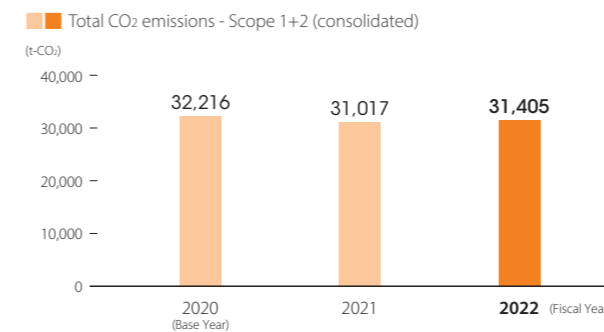
Rate of annual paid leave taken (non-consolidated)
58.0%



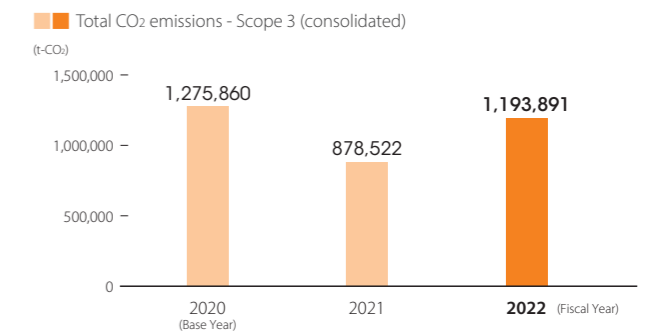
Occupational accident rate (non-consolidated)
0.62



Total CO₂ emissions - Scope 1+2 (consolidated)
31,405 t-CO₂



Total CO₂ emissions - Scope 3 (consolidated)
1,193,891 t-CO₂

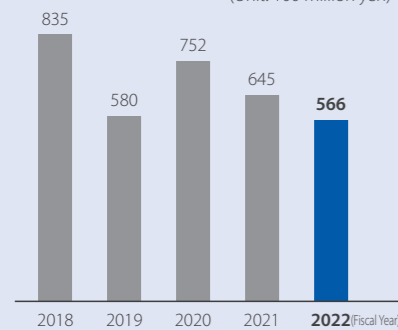


Overview by Business

Civil Engineering and Construction Business

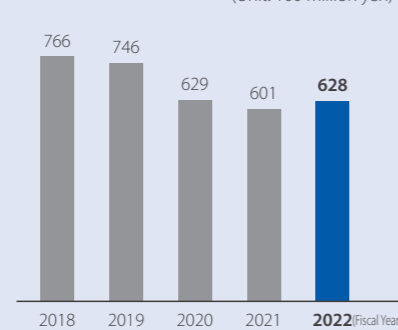
Transition of orders received

(Unit: 100 million yen)



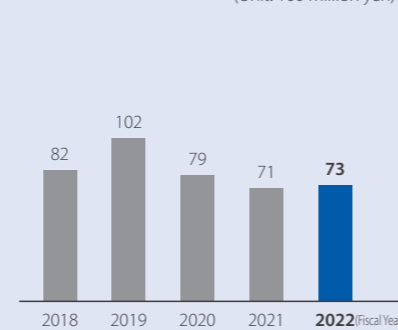
Transition of net sales

(Unit: 100 million yen)



Transition of gross profit

(Unit: 100 million yen)



Technologies in the Civil Engineering and Construction Business

Remote monitoring technology using fully automated drones

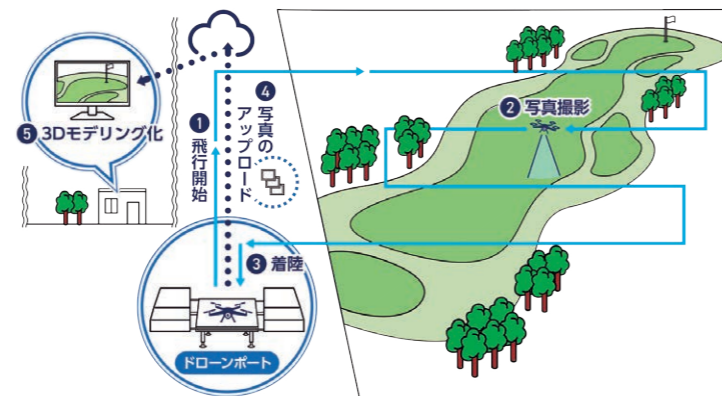
To monitor the safety of worksites, we utilize remote monitoring technology using fully automated drones, which combine autonomous self-takeoff and landing drones with cloud computing.

Drones that receive flight instructions remotely via the Internet automatically take off, fly, take photos, and land along the specified route.

Images taken during the flight can be checked in real time, enabling visual confirmation of on-site conditions from a remote location. A 3D model is also created via SfM* using the photographs taken by the drone, which are automatically uploaded to the cloud. This makes it possible to detect ground deformation and other visuals in detail across a wide area. This technology is used in tunnel construction carried out directly underneath operating golf courses, and other similar projects.

In addition to day-to-day patrols by the construction site supervisor, using this technology enables construction work to be carried out carefully and efficiently while checking the safety around the construction site frequently and in detail via remote monitoring and 3D modeling.

*SfM (Structure from Motion): Image analysis technology that creates a 3D model from multiple photos.



Research and development of Dr.CORR, a non-destructive diagnostic tool that measures the state of corrosion of rebar in concrete

Dr.CORR is a completely non-destructive tool that can measure the polarization resistance and corrosion speed of rebar without causing any damage to the structure it is encased in.

The corrosion speed is a criterion used to determine the corrosion status according to different grades (set according to CEB criterion by default, but the values can be changed as desired). Regularly monitoring the corrosion state of rebar makes it possible to efficiently maintain and manage concrete structures.

- Since measuring is completely non-destructive, no lifting of concrete is required.
- Power can be supplied from a computer or a mobile battery, eliminating the need for a bulky power supply.
- By using a special gel, the probe can be fixed to the ceiling or wall, enabling hands-free measurement.
- Improves the work environment compared to conventional measuring equipment, contributing to productivity improvement and work style reform.



Examples of completed projects



Akamine Tunnel North Section (Okinawa Prefecture)

Client: Development Construction Department, Okinawa General Bureau, Cabinet Office

We completed the northern section of the up and down lanes in the road tunnel to be constructed southwest of the Ajimine intersection along National Route 331 (length of up lane = 485 m, length of down lane = 362 m).

Since the Okinawa Urban Monorail and the Naha Airport Expressway run above the tunnel, the excavation was conducted alongside displacement control measures.



