

Always sincere from now  
until the next century  
and beyond



## “Always sincere from now until the next century and beyond”

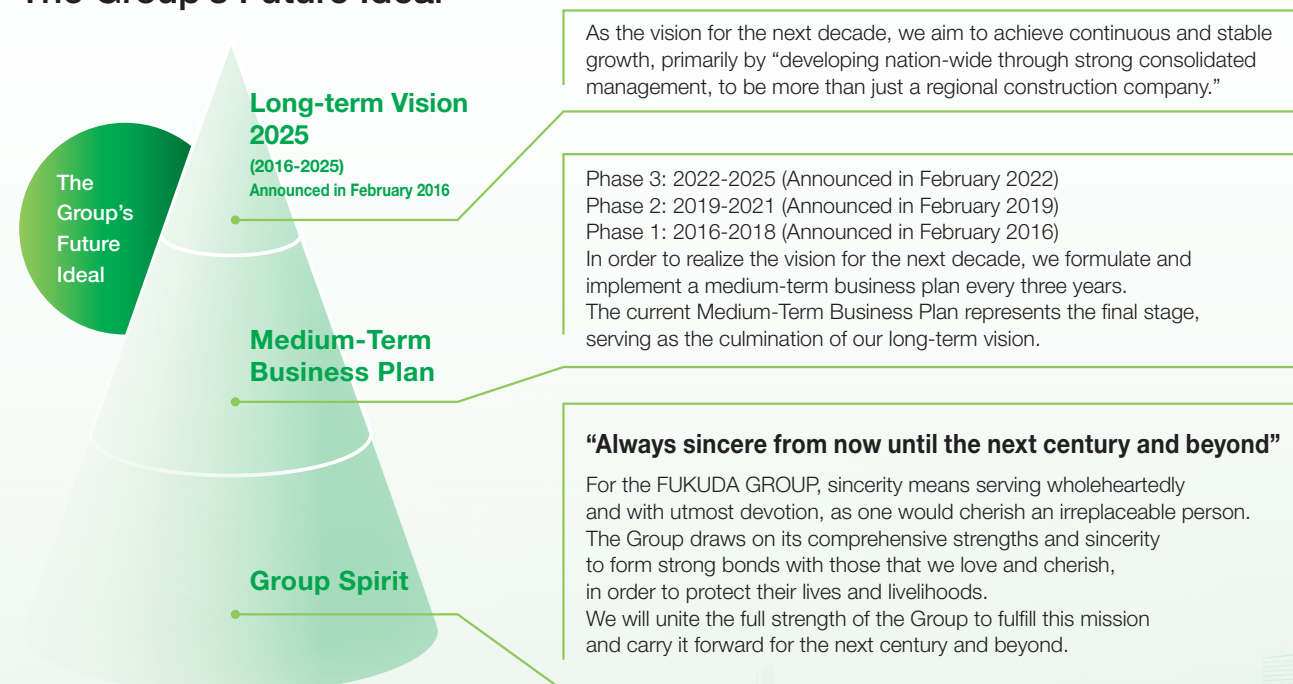
### Company Motto

We shall approach our work with sincerity and creativity and contribute to society through construction.

### Management Philosophy

To value people and the environment, we aim to create inspirational value based on a corporate structure designed to face challenges.

## The Group's Future Ideal



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## Editorial Policy

This report is published with the aim of helping our shareholders, investors, and other multi-stakeholders understand the initiatives of the FUKUDA GROUP to enhance corporate value, by disclosing not only financial information such as our results for the period, but also non-financial information such as our management strategy and ESG-related information.

### [Reporting Period]

Fiscal 2024 (January 1, 2024–December 31, 2024)  
Certain activities conducted before and after the above period are included.

### [Date of Issue]

July 2025

### [Note]

Forward-looking statements in this report, such as business results forecasts, are based on judgments made from currently available information and may differ from actual results due to various future uncertainties.



# FUKUDA CORPORATION's History

Originating from FUKUDA CORPORATION, a civil engineering and construction contracting company founded in Niigata in 1902, the FUKUDA GROUP has upheld the spirit of “sincerity” from the Meiji era to the Reiwa era, engaging in a wide range of businesses including architecture, roads, railways, ports, housing, and real estate. In order to pass on its 120-year tradition to the next generation, the FUKUDA GROUP consistently responds to the needs of society, strives for sustainable growth, and endeavors to contribute to society. Going forward, we will continue to value coexistence with local communities and actively engage in environmental protection and technological innovation, working tirelessly to build a better future.

- 1902** Founder Tokichi Fukuda establishes “Fukuda-gumi,” a sole proprietorship
- 1927** Reorganized as FUKUDA CORPORATION with capital of ¥100,000
- 1953** Tadashi Fukuda assumes office as the fourth President & Representative Director
- 1955** Opened the Nagoya Branch
- 1960** Opened the Tokyo Branch (currently the Tokyo Main Branch)
- 1962** Established Fukuda Ikueikai (currently the Public Interest Incorporated Foundation Fukuda Ikueikai)  
Opened the Osaka Sales Office (currently the Osaka Branch) and increased capital to ¥100 million
- 1965** Opened the Sendai Sales Office (currently the Tohoku Branch)
- 1970** Established FUKUDA ROAD CONSTRUCTION CO., LTD. by spinning off the Road Division
- 1983** Listed shares on the First Section of the Tokyo Stock Exchange and increased capital to ¥2.0 billion



1927 Yamanoshita Bridge, Niigata



1967 Niigata Prefectural Civic Center (Earthquake Reconstruction Project)



1951 Paving work on Ote Street, Nagaoka (shortly after the establishment of the Paving Division)



1972 Joetsu Shinkansen Kokonokamachi Viaduct (Section 2) construction



1986 Aburumagawa Dam, the first large-scale dam construction project for the Company

## Building the Foundation

### Founding and trust-building period

1902 - 1985



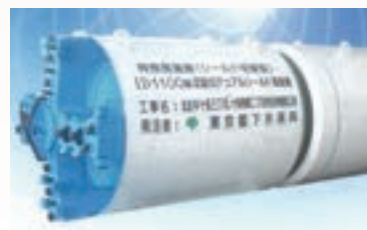
1990 Bang Pakong Power Plant (Kingdom of Thailand)



2009 Grandeur Nishibori (Niigata Prefecture)



1996 Takashimaya Times Square (Tokyo)



2007 Received the Nikkei BP Award for the Dual Shield Method

## Era of Growth and Advancement

### Expanding our field through technology and achievements

1986 - 2010

- 1987** Opened the Fukuoka Sales Office (currently the Kyushu Branch)
- 1992** Minoru Fukuda assumes office as the fifth President & Representative Director  
Increased capital to ¥5.0 billion and established THAI FUKUDA, an overseas local subsidiary
- 1997** Became the first general contractor in Niigata Prefecture to obtain ISO 9001 certification
- 2003** Katsuyuki Fukuda assumes office as the sixth President & Representative Director
- 2005** Introduced the Executive Officer system

- 2011** Split off the renewal business and the engineering business into separate companies
- 2013** Certified as a “Company with Excellent Record of Construction Projects for Fiscal 2013” from the Hokuriku Regional Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism  
Katsuyuki Fukuda appointed as the 21st Chairman of the NIIGATA Chamber of Commerce & Industry
- 2014** Certified as a “Company with Excellent Record of Construction Projects for Fiscal 2014” from the Kyushu Regional Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism
- 2016** Completion of new head office building in Niigata
- 2019** Masanori Araaki assumes office as the ninth President & Representative Director  
Certified as a “Company with Excellent Record of Construction Projects for Fiscal 2019” from the Hokuriku Regional Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism (for a seventh consecutive year since fiscal 2013)  
Concluded an “Agreement on Systematic Industry-Academia Collaboration” with Niigata University



2016 New building of the Niigata Head Office

## Shaping the Future

### Toward a sustainable society

2011 - 2025

- 2020** Established the Work Style Reform Initiative Committee
- 2022** Listed on the Prime Market of the Tokyo Stock Exchange  
120th anniversary of founding  
Work uniforms renewed for the first time in 30 years
- 2023** Certified as a “2023 Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category)” by the Ministry of Economy, Trade and Industry
- 2024** Certified as an “Eruboshi-Certified Company” for promoting women's participation



2022 Updated work uniforms



2024 Certified as an “Eruboshi-Certified Company”



2016 Niigata Commercial High School Classroom Building (Niigata Prefecture)



2022 BRANCH Chofu (Tokyo)



2023 Nasu Mega Solar (Tochigi Prefecture)



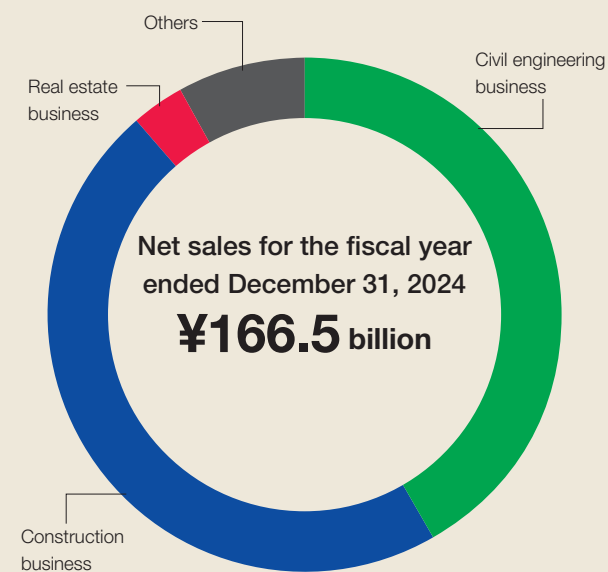
2023 Tokai-Kanjo Gifu Yamagata No. 1 Tunnel (Gifu Prefecture)



# Business Overview

The Company is a general contractor with a history of over 120 years in the construction industry, and we value sincere craftsmanship backed by technology and trust. Founded as a sole proprietorship in Niigata, we have since expanded our operations across Japan and overseas, constantly taking on challenges in new fields. FUKUDA CORPORATION's goal is to refine its technological development and hands-on capabilities responding to an ever-changing society and to provide customers with the highest value. We strive to be a company where each and every employee responds to customer needs and creates experiences that inspire.