Ishinomaki port drainage pump station and 2 other facilities reconstruction work No. 2 (Miyagi Prefecture)

Client: Ishinomaki City

This project was carried out to tackle the widespread subsidence in Ishinomaki City caused by the Great East Japan Earthquake. As part of efforts to construct pump facilities and inflow trunk lines that will forcibly drain rainwater, we newly constructed two pump stations (Ishinomaki port drainage pump station and Luchi No.1 drainage pump station) and Ishinomaki Port No.4 trunk line to pump and carry stormwater away.

Initiatives by the Civil Engineering and Construction Business

Improving work efficiency by creating a digital twin Cyber Construction Site®

In the Arakawa regulation pond construction project ordered by the Ministry of Land, Infrastructure, Transport and Tourism, we utilized a digital twin Cyber Construction Site® that we produced by digitizing worksite information such as environmental and dynamic measurement data, vehicle position, and quality control data, and integrating it with BIM*/CIM* models. In this way, DX for infrastructure enabled us to make communication more vivid and enable site management without human presence, as advocated by the Ministry of Land, Infrastructure, Transport and Tourism.

*BIM (Building Information Modeling): A process that involves adding information for a building to a 3D model and managing the digital representation. This makes the series of processes from design to construction and maintenance more efficient and sophisticated.

*CIM (Construction Information Modeling): A system created mainly to improve the efficiency of planning, design, construction, and management of civil engineering facilities and improve the quality of these facilities. Various data is added to the 3D model of the facility, producing a database that can be used in a variety of ways.



Cyber Construction Site®, controlled via a tablet or PC screen

Promoting work style reforms and invigorating the workplace atmosphere by establishing a centralized site management structure

A large, multi-screen monitor was installed in the Civil Engineering Division at headquarters and at worksites, through which employees held advanced meetings by looking at BIM/CIM models, 4D models, and other digital site information from various angles. We are aiming to invigorate the workplace atmosphere by providing remote support for worksites.



Meeting using BIM/CIM models (4D) of the worksite



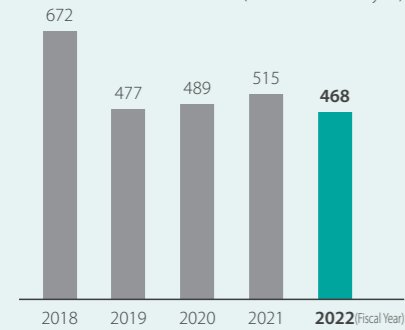
Remote support of the worksite from the headquarters' Civil Engineering Division

Overview by Business

Building Construction Business

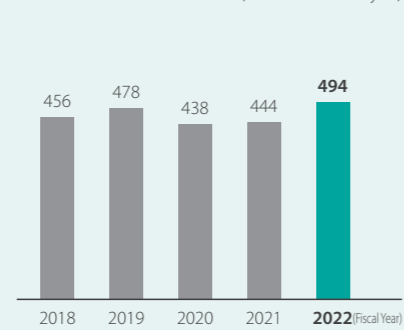
Transition of orders received

(Unit: 100 million yen)



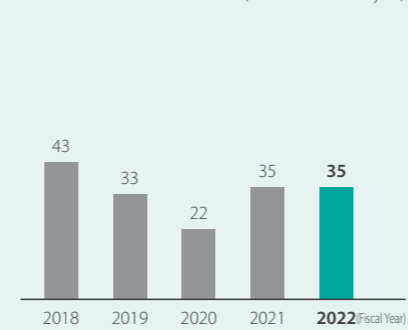
Transition of net sales

(Unit: 100 million yen)



Transition of gross profit

(Unit: 100 million yen)



Technologies in the Building Construction Business

Efforts to achieve ZEB/ZEH and utilize the properties of wood

As a ZEB Planner, we seek to achieve ZEB by saving energy at the design stage through the introduction of high-efficiency materials, devices, and control mechanisms, and the generation of energy via solar power and other means.

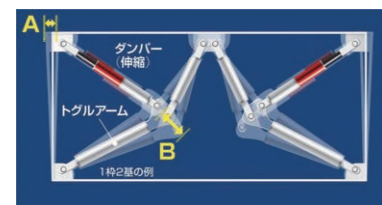
Wooden buildings emit little carbon during construction. Wood also captures and stores carbon, which is expected to help prevent global warming. By utilizing our Lag+WOOD® technology, we will promote the design of fireproof wooden structures.



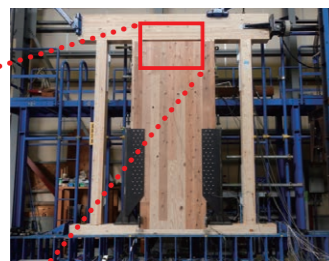
Use of damping and earthquake-resistant technologies

By reducing building shaking and damage during earthquakes, toggle seismic braces protect people's lives, and also protect and enable the maintained function and uninterrupted use of the building, a valuable asset. In the Great East Japan Earthquake of 2011, buildings installed with toggle seismic braces demonstrated improved seismic performance.

All the main structures of these buildings remained intact, and continue to be used as is today.



Toggle seismic brace

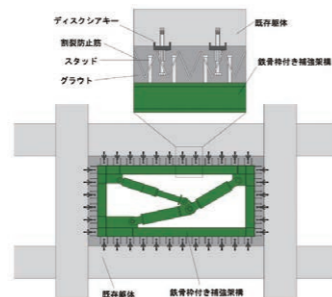


Lens damper (embedded in wooden section)

Lens dampers are used in the seismic control of wooden structures. On each side of the steel plate, the center section is processed in the shape of a concave lens. This lens shape disperses seismic energy more efficiently and enables the damper to last for a long time even after repeated earthquakes.

We also provide disk shear-keys, a joint element that can be used in a wide range of seismic reinforcement applications. Disk-shear keys can be used in seismic reinforcement structures (such as those using steel braces) and seismic control structures (such as those using hydraulic dampers), as well as in reinforced walls.

The blast key method is also one of our technologies. It replaces the method in which the joint surface, such as the additional reinforced wall, is chipped. It is an eco-friendly construction method with low vibration and low noise.



Disk shear-key



Blast key construction method

Examples of completed projects



Tosa City New Government Office (Kochi Prefecture)

Client: Tosa City

The Tosa City New Government Office, a four-story, steel-framed building, was built with the aim of ensuring the safety and security of local citizens and to make them feel a warmer affinity to the city. With a seismic isolation device installed in the basement and in-house power generation equipment installed on the third floor, the building serves as an evacuation base in the event of a disaster. Front office departments that have a large number of visitors on a daily basis are consolidated on the lower floors, making it easier for visitors to identify the service counter they need. We also created a warm, inviting space using wood from Kochi Prefecture.