Ratio of net sales

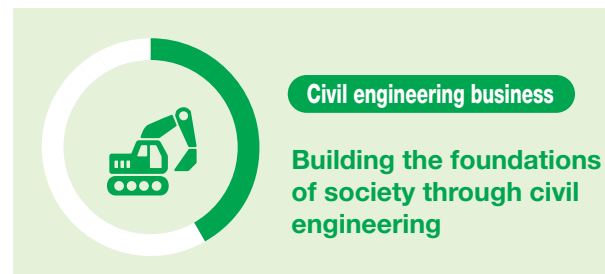


 **Civil engineering business** **41.9%**

 **Construction business** **46.9%**

 **Real estate business** **3.3%**

 **Others** **7.9%**



The development of social infrastructure, such as disaster countermeasures and the need for infrastructure renewal, is becoming increasingly important. With reliable technology and a proven track record, the Company supports the foundations of local communities and contributes to the creation of a safe and secure society. In the fields of roads and rivers, we have developed disaster prevention facilities and strengthened and maintained drainage systems. In the field of recovery and reconstruction, we have responded swiftly during disasters in the past.

On the technical front, we have developed methods such as the dual shield method and the water cure method, and are constantly striving to improve construction quality. In terms of environmental initiatives, we make proposals and designs that take into account regional characteristics and the surrounding environment, including final disposal site technologies, thereby contributing to the reduction of environmental impact.

We will continue to contribute to society through a wide range of civil engineering projects and aim to help realize a sustainable future.



The Company is a team of construction professionals with trusted technology and a talented workforce. We give concrete form to our customers' "visions," such as desired functions, individuality, and added value, and deliver high-quality buildings that ensure their satisfaction. To date, we have worked on a wide range of buildings, from commercial facilities to public facilities and medical and welfare facilities, continually contributing to society as a whole.

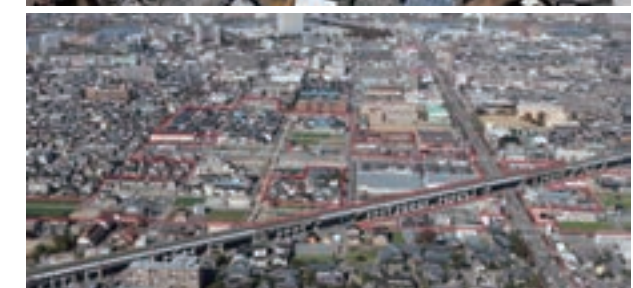
At construction sites, we strive to create buildings that pursue both safety and efficiency. In addition, by employing advanced construction technologies such as the precast reinforced concrete (PRC) method, the seismic isolation method, and the concrete-filled steel tube method, we aim to extend building longevity and enhance seismic resistance. We are also engaged in building construction projects overseas, earning high acclaim for our speedy and meticulous responsiveness.

Going forward, we will continue to create building value that endures into the future, striving to be a partner that contributes to the well-being of society as a whole.



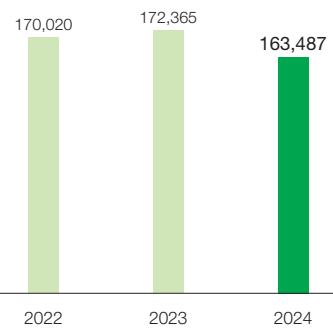
We make effective use of idle real estate and develop a diverse range of projects tailored to customer needs. We are engaged in a wide range of projects, including commercial facilities, residential land development, logistics parks, and land readjustment projects, and we consistently propose best practices to our customers based on surveys and analyses.

Through various projects across the country, we will continue to work toward the realization of a better society.



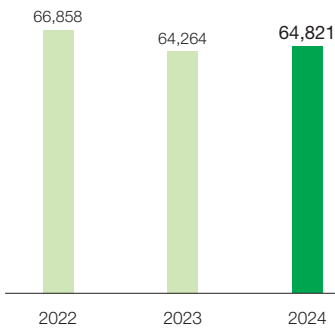
## Consolidated orders

(Unit: Million yen)



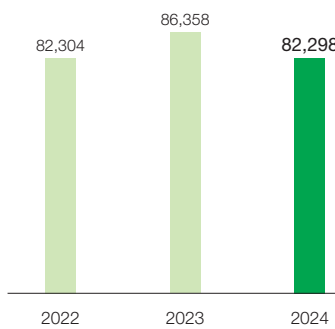
## Consolidated orders (Civil engineering)

(Unit: Million yen)

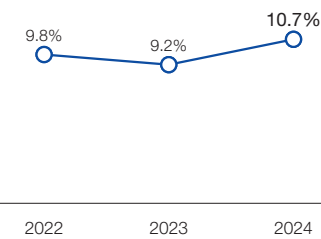


## Consolidated orders (Construction)

(Unit: Million yen)

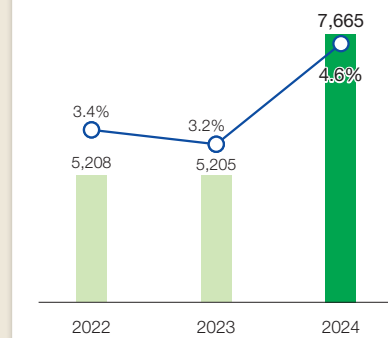


## Consolidated gross profit margin

Consolidated operating income/  
Ratio of consolidated operating income  
to consolidated net sales

(Unit: Million yen)

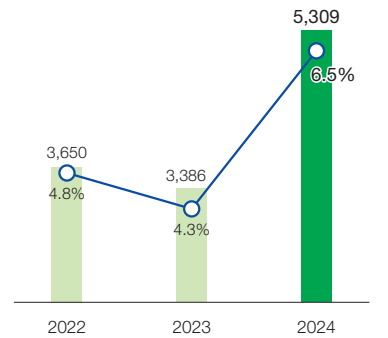
■ Operating income ○ Ratio of operating income to net sales



## Consolidated net income/ROE

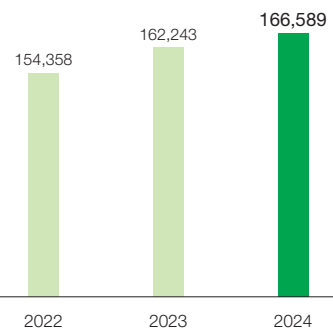
(Unit: Million yen)

■ Net income ○ ROE



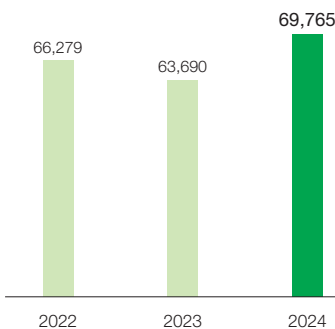
## Consolidated net sales

(Unit: Million yen)



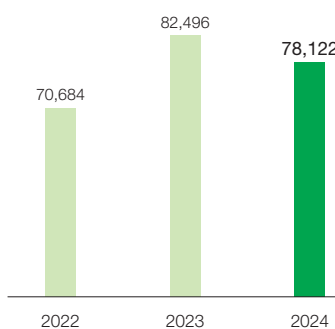
## Consolidated net sales (Civil engineering)

(Unit: Million yen)



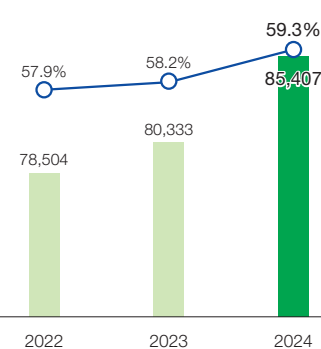
## Consolidated net sales (Construction)

(Unit: Million yen)

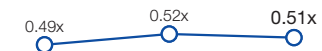
Consolidated net assets/  
Consolidated capital adequacy ratio

(Unit: Million yen)

■ Net assets ○ Capital adequacy ratio

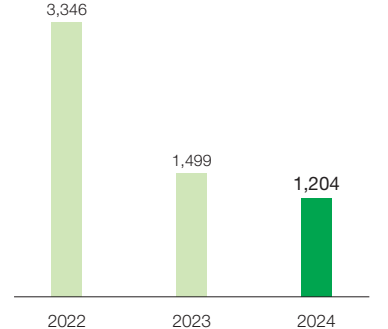


## PBR



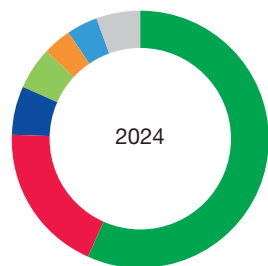
## Consolidated interest-bearing debt

(Unit: Million yen)



## Ratio of net sales by consolidated group

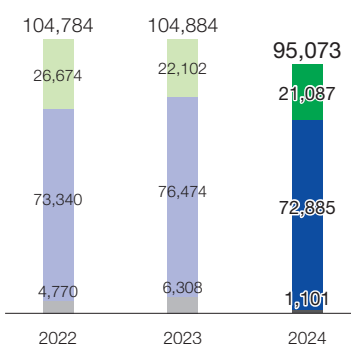
■ FUKUDA CORPORATION 56.9%  
 ■ FUKUDA ROAD CONSTRUCTION 18.7%  
 ■ KOWA Co., Ltd. 6.1%  
 ■ RECS CORPORATION 5.3%  
 ■ Kita Nihon Construction Material Leasing Co., Ltd. 3.7%  
 ■ FUKUDA RENEWAL CORPORATION 4.0%  
 ■ Others 5.3%



## Non-consolidated orders

(Unit: Million yen)

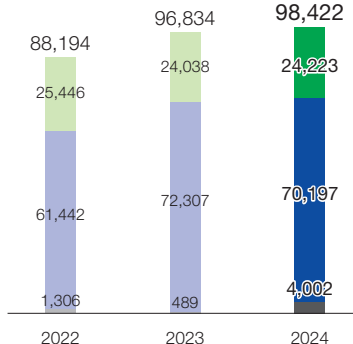
■ Civil engineering ■ Construction ■ Others



## Non-consolidated net sales

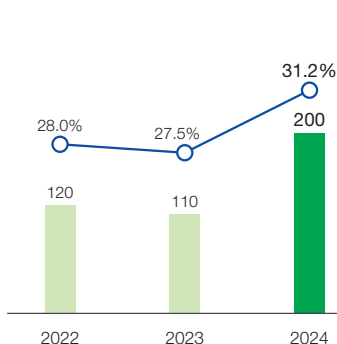
(Unit: Million yen)

■ Civil engineering ■ Construction ■ Others

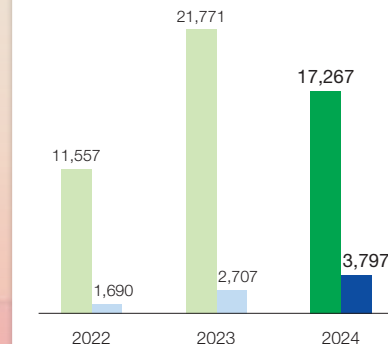
Consolidated dividend/  
Consolidated dividend payout ratio

(Unit: Yen)

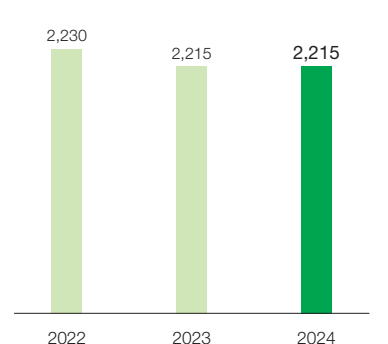
■ Dividend per share ○ Dividend payout ratio

CO<sub>2</sub> emissions(Unit: t-CO<sub>2</sub>)

■ Scope 1 ■ Scope 2



## Number of employees (consolidated)





## Message from Leadership



**Upholding our spirit, “Always sincere from now until the next century and beyond,” we will meet the expectations of our multiple stakeholders, rooted in the community, expanding beyond the community.**

**Masanori Araaki**

Representative Director, President of the Board

### For over 120 years since our founding, the spirit of “Sincerity” has permeated throughout the company.

Since its founding in 1902, the Company has built a history of over 120 years as a leading company in the construction industry of Niigata Prefecture. Underlying our progress at all times has been the commitment to valuing people and fostering their growth, as well as dedicating ourselves to earning the trust of our customers, and this spirit continues to be carried on today.

As our customers invest substantial amounts when commissioning construction projects, it is essential to maintain an attitude of integrity in order to fully live up to their trust. This spirit, fostered by our predecessors through their sincere dedication, has been handed down over the generations, becoming a natural part of our corporate culture and continuing to permeate each and every employee today.

Looking back once again on our history of over 120 years, we have reached the conclusion that the greatest strength of the FUKUDA GROUP lies in the integrity shared by all employees. Accordingly, we have adopted the Group Spirit of “Always sincere from now until the next century and beyond” with the aim of further enhancing customer

satisfaction and corporate value. To this end, we will strive to create new value through flexible “creativity” while pursuing the “enhancement of quality.”

Moreover, our commitment to remaining sincere toward multiple stakeholders is a distinctive principle of the FUKUDA GROUP. We believe it is important to build good relationships with all stakeholders, including not only our customers and shareholders, but also our employees and their families, our partner companies, and members of the local communities. In the Medium-Term Business Plan, described later, we have also adopted the slogan of “Building strong bonds with our multiple stakeholders.”

At the same time, while the FUKUDA GROUP is headquartered in Niigata, where it was founded, and pursues sustainable growth rooted in the local community, we have also built a broad track record as a general construction company in major cities nationwide. Among construction companies headquartered in regional cities, there are very few examples of firms that have successfully combined a strong local presence with nationwide expansion.

### Promoting the Medium-Term Business Plan amid a dramatically changing environment

Since assuming my current position in March 2019, a series of unexpected events have occurred, including the spread of COVID-19, Russia’s invasion of Ukraine, the worsening of inflation, and the record depreciation of the yen. Concerns such as U.S. tariff policies continue to accumulate, and the environment surrounding the FUKUDA GROUP remains in constant flux, with uncertain conditions persisting.

In Japan, momentum for wage increases remains strong, and personnel expenses are expected to continue rising going forward. In order to address persistently high raw material prices and rising labor costs, further improvements in productivity and reductions in costs have become urgent issues.

Furthermore, the construction industry is now facing the so-called “2025 Problem.” This issue refers to the fact that in 2025, the baby-boom generation will reach the age of 75 or older (late-stage elderly), and as the number of retirees remains at record-high levels, labor shortages will become even more severe. The construction industry is a typical “labor-intensive” business, and it is increasingly necessary to focus on securing and developing human resources.

Although unforeseen events are likely to await us in the future, what can be said with certainty is that, regardless of the times, true enhancement of corporate value cannot be achieved unless we pursue not only “quantity (order volume, net sales, and profit),” but also “quality (high added value, brand, and human resources).” In the Medium-Term Business Plan 2025 (2022–2025), which reaches its final year this fiscal year, we have aimed to enhance corporate value by balancing “quantity” and “quality.”

In February 2016, the FUKUDA GROUP announced the “Long-term Vision 2025,” under the theme of “A century of history and tradition; New challenges for the next 100 years.” Following the first phase, the Medium-Term Business Plan 2018 (2016–2018), and the second phase, the Medium-Term Business Plan 2021 (2019–2021), we announced the Medium-Term Business Plan 2025 in February 2022, which constitutes the final phase of the “Long-term Vision 2025.”

With the population declining due to the falling birthrate and aging society, the domestic construction market is showing a trend of quantitative contraction. In order to achieve sustainable growth that is not swayed by such



market conditions, this Medium-Term Business Plan has focused on initiatives to enhance “quality.” Fiscal 2025 is the final year of the plan, and the entire Group is working together as one toward achieving its targets.

During the period of this Medium-Term Plan, we faced numerous challenges, including a decline in order volume due to the COVID-19 pandemic and rising raw material costs caused by global inflation. Nevertheless, while adhering to the minimum requirement of reliably delivering the quality that customers demand and maintaining a commitment to meticulous work, we have advanced initiatives to achieve the targets of the Medium-Term Business Plan. It has been a steady accumulation of efforts, but results are beginning to emerge in various areas, including work style reform.

“overtime limits.” In particular, we have advanced initiatives such as awareness-raising activities for accurate attendance management, efforts to improve operational efficiency, and outsourcing aimed at reducing workloads. As a result, the average monthly overtime hours per employee in fiscal 2024 decreased by approximately 13% from the previous fiscal year.

At the same time, we are working to create workplace environments in each department that support the growth of every individual, while promoting measures to strengthen human resources acquisition and development. In securing human resources, we are strengthening new graduate recruitment while focusing on mid-career hiring.

In addition, to prevent new employees from leaving the Company in a short period of time, we are implementing

measures such as careful and close follow-up after job offers to prevent mismatches after joining the Company, enhancing post-entry training to strengthen bonds among peers, and expanding the scope of the “New Employee Follow-Up Training (to include second-year employees effective fiscal 2025).”

In human resources development, in addition to the training conducted by each department, we have established a hierarchical training program covering all levels, from new employees and mid-level staff to managers, supervisors, and executive officers. By providing learning opportunities to employees at all levels, we aim to raise individual skill levels and improve performance, while also promoting greater interaction within the Company.

## Actively addressing sustainability, a social issue

FUKUDA CORPORATION, the core company of the Group, upholds the management philosophy of “To value people and the environment, we aim to create inspirational value based on a corporate structure designed to face challenges.” This can be said to embody what is now widely discussed as sustainability management. The Group Spirit of “Always sincere from now until the next century and beyond,” mentioned at the beginning of this message, was also adopted to share our commitment to sustainability management across the entire Group.

Within the FUKUDA GROUP, everyone, while always taking “sincerity” as a fundamental premise, is working to address sustainability issues by deepening “bonds with local communities,” keeping in mind the importance of “passing on to the next generation,” and fulfilling our mission to “protect their lives and livelihoods.” In the Sustainability Basic Policies announced in February 2024, we established as a shared Group value the principle of acting with integrity not only toward multiple stakeholders but also toward the environment.

In our initiatives toward carbon neutrality, we expressed support for the Task Force on Climate-related Financial Disclosures (TCFD) in February 2024 and, utilizing its framework, developed both a 1.5°C scenario and a 4°C scenario. In addition, we established the Carbon Neutral Committee, a subcommittee under the Sustainability Committee.

Furthermore, by bringing together the technological capabilities of Group companies, we are actively advancing the development of Net Zero Energy Buildings (ZEB) and Net Zero Energy Houses (ZEH.)

With regard to CO<sub>2</sub> emissions, we have set a target of reducing annual emissions in Scopes 1 and 2 of our business activities by 30% compared with fiscal 2023 levels, with the goal of achieving carbon neutrality by 2050. We began calculating Scope 3 emissions in 2024, and we will accelerate specific initiatives aimed at their reduction going forward.

## Becoming a more attractive company by improving job satisfaction and fostering the growth of human resources

I recognize that the most important management issue in fiscal 2025 is the improvement of job satisfaction and the growth and development of human resources. It is essential to establish an environment in which each employee can continue to work with vitality, while promoting continuous skill development through investment in human resources.

With regard to “work style reforms,” we established the “Work Style Reform Initiative Committee” in 2020 and have worked to verify the results of measures implemented at each department and site, while promoting the full implementation (100% adoption) of “eight days off in four weeks at worksites” and ensuring strict compliance with

## Fulfilling the promise of “Always sincere from now until the next century and beyond” and meeting expectations

I believe that in order to bring satisfaction to all stakeholders, including customers, shareholders, employees and families of the FUKUDA GROUP, partner companies, and members of the local community, it is important to steadily enhance corporate value while contributing to society. And in fulfilling this, what becomes indispensable is the effort to maintain a sound management foundation for the Group.

Furthermore, in order to build strong bonds with multiple stakeholders, it is essential that we faithfully put into practice our Group Spirit of “Always sincere from now until the next century and beyond.” United in advancing its various initiatives to meet your expectations, the entire Group respectfully ask for stakeholders’ continued understanding and support.