Echizen-Takefu Station on the Hokuriku Shinkansen (Fukui Prefecture)

Client: Japan Railway Construction, Transport and Technology Agency (JRRT)

Echizen-Takefu Station is one of four stations in Fukui Prefecture being constructed along the 125 km-long track between Kanazawa Station and Tsuruga Station on the Hokuriku Shinkansen line. Based on the concept of being "a symbol that connects tradition and culture with the future," the station's outer walls were designed to emulate the flow of the *nagashi-zuki* method used to make Echizen washi (traditional Japanese paper), and decorated with Echizen tiles. The inside of the station showcases many local traditional crafts made using Echizen washi paper, Echizen blades, and Echizen wooden furniture and crafts. It is a station that embodies the design idea of serving as a guidepost to a future in which storks come flocking back.

Initiatives by the Building Construction Business

Construction work

Reducing CO₂ at worksites

At the zero-carbon office, we have developed the CO₂ Reduction Menu for worksites, through which we will ramp up our efforts to reduce CO₂ emissions by 25% in a bid to achieve our goal of reducing Scope 1+2 greenhouse gas emissions.



Solar house

Active use of DX technology and BIM

During construction, we use BIM data to carry out interference checks for steel frame and rebar detailing.

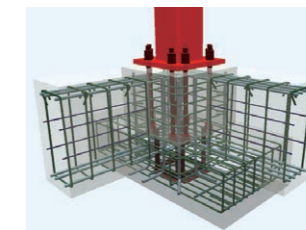
We also use 3D scanner technology in various situations to generate virtual spaces and use them as digital twins. Making virtual spaces for condominiums enables workers to check detailing, color, and other information while at the construction site. When a building is completed, data on fixtures and equipment, etc., is embedded in 3D images and used to provide instructions for use.



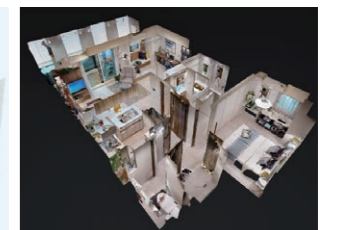
Adding greenery outside the office



Safety bulletin board made from thinned wood



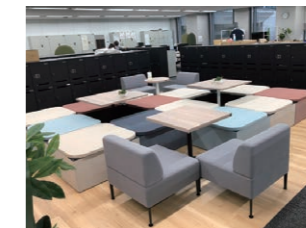
Interference checking using BIM



Creation of a virtual model room

Office environments

At our Shinagawa office, we provide various types of workspaces, and have introduced activity-based working (ABW), a work style in which individual employees can select their work location. We also provide NOHEYA private booths, which we jointly developed with Nikkei Panel System. We offer a work environment that adapts to the changing times and leads to improved productivity.



The Co-Home Zone, where employees can relax



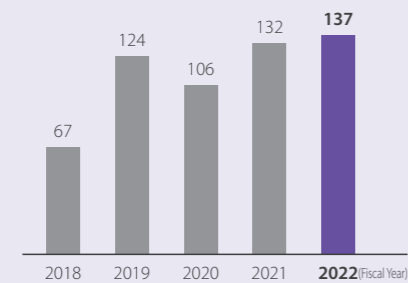
Workspace cabin (NOHEYA)

Overview by Business

Growth Business

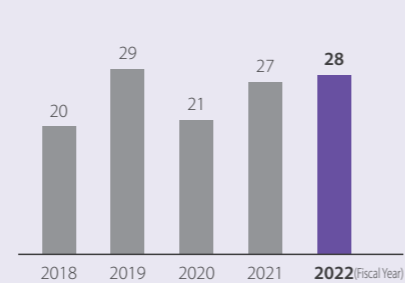
Transition of net sales

(Unit: 100 million yen)



Transition of gross profit

(Unit: 100 million yen)



Tequanauts Co., Ltd.
(Consolidated subsidiary)
Business: Aqua-engineering business
Established in December 1973; joined TOBISHIMA Group in February 2018
Net sales in FY 2022: 2.42 billion yen (Strictly non-consolidated basis)

NXTField, Inc.
(Equity method affiliate)
Business: Various total support operations for construction site DX, EC platform business
Established in April 2022

Axisware, Inc.
(Consolidated subsidiary)
Business: IT system development and maintenance services
Established in April 2006; joined TOBISHIMA Group in February 2021
Net sales in FY 2022: 800 million yen (Strictly non-consolidated basis)



Sugita Construction Corporation
(Consolidated subsidiary)
Business: Infrastructure business, carbon stock business
Established in March 1963; joined TOBISHIMA Group in July 2017
Net sales in FY 2022: 2.86 billion yen (Strictly non-consolidated basis)

FOR YOU, Inc.
(Consolidated subsidiary)
Business: Real estate sales, renting, brokerage, agency, and management; real estate consultant business
Established in May 1985; joined TOBISHIMA Group in April 2019
Net sales in FY 2022: 6.79 billion yen (Strictly non-consolidated basis)

E&CS Co., Ltd.
(Consolidated subsidiary)
Business: Building damping devices business; construction materials business
Established in June 1992
Net sales in FY 2022: 8.04 billion yen (Strictly non-consolidated basis)

Tequanauts Co., Ltd.

Developing the future with water technology

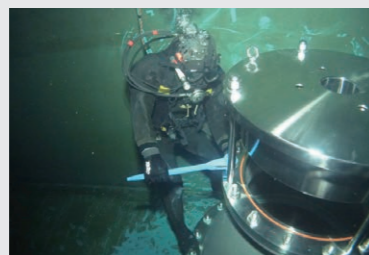
The company's business scope covers every aspect of water, from installation and removal of aquatic structures performed underwater to the manufacture and maintenance of control facilities for dams, marinas, and other structures. Through activities that protect water, we're committed to the preservation and creation of an optimal water environment that will allow humans to live comfortably, safely, and securely.

Controlling aquatic ecology

Water quality can be impaired by lack of oxygen in the water, a state caused by the proliferation of aquatic weeds or exotic plants in irrigation channels, dams, lakes, and ponds enriched by global warming and nutrients originating from domestic or industrial wastewater. Our activities maintain and enhance water quality to allow native aquatic plants to flourish and to restore the original water environment. Working from a waterweed cutting boat we developed, Weed Hunter, we work to preserve the water quality environment and protect the ecosystems that rely on water.

Promoting DX for underwater operations

Underwater operations are difficult and fraught with hazards; thus, we promote the improvement in feasibility and safety of this kind of work by actively utilizing DX (digital transformation). Efforts on this front mainly involve the real-time distribution of underwater conditions using diver cameras, interactive communication, and the development and introduction of unmanned underwater robots known as Remotely Operated Vehicles (ROVs).



FOR YOU, Inc.

Always creating something from the customer's point of view

We are a comprehensive real estate company that can approach the housing industry from all angles, with a focus on condominiums and detached houses, which have been our specialty since our founding in 1985. We will address a variety of needs through our integrated in-house system capable of swiftly handling all processes, from land acquisition to planning and development, design, supervision, sales, and consulting.

Weaving various connections; Proposing how people come together in the future

In the future, communities connected by common interests will likely appear in various scenes of life. Our condominium brand LANKA proposes new connections between people, communities, and society.

Contributing to the future prosperity of people, communities, and the global environment through our business activities

Because we want to deliver genuine, long-lasting happiness to the customers in front of us, we will maintain a broad and sustainable perspective on everything that surrounds our customers, including their families, workplaces, schools, and local communities. We will utilize this to construct buildings that contribute to the improvement of the global environment and society.



Sugita Construction Corporation

Helping to safeguard Japan's exclusive economic zone

The Ogasawara Islands are located in the Pacific Ocean, some 1,000 km south of mainland Japan.

Since its founding, the company has been involved in the creation of infrastructure that supports the livelihoods of Chichi-jima and Haha-jima's approximately 2,600 residents for about half a century. We support the lives of the islanders and industries and create comfortable living environments. As about one-third of Japan's exclusive economic zone is located around the Ogasawara islands, we believe the support we provide is directly linked to protecting Japan's rights and national interests.



E&CS Co., Ltd.

Supporting future lifestyles by preparing for disasters

Japan is one of the most earthquake-prone countries in the world. Amid growing awareness of seismic countermeasures, E&CS has adopted toggle damping devices to transform public facilities, where people tend to gather, into buildings that are resilient to disasters and can continue to operate after an earthquake. We also successfully reduced noise and shortened construction times by using disk shear-keys (seismic reinforcement joints) in building construction. E&CS also carries out other businesses, including building material support and insurance agency operations. Through our various operations, we will contribute to the support of our customers across a wide range of fields.



Axisware, Inc.

Working with customers to create brand new IT services

Axisware is a consulting and IT architect firm that supports the promotion and realization of management strategies and IT strategies. We provide one-stop optimal solutions from system development proposals through to development. We work in a broad range of fields, such as web systems and business systems, and also support a diverse range of customer industries. In order to promote DX for many customers, we will continue to contribute not only to system development, but also to many other arenas, such as AI and RPA.



NXTField, Inc.

Striving to create the next fields in the construction industry

By supporting DX in the construction industry, we will resolve issues in the industry, contribute to achieving a sustainable society and to regional revitalization, and help transform fields in the construction business for the next generation. By leveraging NTT Group's cutting-edge ICT technology capabilities and TOBISHIMA's knowledge of the construction business, we will provide new value by proposing optimal DX solutions to address construction site issues such as improving productivity, work style reform, standardizing on-site operations, and ensuring safety.



The Environment and Safety

Environmental policy

Basic principles

Recognizing the pressing need to conserve the richness and blessings of the world environment, our company will act in all our activities with due consideration for the global environment.

Guidelines for actions

- We will actively engage in environmental conservation in all corporate activities and ensure that these activities take root.**
 - Maintain and improve the organization needed to promote environmental conservation and constantly update environmental management systems.
 - Implement internal environmental audits and make sustained efforts to improve the internal environment.
 - Document implementation items related to environmental conservation and review and confirm information shared among all employees.
 - Promote environmental conservation in design, construction, and research on technology for civil engineering structures and buildings as well as in management activities.
- We will comply with all environmental laws and the provisions of agreements with customers, the construction industry, and neighborhood residents.**
- We will continue to work on the following environmental efforts:**
 - Efforts to reduce pollutants
 - Efforts to conserve energy
 - Efforts to promote resource recycling and natural resource conservation
 - Efforts to reduce construction by-products
 - Efforts to reduce global greenhouse gas emissions
 - Efforts to promote green procurement
 - Efforts to conserve and restore the natural environment
- We will play an active role in activities involving environmental conservation to fulfill our societal obligations.**

Environmental accounting

(Unit: million yen)

Section	Item	2018	2019	2020	2021	2022
Environmental conservation costs within the business areas						
Pollution prevention costs	Preventing water, noise, vibration, and air pollution	310.2	217.9	446.9	316.8	238.8
Resource recycling costs	Waste sorting, reducing volumes of construction byproducts, reuse, and disposal costs	1,091.2	1,920.2	2,442.4	1,242.0	1,061.4
Upstream and downstream costs	Green procurement and environmentally friendly designs, etc.	21.8	51.4	39.7	156.9	53.6
Management costs	Environmental education and management personnel costs, etc.	86.6	87.6	84.7	92.3	57.4
Research and development costs	Research and development for environmental conservation, etc.	69.0	82.1	87.9	0.0	176.6
Social contribution activity costs	Nature conservation, community activities, and donations	14.2	26.1	21.1	22.1	12.4
Environmental damage costs	Restoration of natural environments and compensation, etc.	1.6	12.4	2.2	10.9	3.4
Other		17.2	17.2	0.1	0.0	0.0
Total		1,611.8	2,414.9	3,124.9	1,841.0	1,603.5

Promoting decarbonization

The LP-LiC and LP-SoC carbon stock methods

Trees absorb carbon dioxide from the atmosphere via photosynthesis. They discharge oxygen and fix carbon within themselves. Carbon stock technologies apply this natural process to construction technologies by moving lumber underground while promoting the construction business. This reduces greenhouse gas emissions and mitigates climate change.

We contribute to decarbonization via the LP-LiC Method (piling logs into soft ground to solidify the ground and prevent liquefaction) and the LP-SoC Method (piling logs into soft ground, such as cohesive soil, to improve the load bearing capacity of and reinforce the local ground surface).



Large-scale housing complex site (Chiba Prefecture)

Small- and medium-scale hydroelectric power generation business

Effective use of locally produced and consumed renewable energy

Hydroelectric power is a renewable and eco-friendly energy source based on water resources which are plentiful in Japan. We're advancing the small- and medium-scale hydroelectric power business through processes ranging from research and design to operations management.

We're developing this business nationwide to meet the demands of local communities, alongside community support activities that seek to revitalize agricultural infrastructures and dialogue with local government based on the conditions of each region.