## Value Creation Process

Population decline

Abnormal weather

Natural disasters

Aging infrastructure

Carbon neutrality

Fiscal 2024 results

## Management capital

- Total assets (consolidated)  
**¥142.8 billion**
- Net assets (consolidated)  
**¥85.4 billion**
- Capital adequacy ratio (consolidated)  
**59.3%**

## Manufacturing capital

- Sales Offices, etc. (non-consolidated)  
**11 locations**
- Number of group companies (including parent)  
**31 companies**

## Social and relationship capital

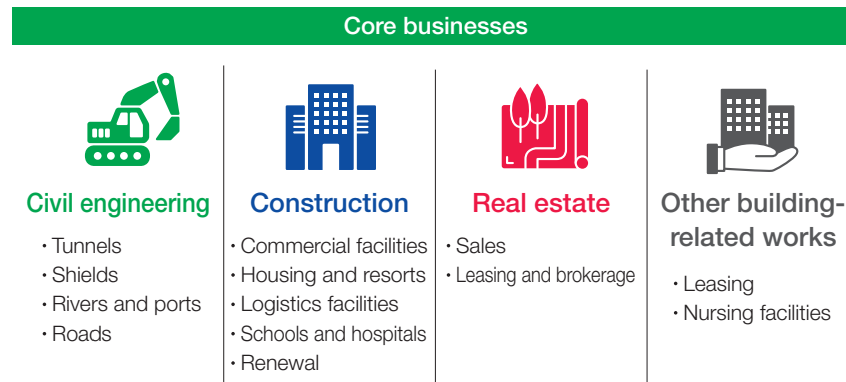
- Number of member companies of FUKUDA CORPORATION Partner Association and Fukujukai  
**Approx. 550 companies**

## Human capital

- Number of employees (consolidated)  
**2,215**
- Number of qualified employees (consolidated)
  - Professional engineers **64**
  - First-class architects **132**
  - First-class civil engineering works execution managing engineers **717**
  - First-class paving works execution managing engineers **225**
  - First-class building works execution managing engineers **299**

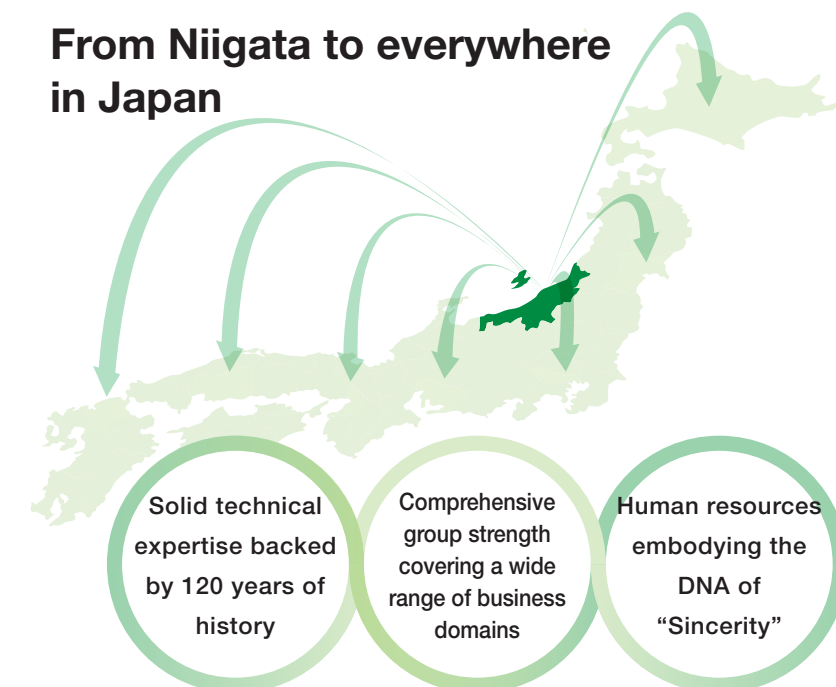
External environment

INPUT



## Fukuda's strengths

From Niigata to everywhere in Japan



## Medium-Term Business Plan 2025

Planting our roots in the local region and building strong bonds with our multiple stakeholders that go beyond the region

1. Evolution and deeper development of mainstay businesses
2. Establishment of the sincere brand image of the FUKUDA GROUP
3. Strengthening and ensuring safety and quality
4. Enrichment and growth of human resources
5. ESG management for the enhancement of corporate value

Vision

## Management Philosophy

To value people and the environment, we aim to create inspirational value based on a corporate structure designed to face challenges

## Long-term Vision 2025

**Toward the next 100 years, "Heritage and Evolution"**

Fiscal 2024 results

## Economic value

- Net sales (consolidated)  
**¥166.5 billion**
- Operating income/Ratio of operating income (consolidated)  
**¥7.6 billion/4.6%**
- Dividend/Dividend payout ratio  
**¥200 per share/31.2%**

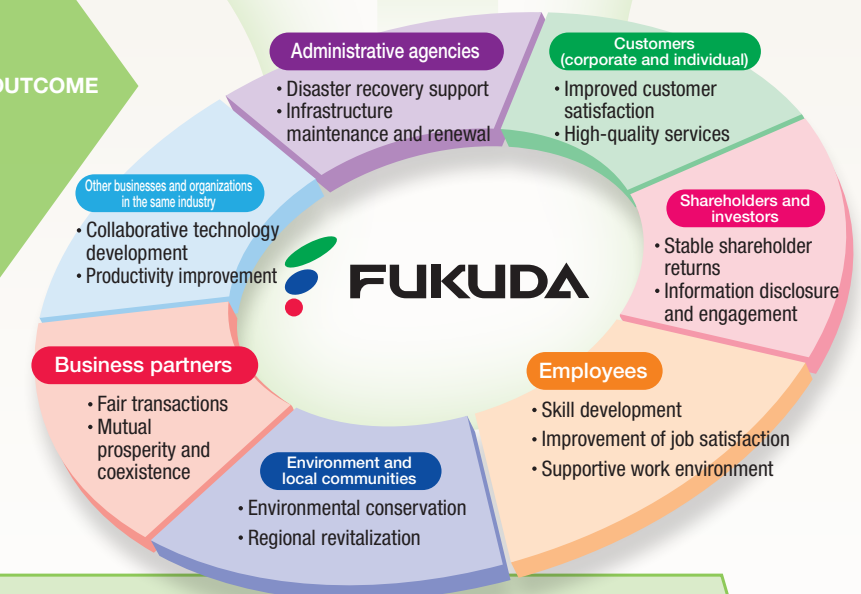
## Environmental value

- CO<sub>2</sub> emissions (non-consolidated) SCOPE 1+2  
**21,064 t-co<sub>2</sub>**  
Down **13.9%** from Fiscal 2023  
(Target: 30% reduction from Fiscal 2023 by 2030)
- No. of ZEB/ZEH certifications (design and construction)  
**4 cases** (Target: 2 or more per year)

OUTPUT

OUTCOME

Providing value to multiple stakeholders



Materiality

Practice of ESG management

Company Motto

We shall approach our work with sincerity and creativity and contribute to society through construction.

Group Spirit

"Always sincere from now until the next century and beyond"



# Medium-Term Business Plan 2025

## Progress of the FUKUDA GROUP Medium-Term Business Plan 2025

### Long-term Vision 2025 Slogan (10 Years SINCE 2016)

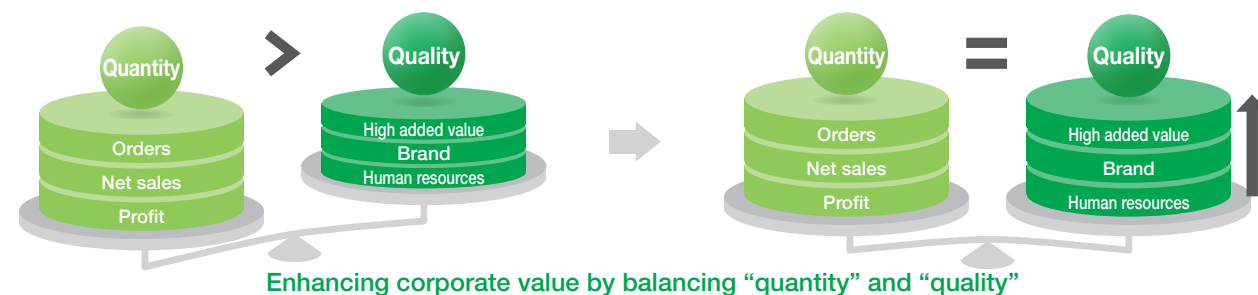
**A century of history and tradition; New challenges for the next 100 years**

### Medium-Term Business Plan 2025 Slogan (4 years SINCE 2022)

**We will plant our roots in the local region and build strong bonds with our multiple stakeholders that go beyond the region.**

In February 2022, we announced the Medium-Term Business Plan 2025, the third and final phase of the Long-term Vision 2025, which has now entered its final year. Now that three years have passed in the third phase, we would like to take a look back and provide an update on the progress of the Medium-Term Business Plan 2025.

## Concept of the Medium-Term Business Plan 2025: Balancing “quantity” and “quality”



Although quantitative contraction of the domestic construction market due to the declining birthrate and shrinking population is inevitable, we aim for sustainable growth that is not dependent on market size trends.

**“Always sincere from now until the next century and beyond”**

Giving top priority to the trust of multiple stakeholders, essential for building a strong management structure resilient to an uncertain external environment, we determined that improvement in quality and growth are indispensable. Accordingly, we made the “balance of quantity and quality” the core of the third phase.

To sustain quantity and improve quality, we established five pillars of growth strategies. The five are: “Evolution and deeper development of mainstay businesses,” which combine resilience against change with further strengthening of existing operations; “Establishment of the sincere brand image of the FUKUDA GROUP,” which pursues synergies; “Strengthening and ensuring safety and quality,” which form the foundation of all business activities; “Enrichment and growth of human resources,” with an emphasis on human capital and diversity; and “ESG management for the enhancement of corporate value,” which connects our spirit of “Always sincere from now until the next century and beyond” with addressing social issues.

## Medium-Term Business Plan 2025 Basic Policies

### Basic Policies

1. Evolution and deeper development of mainstay businesses (construction and real estate) - Conducting more strengthening efforts and pursuing possibilities -
2. Establishment of the sincere brand image of the FUKUDA GROUP - Strengthening our sales capabilities through trust -
3. Strengthening and ensuring safety and quality
4. Enrichment and growth of human resources - Development of diverse foundations that will support the organization -
5. ESG management for the enhancement of corporate value

The progress of each initiative is as follows.

### “Evolution and deeper development of mainstay businesses”

In the construction business, against the backdrop of increasing demand for capital investment following the end of the COVID-19 pandemic, we have pursued optimal allocation of engineers across the organization, focusing primarily on efficient large-scale commercial facilities, warehouse facilities, and projects to develop areas surrounding railway stations. In addition, demand for condominium construction and renovation projects continues to grow, and we are actively engaging in these areas. In the civil engineering business, while focusing on public works centered on jacking and shield tunneling projects, we are also actively expanding into private-sector civil engineering, extending our reach to areas such as land development for business use, renewable energy, and environmental fields. In the real estate business, we are supporting the construction segment by undertaking commercial and logistics park development projects involving land preparation, while gradually increasing the number of new income-generating properties with favorable returns.

### “Establishment of the sincere brand image of the FUKUDA GROUP”

We are focusing on initiatives that leverage our Group Spirit of “Always sincere from now until the next century and beyond” and Group synergies to strengthen our brand power.

We are developing our longstanding initiatives to address social issues within the framework of the SDGs, while creating new business opportunities through technological collaboration. A representative achievement of our collective Group capabilities is the 2024 completion of a Net Zero Energy Building (ZEB) in a cold climate region.

### “Strengthening and ensuring safety and quality”

With regard to strengthening safety, our top priority in the construction industry, and ensuring uncompromising quality, which is indispensable for a manufacturing-oriented company, we are implementing the PDCA cycle as a matter of highest materiality. In addition, FUKUDA CORPORATION has strengthened its conventional safety standards. In 2025, we obtained COHSMS certification for Niigata Main Branch.

### “Enrichment and growth of human resources”

Even before the start of the Plan, the shortage of human resources, particularly mid-level managerial engineers, had been a management challenge, and we have been working on proactive changes in our recruitment policies, including mid-career hiring. In terms of improving the internal environment, we are not only promoting work style reform but also pursuing certifications such as the Health & Productivity Management Outstanding Organization certification and the Eruboshi certification. In 2024, we established our Human Resource Development Policies and the Workplace Environment Improvement Policies, and we are strengthening organizational infrastructure.

### “ESG management for the enhancement of corporate value”

In March 2023, we transitioned to a company with an Audit and Supervisory Committee to strengthen our monitoring functions, while appointing our first female Outside Director, representing a step toward greater diversity. In November 2023, we endorsed and joined the TCFD Consortium, undertook climate change scenario planning based on the TCFD framework, and in fiscal 2024 completed the calculation of Scope 1, 2, and 3 emissions, thereby joining the ranks of companies engaged in initiatives toward a decarbonized society.

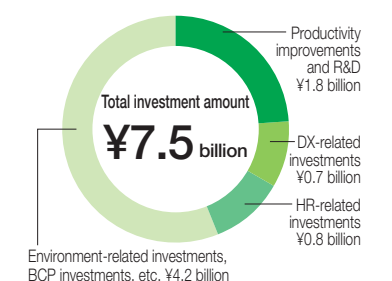
## Capital policy and shareholder returns

In the Medium-Term Business Plan 2025, we aim to sustain earning power while actively pursuing growth and shareholder returns. In addition to changes in the earnings structure caused by the COVID-19 pandemic, the sharp rise in construction costs led to a start well below the ROE target of 8%. However, through efforts to improve profitability and the support provided by the real estate business and overall Group performance, we are gradually recovering. In fiscal 2024, in addition to the basic dividend and performance-linked additional dividend, we revised the fundamental dividend amount, setting it at ¥200 per share (yield of approximately 4.0%). We will continue to strive for stable dividends while providing shareholder returns that take into account business performance, financial conditions, and the management environment. We also recognize management with an awareness of capital cost and share price as key challenges. While strengthening earning power, investing in people, and enhancing shareholder returns, we are preparing for the next stage.

Item	Result for the fiscal year ended December 31, 2021	Plan for the fiscal year ending December 31, 2025
Capital adequacy ratio	57.9%	50.0%
ROE	8.0%	Around 8.0%
Dividend payout ratio	18.9%	20.0% or more

## Investment plan

In addition to our traditional growth investments in technology development, DX investment, and human resources development, we have incorporated measures such as productivity improvements in preparation for the full-scale implementation of work style reform in line with overtime regulations, renovation and upgrading of aging business facilities and equipment for BCP compliance, enhancements to salaries and benefits aimed at supporting employees' lives and securing human resources, and plans for strengthening our ESG framework. A total of ¥7.5 billion has been allocated as growth investment for the entire Group on a consolidated basis. Due to external factors such as the COVID-19 pandemic and rising prices, progress has been delayed, with some planned investments being postponed. However, as all of these are essential for growth, we will continue in 2025 to strengthen management resources and pursue effective use of funds.



## Message from Group Leadership

FUKUDA

### “The vision for the FUKUDA GROUP”

Katsuyuki Fukuda, Chairman & Representative Director of the FUKUDA GROUP, spoke about the Group's raison d'être, its future outlook, and the values that the FUKUDA GROUP should hold dear.

Katsuyuki Fukuda

Representative Director, Chairman of the Board  
FUKUDA CORPORATION



## The FUKUDA GROUP

We, the FUKUDA GROUP, are comprised of 31 companies, including FUKUDA CORPORATION. Many of them are engaged in construction-related businesses and road paving, the same fields as that of the parent company, FUKUDA CORPORATION, while others operate welfare facilities or engage in recycling businesses. As for the origins of each Group company, they vary: some became subsidiaries after separating from businesses originally conducted by the parent company; some were established independently to take charge of construction in more localized areas; some were created through capital alliances with other companies; and others were founded as new businesses based on employees' proposals. This is the result of repeated challenges and transformations over the 123 years since the founding of FUKUDA CORPORATION, along with the passage of time.

Each company of the FUKUDA GROUP has conducted its management under the spirit of “independence and self-reliance.” This is the idea that, without relying on the parent company, each company itself should generate income while providing value to society. In other words, it means that each company continues to sincerely consider what it can do. As a result, a characteristic of the FUKUDA GROUP is that many subsidiaries achieve solid business results, and on a

consolidated basis for fiscal 2024, subsidiaries accounted for 43.1% of net sales and 47.6% of operating income. We believe that such a corporate group is unparalleled even when compared with other companies in the construction industry.

And what lies at the foundation of the employees of each FUKUDA GROUP company is the Group Spirit of the FUKUDA GROUP, “Always sincere from now until the next century and beyond.” To devote oneself wholeheartedly with sincerity as one would to a beloved irreplaceable person, to build strong bonds with those who are dear, and to protect their lives and livelihoods. To continue passing that on to the next generation, the generation after that, and on toward the next century and beyond. These two meanings are embodied in the phrase “Always sincere from now until the next century and beyond.” This spirit is a pledge to society made by each and every officer and employee of the FUKUDA GROUP, and a sentiment to be carried forward. Not only when engaging in daily operations, but especially when faced with uncertainty or difficult situations, I would like everyone to remember this Group Spirit and act upon it. Each Group company places this spirit at its core, formulating its management philosophy, management policies, and management strategies, and carrying out its activities accordingly.

## What is expected of officers and employees of the FUKUDA GROUP

The phrase “A company is its people” was a saying cherished by the late Tadashi Fukuda, Honorary Chairman. I believe this phrase is the origin of FUKUDA CORPORATION. That is precisely why a company must nurture people. That is the social mission of a company. On top of that, I would like officers and employees of the FUKUDA GROUP to think about things not only in terms of their immediate

surroundings, but also with a broader perspective. In a world full of challenges, we ask ourselves, “What is it that we can do now?” What can the FUKUDA GROUP accomplish by coming together? I would like each and every officer and employee of the Group to once again think about this broadly and from multiple perspectives, and to address it as their own matter while working on it.

## The vision for the FUKUDA GROUP in the future

As we enter an age of information overload, in today's world where diverse values coexist, society is undergoing more rapid change and has also become increasingly unpredictable. Even amid such circumstances, precisely because we are a corporate group consisting of 31 companies, there are certainly things we can do. Maintaining the high level of safety and quality common to the FUKUDA GROUP. The challenge of new production systems aimed at greater efficiency and the promotion of DX. Securing and educating diverse human resources to ensure the labor force. Strengthening the brand. Creating new added value that truly stands by the customer. Contribution to local community and regional revitalization. There are many issues to be addressed like this. By capturing society's needs within the roles of each company and by sharing ways of thinking and approaches to matters, we should be able to create new value.

The phrase “Everyone but myself is my teacher” was another saying cherished by the late Tadashi Fukuda, Honorary Chairman. Everyone is both someone's student and someone's teacher. There are no barriers between the Group

companies in that regard. For the FUKUDA GROUP to continue further growth, based on the idea of “Everyone but myself is my teacher,” we believe that it should be a corporate group that, along with creating mechanisms that allow officers and employees to play a greater role, such as active personnel exchanges across the Group, joint training programs, the formulation of career plans, and the development of educational facilities for the transfer of technical skills, also makes proactive investments to enable officers and employees to grow positively and at an accelerated pace, thereby realizing human capital management across the entire Group.

Also, the essence of a company lies in making profits. For continued sustainable growth, it is also essential to sensitively capture market trends and needs, enhance technological capabilities, provide valuable services to customers, and continue generating profit. For that reason as well, we believe that it is necessary to review the business portfolio of the entire Group and to take on challenges in new technologies and markets.

## The value created by the FUKUDA GROUP

I believe that one of the strengths of the FUKUDA GROUP is that it is “a company based in Niigata, a regional city.” Officers and employees active throughout the country hold in their hearts the questions of what they can do for the development of the regions in which they work, and what they must do in order to be recognized and trusted by the people of those regions. The phrase I mentioned at the beginning, “Always sincere from now until the next century and beyond,” is also considered proof of being a company that is trusted no matter where it is.

With this proof in our hearts, we, the FUKUDA GROUP, will continue to fully demonstrate the comprehensive strength we have cultivated up to now in order to build the foundations for the future for the next generation, as well as the safety and security of people's lives; while building strong bonds with multiple stakeholders and with local communities, and continuing to create inspiring value, we will strive to enhance corporate value.





## Civil Engineering Works



## Business introduction

In the civil engineering business, we leverage strengths such as proprietary technologies including the dual shield method and construction techniques for mountain tunnels, responding to diverse needs related to social infrastructure development. We have also concluded disaster agreements with ordering agencies, and we strive to maintain social infrastructure by conducting river and road patrols after heavy rain disasters and earthquakes.

In private-sector civil engineering works, we are actively engaged in projects such as renewable energy (solar power generation, offshore wind power generation, etc.).