Ochiai Hiraishi small-scale hydroelectric power station (Gifu Prefecture)

Climate information disclosure based on TCFD Initiatives

As part of activities related to TOBISHIMA SX, we intend to strengthen corporate value by promoting social sustainability based on management that accounts for ESG and the SDGs. We believe it is essential to disclose information concerning our climate performance and activities and have formally agreed with the proposals submitted by the Task Force on Climate-Related Financial Disclosures ("TCFD(*)").

We will disclose information concerning our climate-related actions and performance in accordance with the information disclosure framework proposed by TCFD (governance, strategy, risk management, and metrics and targets). We will identify risks and opportunities related to climate changes based on the scenario analyses for the disclosure items proposed by TCFD and strengthen our governance and business areas to facilitate the transition to a decarbonized society.

*TCFD: International framework established by the Financial Stability Board (FSB) in 2015 following a request from the G20 to consider how information concerning climate change-related actions and performance should be disclosed and subsequent actions taken by financial institutions.

Metrics and targets

Metrics and targets for evaluating and managing the risks and opportunities posed by climate change

- We have been granted SBT(*) certification for setting long-term CO₂ reduction targets for a zero-carbon society.



(Japanese Only)

Item	Coverage	Target
Greenhouse gas	Scopes 1, 2	25% reduction from 2020 levels by 2023
	Scope 3	13% reduction from 2020 levels by 2030

(*) SBT (Science Based Targets): GHG emission reduction targets set by each enterprise aligned with the levels required by the Paris Agreement

Received a B score in response to the CDP Climate Change 2022 Questionnaire

Following our response to the Carbon Disclosure Project (CDP) Climate Change 2022 Questionnaire, we received a B score, the third highest out of eight scores. The B score we received indicates environmental management; that we are aware of the environmental risks and impacts of the company, and are taking action. Going forward, we will continue to promote social sustainability through measures to address climate change as outlined in our environmental policy and climate information disclosure based on TCFD Initiatives, as well as conduct corporate management in consideration of ESG and SDGs. We will also actively disclose information through other means, such as in our responses to CDP questionnaires, on our website, and in integrated reports, as we work to achieve sustainable growth for both society and the company.

Basic principles for safety management

Basic principles: Since humans constitute a driving production force, it is impossible to improve quality and productivity without maintaining harmony among products, equipment, and humans. For any company, ensuring safety is a social responsibility that cannot be considered apart from the company's primary production activities. Thus, we uphold respect for human lives as a basic safety tenet.

Basic policy for managing safety and health: We seek to promote comprehensive risk awareness and thorough implementation of necessary measures. All site workers work to strengthen risk awareness and strive to remain constantly vigilant of work-related risks and take proactive measures to eliminate all occupational accidents, including those attributable to unsafe behavior.

Health and safety management targets

Target to be attained Fatal accidents: 0

Disaster prevention targets Frequency rate: 0.50 or less
Severity rate: 0.05 or less

Priority implementation items

- Assured implementation of the health and safety management PDCA
- Preventing fall accidents
- Preventing accidents associated with heavy machinery/equipment
- Preventing tripping/stumbling accidents
- Preventing accidents due to unsafe behavior
- Preventing accidents leading to damage/injury outside the company

Safety patrol

Personnel perform on-site inspections from multiple perspectives to enhance site safety management systems.

Tunnel accident elimination inspection	June/November
Inspection by management members	July
Accident elimination inspection	December
Term-end intensive inspection	February
Central safety and health diagnosis	September/October



Realizing Workplaces that Deliver Job Satisfaction

Health management[®] initiatives —TOBISHIMA's Health Management Declaration

Alongside its employees, TOBISHIMA will work to create a company in which all employees can work actively in sound health, both mentally and physically.

We launched our health management efforts in fiscal 2019, and in March 2020 we were certified by the Ministry of Economy, Trade, and Industry as an outstanding health management corporation. We continue to refine our health management practices maintaining and promoting the good health of all our employees.

No company can achieve sustained growth without considering the health of its employees. We share the Health Management Declaration with all employees through the collective efforts of both the Company and its workers.

Major initiatives

Preventing and halting the onset of lifestyle diseases

(1) Encouraging employees aged 30 and older to undergo thorough health screenings

The Company provides financial assistance for employees aged 30 and older to get thorough health screenings. The Company also designates individual worker health examination dates as days off and provides employees with transportation and accommodation expenses to encourage them to get their health examinations.

(2) Thorough Company support for follow-up exams

Follow-up exams that need to be taken during work hours, based on the results of regular health checkups and thorough health screenings, etc., are treated as hours worked. Employees are required to report the results of follow-up exams, based on which industrial doctors can provide health guidance to prevent or treat lifestyle diseases and to prevent the progression of any other conditions.

(3) Events to promote physical exercise

We hold companywide exercise promotion events, including the Arukatsu walking event, in which teams and individual participants compete for pedometer readings over specified periods and the Radio Gymnastics Grand Prix, in which groups compete on radio gymnastics perfection and planning. These activities encourage employees to make exercise a habit and promote employee interaction.

(4) Encouraging smokers to quit smoking and subsidizing the cost of smoking cessation treatment

As part of our plans to encourage smokers to quit smoking and to support employees that are trying to quit, we subsidize the cost of smoking cessation treatment when employees successfully abstain from smoking for a certain period of time after beginning the treatment.

Promoting work-life balance

Our goal is to become a company in which a diverse group of employees can make the most of their capabilities and effectively fulfil their responsibilities; in which business continuity is assured even under emergency conditions; and in which employees are empowered to achieve a work-life balance. To this end, we are working to create a work environment that enables flexible work styles.

(1) We seek to improve teleworking work environments and strive to enhance communication, issues often identified as challenges in such environments.

(2) After encouraging the use of flextime across the company, from fiscal 2021 we introduced the Super Flex-time System that has no set flex time or core time hours.

Health Management Report



We are continuously implementing various measures to improve employee awareness and action toward maintaining and promoting the good health of all our employees.

TOBISHIMA Health Improvement Challenge



*Employees earn points for the activities geared toward maintaining and promoting good health they carry out over the year, and receive awards based on the number of points earned.

Promoting work style reforms and diversity management

Both the Company and all its employees will continue to grow through ongoing management-employee joint efforts to pursue work style reforms in an open-minded spirit. This approach seeks to question things taken for granted to date; to create a supportive working environment for all; and to achieve both productivity enhancements for the Company and a work-life balance for everyone.

We acknowledge and respect diverse values and ways of thinking to invigorate organizations and accelerate innovation. We seek to promote environments in which everyone can fulfill their potential.

Major actions

- In July 2019, we introduced the mandatory retirement age of 65 to provide our employees with the option to continue working past the age of 60.
- Encourage the use of teleworking, flextime, and job return systems.
- Encourage employees to take childcare leave and family care leave (in particular, encouraging male employees to take childcare leave).
- Establish a diversity promotion committee to identify the current state of and challenges in diversity management and to plan and promote necessary measures.