## Shuichi Sunada

Director & Executive Officer  
General Manager of Department of Civil Engineering

## Strengths

- Accumulation of technologies in existing construction fields such as tunnels and dual shield methods
- Hands-on capabilities guided by the creed of “Always sincere from now until the next century and beyond”
- Proposal capabilities for design and construction through the unity of Group companies

## Opportunities

- Public investment associated with the National Resilience Policy
- Expansion of the renewable energy market toward the realization of carbon neutrality

## Risks

- Intensification of natural disasters
- Shortage of construction industry workers due to declining birthrate and aging population
- Contraction of the infrastructure construction market

## Business overview and review of 2024

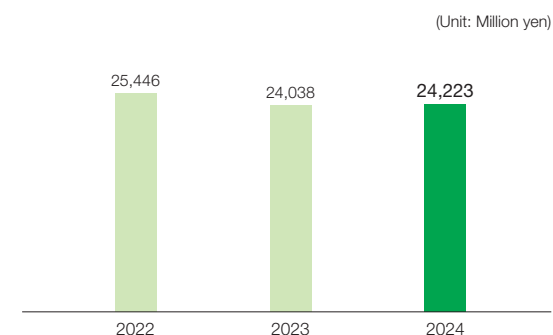
In the civil engineering business in 2024, orders totaled ¥21.0 billion, and net sales amounted to ¥24.2 billion. Orders fell short by ¥5.0 billion against the target of ¥26.0 billion, while net sales nearly achieved the target of ¥24.5 billion.

The ratio of public-sector to private-sector net sales in our civil engineering business was 7:3. Although we were able to secure net sales mainly through public-sector civil engineering projects, we view the decline in orders received as being due to factors such as soaring material and labor costs, a reduction in the number of public-sector projects ordered, and the inability to win large-scale projects such as mountain tunnels.

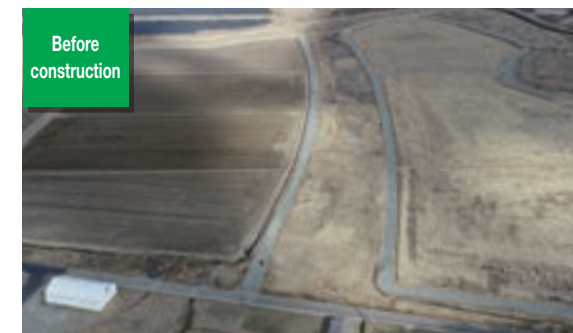
## Future outlook

With the decrease in construction work on hand at the beginning of the fiscal year, we are starting 2025 with numerical targets of ¥19.0 billion in net sales and ¥26.0 billion in orders. Although significant positive changes in the market environment for public works projects cannot be expected, we will aim to secure orders by strengthening our technical proposal capabilities, thoroughly refining construction cost estimates at the time of bidding, and increasing the number of bids. In addition, for private-sector civil engineering projects, we will strengthen the organizations of the Departments of Engineering in Niigata and Tokyo and aim to secure orders for renewable energy projects and industrial waste disposal site-related projects. As a result of focusing on private-sector civil engineering projects and carrying out seed planting, signs of receiving large-scale orders have also begun to emerge.

## Net sales trends (non-consolidated)



## Major projects completed in 2024



Before  
construction



After  
construction

Road and Bridge Development (Repaving) Project (Road Improvement)  
(Fukushima Prefecture)



Northern Aizu Agricultural Waterway Project Matsuno Head Works Repair Project  
(Fukushima Prefecture)

## TOPICS: Paving business



## Overview and outlook of the paving business

The existence value of roads, which are the core of social infrastructure, is high, and with the progress of aging in expressways and other types of roads, as well as the need to respond to natural disasters and carry out disaster recovery in affected areas, the social demand for the paving business is only continuing to increase. At present, in addition to the promotion of the development of road networks (transportation networks), safer and more environmentally friendly road paving is also being demanded. Going forward, in addition to the declining birthrate and aging population, further technological innovation will be essential to address the long service life of infrastructure and the information society, including autonomous driving.

## Examples of construction projects

Here are some of the most recent projects.

## 1. Tokai-Kanjo Expressway

It is a high-standard highway that connects five radial road networks, including the Tomei and Meishin Expressways, with a ring road, and is expected to bring effects such as improved corporate activities, greater logistics efficiency, and revitalization of tourism. Of the total 153 km, we constructed 12 km.

## 2. Course development work for “Formula E”

It is a world championship organized by the Fédération Internationale de l'Automobile (FIA), and became a topic of conversation as Japan's first public road car race. We are scheduled to undertake development work even after 2025.



Tokai-Kanjo Yamagata paving work  
(Gifu Prefecture)



Formula E (Tokyo)



# Fukushimagata Floodgate Main Structure Construction Project

As a flood control facility that ensures regional safety, it supports the lives of people in the Niigogawa River basin.

In the Fukushimagata floodgate main structure work in the lagoon area of Niigata, we utilized the latest technology called the steel sheet pile inclination and underground displacement monitoring system to monitor the movements of sheet piles and the ground in real time. In addition, by carrying out ground improvement, we ensured safety while proceeding with the work carefully and systematically. By working together with the Niigata Prefecture and experts, and placing the safety of local residents first, the floodgate body was successfully completed.



Ordering party: Niigata Prefecture  
Construction overview:  
river earthworks  
(Excavation work volume = 14,800 m³,  
Dredging work volume = 5,600 m³)  
1 set of main floodgate construction work,  
1 set of temporary construction work



## A symbol of disaster prevention and harmony, supporting the creation of a disaster-resilient community

This floodgate is an important facility that efficiently drains the lagoon water during floods and protects the Niigogawa River basin. It is the culmination of flood control projects that support the lives of local residents and was constructed with an emphasis on harmony with the natural environment. The completed floodgate, a facility symbolizing the creation of a disaster-resilient region, fulfills the role of a flood control facility looking ahead to the future of Niigata, and will continue to deliver safety to many people as a landmark that supports the safety of the community.

## Without overlooking changes, we have proceeded with the construction carefully

Since both the ground and water involve dealing with nature, we never know when or what kind of changes may occur. Therefore, in the construction work, it was required at all times to proceed carefully, making judgments while not overlooking even small changes. To address the problem of sheet piles shifting due to water pressure or vibrations from construction, we introduced the steel sheet pile inclination and underground displacement monitoring system, a system that makes it possible to detect tilt and positional changes in real time. In order to respond quickly to movements in the ground and sheet piles, the construction was advanced while monitoring daily, and in particular, during construction (ground improvement) near the sheet piles that affects their movement, or during rises in water level (water pressure) due to rainfall, we were able to detect changes and respond accordingly. Step by step, we proceeded safely and carefully. As a result, ground improvement was completed in 2023. Subsequently, excavation down to the base of the structure was also completed without incident, and with a safe temporary cofferdam secured, we were able to move on to the main floodgate construction.

## Passing the baton to the next phase of construction without failure

FUKUDA CORPORATION's responsibility is up to the point of constructing the main structure (body) of the floodgate. Ahead lie the gate installation work for the floodgate and the work of extending the levees to both sides of the floodgate. In particular, since the work of installing the floodgate gates will be carried out on the ground and main structure of the floodgate that we built, a reliable handover to the next construction company is indispensable. We organized what we had carried out and passed the baton without failure so that the floodgate could be safely completed and put into operation.



Thanks to the understanding and cooperation of many people, the Fukushimagata floodgate main structure was successfully completed. This floodgate is an important facility that supports the safety of the community. From here on as well, with the spirit of "Always sincere from now until the next century and beyond," we will continue contributing to the local community.

Construction Site Manager:  
Tomokazu Gondaira





# Construction Projects



## Business introduction

In the construction business, we have accumulated achievements across a wide range of fields, including large-scale commercial facilities and logistics facilities, as well as factories, office buildings, condominiums, and resort facilities, while undertaking projects in each region with distinctive characteristics and with consideration for environmental impact. Going forward as well, while passing on technological capabilities and know-how, we will accurately grasp and respond to the needs required for various uses, from design to construction to aftercare.

**Yutaka Yamaga**

Director & Managing Executive Officer  
General Manager of Department of Building

### Strengths

- Human resources with the integrity to conduct business sincerely and the perseverance to steadily implement a reform-oriented mindset
- The ability to make comprehensive proposals that address diverse needs
- Competitiveness in industries (applications) where we have a proven track record

### Opportunities

- Further advancement of DX and productivity improvement through the use of ICT
- The growing and diversifying customer needs regarding social issues such as environmental initiatives
- Expansion of new learning environments through diversification of customer demands, including on-site capabilities and efficiency improvements

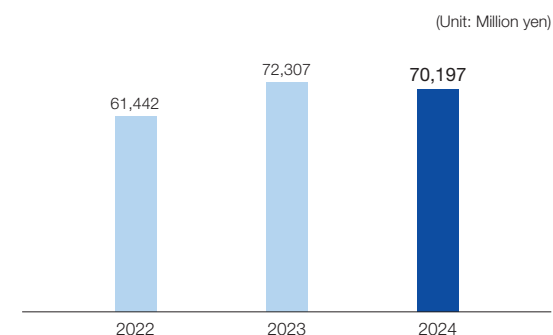
### Risks

- Continued rise in construction costs due to shortages of construction materials and labor
- Aging and shortage of skilled workers (engineers and technicians), and the securing and development of successors
- Further increase in social responsibility for environmental impacts and other issues in the construction industry

## Business overview and review of 2024

In 2024, under a business environment marked by concerns over a shortage of skilled workers and rising construction costs, orders amounted to ¥72.8 billion, as progress remained relatively steady despite some delays in the timing of planned projects. In addition, by implementing a review of business processes with a focus on cost and productivity, and with contributions to earnings from large-scale commercial facilities and other projects that had continued from the previous fiscal year, profit on completed construction contracts increased by 29.5% year on year.

## Net sales trends (non-consolidated)



## Future outlook

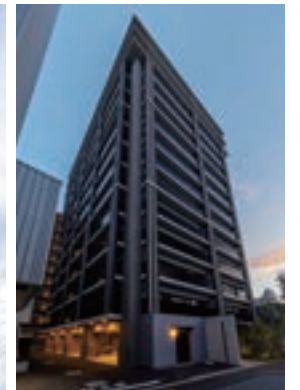
Amid an uncertain global situation, the business environment remains challenging, with further risks anticipated beyond labor shortages and rising prices. By further strengthening initiatives to improve the working environment, promote labor-saving measures through the use of ICT technologies, and enhance productivity, we aim to respond to various external factors and pursue continuous and stable management while reinforcing bonds with multiple stakeholders.