Indicators concerning "work style reforms and diversity promotion" (2023 targets and status)

Action	Indicator	FY 2023 targets	Achievements	
			FY 2021	FY 2022
Achieving work style reforms through improved productivity	Rate of achieving eight full days off every four weeks at construction sites	100%	76.80%	74.60%
	Employees overtime work (annual average of unscheduled work hours)	300 hours or less in a year	329 hours in a year	335 hours in a year
	Ratio of annual paid holidays taken	60% or more	53.20%	58.00%
Employing diverse human resources and providing effective workplaces	Diversity ratio (Ratios of female workers, mid-career recruits, and non-Japanese workers among all employees)	30% or more	28.20%	28.70%
Providing workplaces where women can thrive	Ratio of female workers among new recruits	25% or more	22.00%	30.90%
	Ratio of male workers taking childcare leave	50% or more	63.60%	65.40%



Active participation of diverse human resources

Building Construction Division
Musashikoyama Reconstruction
Planning Works
James Francisco Tandyary

What led you to start working at TOBISHIMA?

I joined a tour of the company when I was job hunting. The atmosphere was much better than that of other general contractors, and I felt no discrimination against foreign workers. That's why I decided to work here.

In what areas are you able to demonstrate your individuality and strengths in your work?

My ability to communicate with technical intern trainees at worksites in a language other than Japanese. I feel that I am contributing to the smooth operation of the site by eliminating language barriers.

Please tell us about the challenges you want to take on and your goals for the future

I'd like to acquire a qualification (first-class architect) while I'm young so that I can be involved in various worksites and further improve my skills.



A workplace where women can thrive

Building Construction Division
Building Construction FSC Department
Construction Group
Megumu Sekikawa

When do you feel that TOBISHIMA is a supportive place for women to work?

Thanks to the company's well-developed work system, such as flextime and teleworking, I can fit my working hours around my lifestyle, such as picking up my son from school and going to the hospital. This makes me feel supported by the company.

Do you have any difficulties in balancing work and your private life?

Working during the day on weekdays and doing housework in the mornings and evenings limits the time I can spend with my two sons. If I'm honest, I'd like more time to enjoy playing with them. I make sure to play with them a lot when I use flextime to finish work early or on my days off.

Please tell us about the challenges you want to take on and your goals for the future

I'd like to fully utilize Field Success Centers (FSCs) to carry out fundamental reforms to facilitate the smooth execution of work by young employees and reduce the workload of the entire site. This should reduce the disparity in workload between worksites and offices.

Corporate Governance

Basic approaches to corporate governance

Having established Our Actions addressing Corporate Governance Codes to respond effectively to changes in the business and social environments, we seek to improve the efficiency, soundness, and transparency of management to enhance corporate governance.



(Japanese Only)

Business execution system

As a company with a board of company auditors, we have established a management system that allows directors to make decisions and execute business affairs expeditiously and promotes effective management and supervision, thereby enabling and enhancing effective corporate governance.

In principle, the Board of Directors meets once a month or as necessary to deliberate and determine basic management policies and important matters. With the aim of increasing the effectiveness of supervisory functions and the efficiency of business execution by separating the supervisory function over business execution status, we've introduced an executive officer system.

To enhance the efficiency of business execution, a management conference consisting of representative directors, executive officers, general managers of divisions, and other executive officers, etc. holds a meeting once a week or whenever necessary. This organization is responsible for making decisions related to strategic matters and daily tasks, as well as for summarizing management-related reports from each department.

Board of corporate auditors and accounting auditors

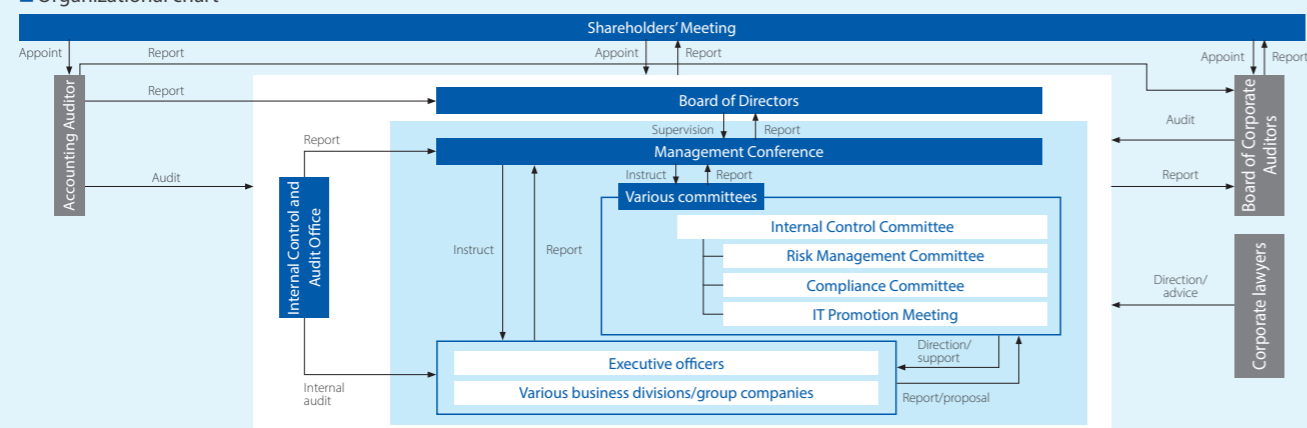
Corporate auditors attend the Board of Directors' meetings, executive board meetings, and management conferences, where they audit the status of business execution by directors. Additionally, corporate auditors, the Internal Control and Audit Office, and accounting auditors work closely with one another through liaison meetings and information exchange, striving to improve the effectiveness and efficiency of audits.

As an accounting auditor, we have appointed Deloitte Touche Tohmatsu LLC, who handles our audits in a fair manner based on the Companies Act and the Financial Instruments and Exchange Act.

Training for directors and corporate auditors

To ensure that directors and corporate auditors can adequately fulfil their roles and responsibilities, we provide them with internal information, as required, and opportunities to participate in external training sessions, as well as lectures and other training opportunities involving outside experts. For outside directors and outside corporate auditors, we provide various opportunities to deepen their understanding of business operations, including site visits.

Organizational chart



Director skills matrix

Name	Position and assignment at TOBISHIMA	Corporate management/management strategies	Technology/quality/environment	Finance/accounting/banking	Legal/compliance	International business/overseas insights and knowledge
Masahiro Norikyo	President, Representative Director and Chief Executive Officer	●	●		●	
Takuji Arao	Director and Senior Managing Executive Officer, Chief of Building Construction Division, and in charge of quality	●	●			
Seiichi Okuyama	Director and Executive Vice President, and in charge of private sector	●		●		
Mitsuhiko Takahashi	Director and Senior Managing Executive Officer, and Chief of Corporate Planning Division	●		●	●	
Shiro Takeki	Director and Managing Executive Officer, and Chief of Civil Engineering Division	●	●			
Takashi Aihara	Outside Director	●	●		●	
Akitaka Saiki	Outside Director	●			●	●
Takako Masai	Outside Director	●		●		●

Risk Management and Compliance

Basic approaches to risk management and compliance

Risk management and compliance are among the top corporate management issues. We have established proper management systems through various means, including having respective sections or departments establish relevant regulations and manuals to ensure that they are thoroughly communicated and understood by employees. Furthermore, to promote compliance management practices, we revise the Compliance Manual in response to the changing social environment and take steps to ensure thorough communication to and understanding by all employees.

Risk Management Committee

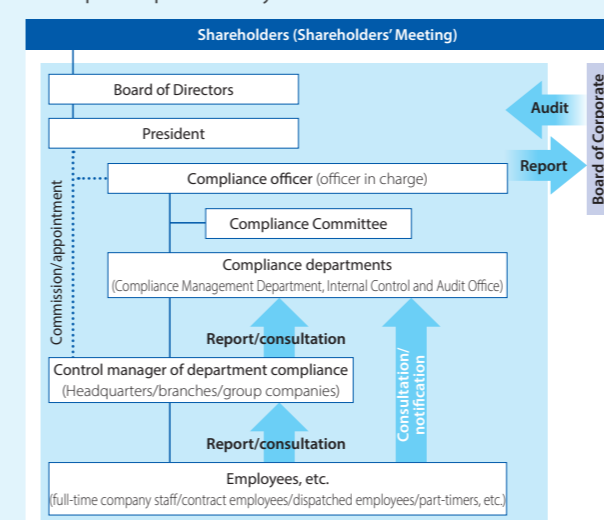
To respond to companywide risks, we have established the Risk Management Committee, chaired by a managing executive officer. This body determines annual priority risks to be managed by top management, based on conceivable potential risks; undertakes quarterly inventory/evaluations and revisions; and acts to ensure thorough communication to and understanding by all employees. For annual priority risks, risk management measures are planned and implemented for individual risks, incorporated into operational processes, and adjusted and coordinated among different sections and departments.

The management status of these priority risks is reported to the top management by the various sections and departments. The Crisis Management Regulations specify how to anticipate risks and respond to any risks that manifest to preserve corporate assets and minimize consequences for business management.

Compliance Committee

Our Compliance Committee, chaired by an executive president in charge of compliance, formulates compliance promotion plans and supervises actions concerning corporate ethics, including legal compliance. It also establishes Anti-monopoly Legislature Compliance Rules and Collusive Bidding Prevention Manual and undertakes continuous education/training for the relevant personnel to enhance our actions against collusive bidding. For insider trading, we have established the Insider Trading Prevention Management Regulations and are carrying out preventative measures.

Compliance promotion system



As part of efforts to foster a culture of respect for human rights, we also actively promote training and dissemination activities to enable employees to properly recognize and gain a deeper understanding of human rights.

Whistleblower system

In accordance with the enforcement of the 2006 Whistleblower Protection Act, we set up a reporting contact office and established an internal reporting regulation to prevent misconduct. Following the 2022 revision of said Act, we provide practical training for employees engaged in whistleblower handling operations to ensure our whistleblower system functions effectively.

Actions to eliminate anti-social forces

As part of our corporate social responsibility, the Corporate Code of Conduct stipulates the elimination of all ties to any antisocial forces. We have also appointed a department responsible for handling unjustifiable demands from antisocial forces, which will respond in accordance with the Crisis Management Regulations and the Anti-social Forces Handling Manual.

We share information about anti-social forces to ensure that all employees are fully aware of how to handle them. When concluding contracts, we constantly include provisions concerning the elimination of organized crime syndicates.

Compliance training

We implement compliance e-learning via the intranet for all officers and employees. We also implement compliance education in various ways, including new employee orientation and group training according to status and business division.

To further promote compliance, we publish the monthly Compliance Communication as an in-house newsletter to help raise employees' awareness of compliance.



Company Information (as of March 31, 2023)

Company overview

Company name	TOBISHIMA CORPORATION	Number of employees	1,425 (non-consolidated: 1,147)
Year of establishment	1883	Representative	Masahiro Norikyo, President and Representative Director
Month and year of incorporation	March 1947	Address	W Bldg., 1-8-15, Konan, Minato-ku, Tokyo, 108-0075, Japan
Paid-in capital	5,519,942,968 yen	Branches and research institutes	Sapporo Branch, Tohoku Branch, Tokyo Metropolitan Area Branch, Nagoya Branch, Hokuriku Branch, Osaka Branch, Chugoku Branch, Shikoku Branch, Kyushu Branch, International Branch, Research Institute of Technology
License	Construction license: granted by Minister of Land, Infrastructure and Transportation (Toku-04) No. 1400 (License date: April 25, 2022)		

Directors (as of July 1, 2023)