## Major projects completed in 2024

(Tentative name) Glanpia New Sky Mae Condominium  
Rebuilding Project (Kumamoto Prefecture)



Facility Construction Project for Nakanohashidori 1-chome District Type 1 Urban Redevelopment Project (West District)  
(Iwate Prefecture)



(Tentative name) New Hokkaido  
Education Hall Construction  
Project (Hokkaido)

## TOPICS: Renewal business



### Overview and outlook of the renewal business

The building renewal business is aimed at renovating and revitalizing existing buildings and infrastructure to improve functionality, safety, energy efficiency, and comfort. In recent years, greater emphasis has been placed on consideration for the environment and responding to changes in the social environment, with a growing need to effectively utilize existing building stock while aiming to enhance asset value. We view our work not merely as the restoration of buildings, but as a comprehensive renewal business that, through renovation, creates new architecture and spaces, and even gives rise to new “activities,” “living,” and “lifestyles.” We are actively engaged in these efforts.

### Examples of projects

This project involved renovating an unoccupied condominium located in a quiet residential area into an exclusive facility for employees of a major South Korean IT company. The renovation project was carried out with the aim of creating a place where people can “live and work” as an extension of their daily lives, even while on business trips, by combining hotel-level comfort in living spaces with functional workspaces to support a “new lifestyle.” On the first floor, partition walls between units were removed, seismic reinforcement was carried out, and the space was renovated into a shared kitchen and working rooms. For the residential units on the upper floors, all floor, wall, and ceiling finishes were removed to deliberately expose the structural frame. Functional beauty of the equipment and refined design were highlighted, while custom-built furniture combining both functionality and aesthetics was introduced, transforming the space into a “new living environment.”

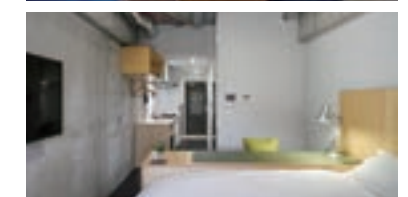


Photo: Taichi Ano



# Yumegaoka Soratos

An innovative landmark connecting the community and the future  
A space where design and functionality merge, creating a new place for interaction

Yumegaoka Soratos, a new commercial facility landmark in the area surrounding the Yumegaoka Station located in Izumi Ward, Yokohama, Kanagawa Prefecture, has been completed. In this project, we were responsible for the design and construction of the commercial facility boasting a total floor area of 105,000 m². The complex brings together 129 tenant stores, a cinema complex, a supermarket, and even a rooftop park.



Ordering party:  
Sotetsu Urban Creates Co., Ltd.  
Project overview: 4 stories above ground, steel frame structure  
Total floor area: 105,438 m²  
Building area: 33,830 m²



## Design and construction working together to realize a core facility for community development

The area around Yumegaoka Station on the Sotetsu Izumino Line is full of potential, combining the appeal of a rich natural living environment with excellent access to the city center. What is needed here is a “core” that attracts many people, in other words, a commercial complex that serves as a comfortable and enjoyable base for daily life. FUKUDA CORPORATION was entrusted with the design and construction, and even experienced engineers approached the project with the utmost seriousness, recognizing it as a highly challenging undertaking. The large-scale facility was designed not only for convenience but also to incorporate surprising features and soothing elements that allow people to enjoy nature.

## Designing added value through cultivated expertise and creativity

In this project, the design team participated in making proposals from the presentation stage. While taking into account practical aspects such as cost and construction period, we actively proposed ideas such as “this is one possible method” or “how about trying this approach,” focusing on how best to realize the client’s vision. What we aimed for was added value. We proposed plans and materials that not only addressed functionality but also incorporated perspectives of enjoyment and relaxation for users, and through repeated negotiations, we brought each idea to fruition. The symbolic house and communication staircase installed in the vast three-story atrium were realized by obtaining ministerial approval under the comprehensive verification method for evacuation safety (Route C). In addition, original design features such as a terrace with views of Mt. Fuji, an exposed-structure ceiling, and a large exterior staircase create a sense of awe for visitors. This one-of-a-kind facility, realized through collaboration between design and construction, serves as a new hub for the community, providing spaces for commerce, interaction, and relaxation.

## A commercial facility at the heart of the community, supported by construction planning and management

Suzuki, who served as construction site manager, had experience working on large-scale commercial facilities in the Kanto region, but he approached this new role of creating a core facility for community development with renewed

determination. To complete a 105,000 m² facility, serving as a place for shopping, community interaction, and even children’s play, within roughly 600 days, it was essential to create an environment where on-site workers could carry out their tasks without hesitation. The construction site was divided into zones, and the overall schedule was visualized down to the details of “when, where, who, what, and how” each task would be carried out, then shared with partner companies. In addition, construction drawings were updated as needed, and the proper allocation of materials and heavy machinery was managed. In particular, features such as the staircase with views of Mt. Fuji and the grand atrium staircase required specialized on-site work to process and assemble the steel frame, but the project proceeded as planned. Thus, a new symbol of the town where many people gather was completed, and the construction team was once again able to experience the true appeal of architecture that endures in tangible form.



The completion of Yumegaoka Soratos is the result of the teamwork of everyone involved. Advancing a large-scale project required meticulous process management and human relationships built on trust. We take pride in having realized architecture that responds to diverse needs. We hope this facility will bring new vibrancy to the community.

Construction Site Manager:  
Hitoshi Suzuki





## Real Estate



## Business introduction

The Company's real estate business, which has a high affinity with our core construction operations, is being developed as a third pillar following our Civil engineering and Construction businesses, through both the sales business and leasing business.

In the sales business, we have been engaged in agency services for land readjustment projects, as well as development projects for logistics, commercial, and residential land in recent years. In addition, we aim to create businesses that contribute to the construction business, as set forth in the Medium-Term Business Plan 2025.

Satoshi Yahata

General Manager of  
Department of Development

## Strengths

- Responding to the needs of upstream stakeholders such as landowners, local communities, and government authorities
- It is possible to develop real estate by leveraging construction expertise of our core business
- Track record in agency services and development projects

## Opportunities

- Ongoing demand for real estate investment business driven by a low interest rate environment
- Increasing number of projects requiring general contractor involvement from the initial stages
- Increasing demand for logistics hubs driven by work style reforms

## Risks

- Rising business costs due to persistently high material prices and increasing personnel expenses
- Decline in real estate demand due to inflation, economic downturn, and rising interest rates
- Deterioration of the market environment due to population decline and the accelerating trend of a declining birthrate and aging population

## Business overview and review of 2024

Overall, while real estate demand has remained generally firm, in 2024 our Real estate business exceeded targets for orders, net sales, and income, supported by steady progress in existing projects such as the completion and handover of the logistics land development project in Ogori, Fukuoka Prefecture, and the sale of the commercial land development project in the Ouchida district of Koga, Fukuoka Prefecture.

## Future outlook

Due to rising business costs and concerns over a deteriorating market environment, real estate demand is expected to remain uncertain, making site selection a matter of stricter judgment. The Department of Development will strive to pursue new projects capable of withstanding such conditions while also contributing to order intake for our core business. In the leasing business, we plan to take an even more strategic approach to the acquisition and sale of income-producing properties and aim to contribute to the new Medium-Term Business Plan starting in 2026.

## ◆ TOPICS: Real estate business

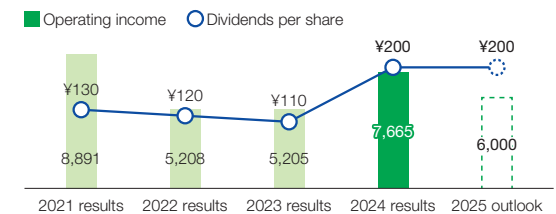


As the only company in the FUKUDA GROUP dedicated exclusively to real estate, FUKUDA ASSET & SERVICE CO., LTD. operates from two bases in Niigata and Sendai, owning a wide range of rental properties, including commercial facilities, residences, offices, and tenant buildings, while engaging in sales operations. Although real estate prices continue to remain at high levels, we will strive not only to enhance our existing properties but also to acquire new ones and promote development projects, pursuing efficient investment and recovery of funds with the aim of achieving stable business expansion.

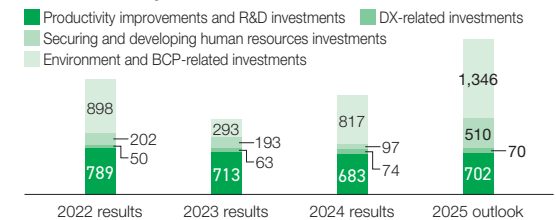


## Message from the Chief Financial Officer

## Operating income and dividends per share (Unit: Million yen)



## Investment plan (Unit: Million yen)



Toshio Omi

Director & Executive Officer  
General Manager of Department of Business Administration

## Progress of the Medium-Term Business Plan and results for 2024

Fiscal 2025 will be the final year of the current Medium-Term Business Plan. The COVID-19 pandemic had a significant impact on corporate management, causing a decline in our performance as well, and it has taken a considerable period to recover from that downturn. In the construction industry, the decline and aging of the workforce have become increasingly pronounced, and with work style reforms also advancing in earnest, improving productivity and efficiency has become essential for enhancing business performance. The same applies to the financial side, where we believe that enhancing asset efficiency and actively returning value to multiple stakeholders will also lead to an increase in corporate value.

In fiscal 2024, net sales were ¥166.5 billion, an increase of 2.7% year on year, while operating income was ¥7.6 billion, up 47.3%. This was driven by the delivery of real estate from development projects undertaken during the fiscal year to customers, which contributed to the increase in income. In the construction business as well, profitability has been gradually recovering, and we evaluate fiscal 2024 as a year in which qualitative improvements in our operations were achieved toward the completion of the current Medium-Term Business Plan.