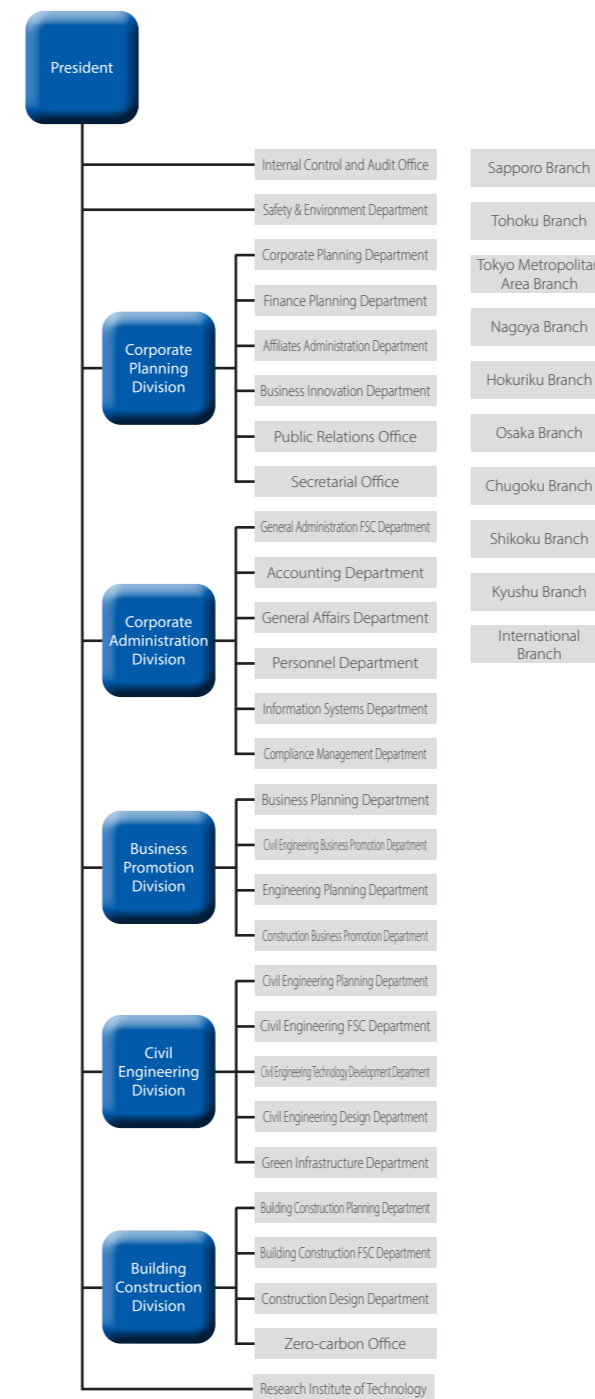
Directors and corporate auditors

President and Representative Director	Masahiro Norikyo
Representative Director	Takuji Arai
Director	Seiichi Okuyama
Director	Mitsuhiko Takahashi
Director	Shiro Takeki
Director	Takashi Aihara
Director	Akitaka Saiki
Director	Takako Masai
Standing Corporate Auditor	Hiroshi Ito
Standing Corporate Auditor	Kiyoshi Usui
Corporate Auditor	Toshiya Natori
Corporate Auditor	Aki Nakanishi

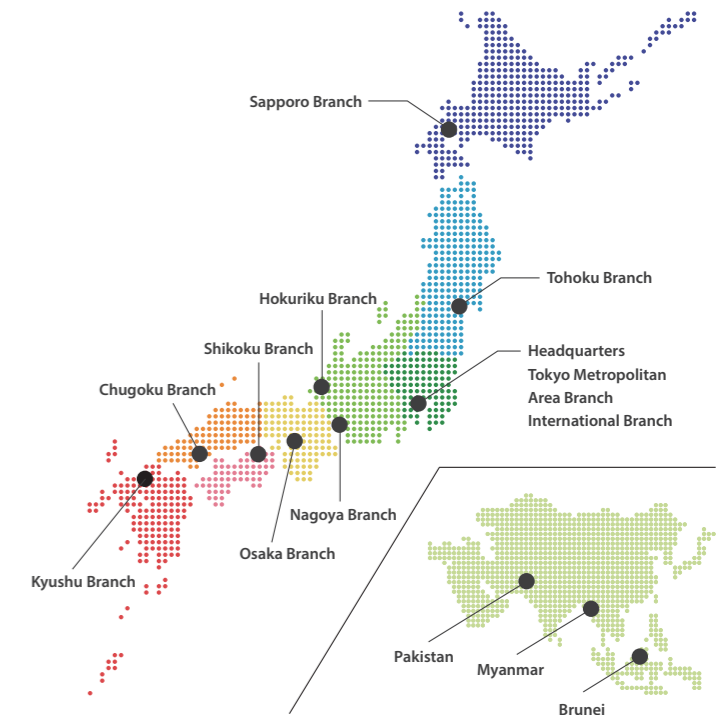
Executive officers (* indicates concurrent position as director)

* Chief Executive Officer	Masahiro Norikyo
* Executive Vice President	Seiichi Okuyama
* Senior Managing Executive Officer	Takuji Arai
* Senior Managing Executive Officer	Mitsuhiko Takahashi
Senior Managing Executive Officer	Shinichiro Sato
* Managing Executive Officer	Shiro Takeki
Managing Executive Officer	Kazuya Taniguchi
Managing Executive Officer	Junichi Fukada
Managing Executive Officer	Toshimori Souma
Managing Executive Officer	Toshiyuki Matsubara
Managing Executive Officer	Yasunori Inaba
Managing Executive Officer	Kazuhiro Tashiro
Executive Officer	Akiyoshi Ban
Executive Officer	Kunji Nakagawa
Executive Officer	Masahiro Yamagami
Executive Officer	Katsuo Shimada

Organizational chart (as of April 1, 2023)



Overseas business office: Brunei, Pakistan, Myanmar
 Account closing month: March
 Annual General Meeting of Shareholders: June
 Major group companies: E&CS Co., Ltd., Sugita Construction Corporation, Tequanauts Co., Ltd., FOR YOU, Inc., Axisware, Inc., NXTField, Inc.

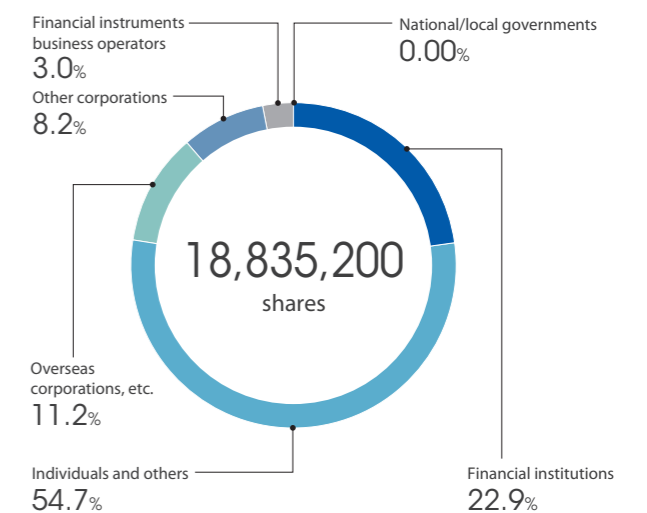


Stock Information (as of March 31, 2023)

Status of stocks

Total number of authorized shares	40,000,000 shares
Total number of outstanding shares	19,310,436 shares
Number of shareholders	29,505
Listed securities exchange	Prime Market, Tokyo Stock Exchange
Securities code	1805
Shareholder registry administrator	Mizuho Trust & Banking Co., Ltd.

Distribution of shares constituting one unit by shareholder type



*The number of shares constituting one unit held as treasury shares is included in "Individuals and others"; the number of shares constituting one unit held by Japan Securities Depository Center, Inc. (unregistered) is included in "Other corporations."

140th ANNIVERSARY



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<https://www.tobishima.co.jp/english>