In addition, shareholder returns were enhanced by increasing the base dividend from ¥110 per share to ¥200 per share. Going forward, we intend to maintain stable dividends while implementing proactive shareholder returns. As a listed company, in order to improve our PBR, we will not only work to enhance business performance and financial strength but also further analyze stock price components, strengthen SR and IR activities, and strive to ensure that we are better known and understood through constructive dialogue.

## 2025 outlook and future outlook

Corporate economic activities, having gone through the COVID-19 experience, have been forced to undergo review in many respects. The flows of "people, goods, money, and information" have changed drastically from before, and in corporate management, the importance of resilience has increased. Companies must strive for a financial structure that is strong yet flexible. Amid signs of rising interest rates, we are acting with a sense of urgency to establish a cycle in which we actively make investments that enable growth while considering capital costs, and then reinvest the returns from those investments.

The total investment under the Medium-Term Business Plan is set at ¥7.5 billion, of which ¥4.8 billion had been invested by the end of 2024. For the current fiscal 2025, although there will be no large-scale real estate sales like last fiscal year, the efforts we have accumulated to improve quality are beginning to bear fruit. At the same time, rising labor and material costs are pushing up expenses. As a result, net sales are expected to remain flat at ¥167.0 billion, while operating income is projected at ¥6.0 billion, with a dividend payout ratio estimated at 38.5%.

In the construction industry, the people working on site are the greatest asset and true capital. We will optimize the allocation of management resources and strive to maximize added value. Building on the initiatives of the FUKUDA GROUP companies to date, we are now in an era where we must pursue growth by enhancing synergies through closer collaboration. As the leader of the FUKUDA GROUP, we will pursue sustainable management through selection and concentration.






















The Company’s Sustainability

The Company has established the Sustainability Committee, which is responsible for formulating important policies and other matters related to sustainability issues and for monitoring them. Based on the following basic policies, we aim to resolve sustainability issues and achieve sustainable growth.

Basic Approach

Since its founding, the FUKUDA GROUP has inherited the spirit of “sincerity,” and through construction over its long history, has grown into a corporate group rooted in local communities and extending beyond them. As the core company of the FUKUDA GROUP, the Company has adopted the management philosophy of “To value people and the environment, and aim to create inspirational value based on corporate structure designed to face challenges,” and is striving to pursue management precisely in line with the concept of sustainability. In order to share this aspiration throughout the Group, we adopted the FUKUDA GROUP Spirit, “Always sincere from now until the next century and beyond” in 2015. With all officers and employees always keeping in mind “sincerity,” “bonds with local communities,” and “passing on to the next generation,” we will continue to address sustainability issues and fulfill our mission to “protect their lives and livelihoods,” thereby contributing to the realization of a sustainable society.

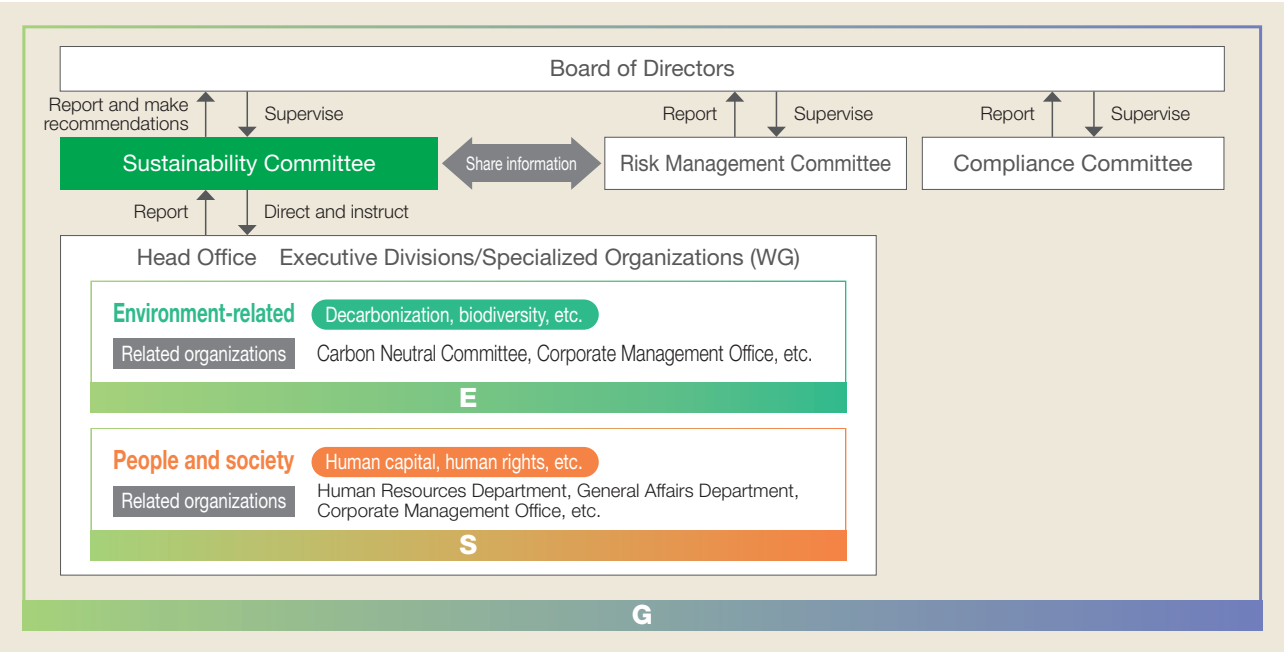
Materiality

Social issues		Material issues (Materiality)	Initiatives in business activities	
E: Environment	Global warming Increase in environmental impact Spread of renewable energy Depletion of resources Biodiversity conservation Increase in construction waste	Contribution to a decarbonized society	<ul style="list-style-type: none"><li>Disclosure and scenario analysis based on TCFD recommendations</li><li>Reduction of CO<sub>2</sub> emissions in business activities</li></ul>	     
		Spread of renewable energy	<ul style="list-style-type: none"><li>Promotion of construction related to renewable energy projects</li></ul>	
		Environmentally conscious design and construction	<ul style="list-style-type: none"><li>Contributing to environmental measures through the construction projects of zero-emission buildings</li></ul>	  
			<ul style="list-style-type: none"><li>Thorough implementation of environmental management systems</li></ul>	
		Formation of a recycling-oriented society	<ul style="list-style-type: none"><li>Promotion of recycling of construction waste</li></ul>	  
S: Society	Aging social infrastructure Strengthening disaster preparedness and mitigation Ensuring and improving quality Reduction of excessive working hours Maintaining supply chains Declining birthrate and aging population Worsened shortage of successors Diversity	Ensuring occupational safety and health	<ul style="list-style-type: none"><li>Prevention of occupational accidents and prevention of public accidents</li><li>Strengthening safety management systems</li></ul>	    
		Ensuring and improving quality	<ul style="list-style-type: none"><li>Strengthening construction management systems and in-house inspection systems</li></ul>	
		Securing and fostering human resources	<ul style="list-style-type: none"><li>Promotion of education programs aimed at nurturing future leaders</li></ul>	
		Improvement of job satisfaction	<ul style="list-style-type: none"><li>Promotion of work style reforms</li></ul>	
		Promotion of diversity	<ul style="list-style-type: none"><li>Promotion of workplace environments that support women's participation and advancement</li><li>Establishment and operation of career paths for women and mid-career hires</li></ul>	
G: Governance	Corporate governance Compliance Human rights issues Information security	Implementation of corporate governance	<ul style="list-style-type: none"><li>Evaluation of the effectiveness of the Board of Directors and implementation of improvement activities</li><li>Development and operation of internal control systems</li></ul>	
		Ensuring compliance	<ul style="list-style-type: none"><li>Raising employees' awareness of compliance</li><li>Zero serious legal violations</li></ul>	 
		Strengthening risk management	<ul style="list-style-type: none"><li>Development and enhancement of business continuity plans (BCPs)</li><li>Company-wide initiatives to eliminate risks before they materialize</li><li>Operation of the Risk Management Committee</li></ul>	

Sustainability promotion systems

The FUKUDA GROUP has established the “Sustainability Committee,” an organization for strengthening sustainability management. It is chaired by the Executive Officer and General Manager of the Corporate Planning Department. The Committee formulates, deliberates, and decides on policies, management issues, strategies, and measures related to sustainability as a whole, while reporting and making recommendations on important matters to the Board of Directors. The Board of Directors, in turn, receives reports and recommendations of the Sustainability Committee and supervises the Committee.

In addition, based on the strategies and directions formulated and decided by the “Sustainability Committee,” each department and organization establishes and implements specific measures, and, as necessary, forms working groups to carry out initiatives. In addition, the Sustainability Committee investigates, evaluates, and manages risks and opportunities related to environmental and social fields. For the risks identified through these investigations, the Committee evaluates their significance and urgency, and then formulates policies, strategies, and directions for measures.









Registered as an SDGs Promotion Company with Niigata Prefectural Government

The Niigata Prefecture’s SDGs Promotion Construction Company Registration System is a scheme established by Niigata Prefectural Government with the aim of supporting the recruitment of human resources and improving the image of construction companies in the prefecture by registering those engaged in promoting the SDGs and publicizing their initiatives.

Having applied for registration under this system, the Company was officially registered as an SDGs promotion company on February 14, 2022.



Targets for initiatives toward 2030

Related SDG targets	Specific initiative	Indicator for 2030	Target
Environment  	Reducing the generation of mixed construction waste in civil engineering projects	Percentage of sites nationwide achieving 1.0 tons or less of waste per ¥0.1 billion of contract value	100%
Society  	Promoting environmentally conscious ZEB, ZEH, and CASBEE in building projects	Percentage of CASBEE-evaluated sites receiving an A rating or B+ rating	A rating: 20% or more B+ rating: 80% or more
Economy  	Promoting women's active participation	Number of female employees appointed to sales positions	5 employees





## Quality and Environmental Policies

Recognizing leaving a rich natural environment for future generations as a corporate responsibility, FUKUDA CORPORATION is promoting ESG initiatives through construction toward the realization of a sustainable society.

All officers and employees will work together to promote activities that emphasize consideration for the environment, including reducing CO<sub>2</sub> emissions, utilizing renewable energy, and conserving biodiversity.

### Basic philosophy

Through business activities in quality and environment, FUKUDA CORPORATION seeks to ensure stable management by providing “high-quality products and services that meet customer expectations” for customer satisfaction and by delivering “environmental performance that meets social expectations,” thereby contributing to society through construction.

### Code of conduct

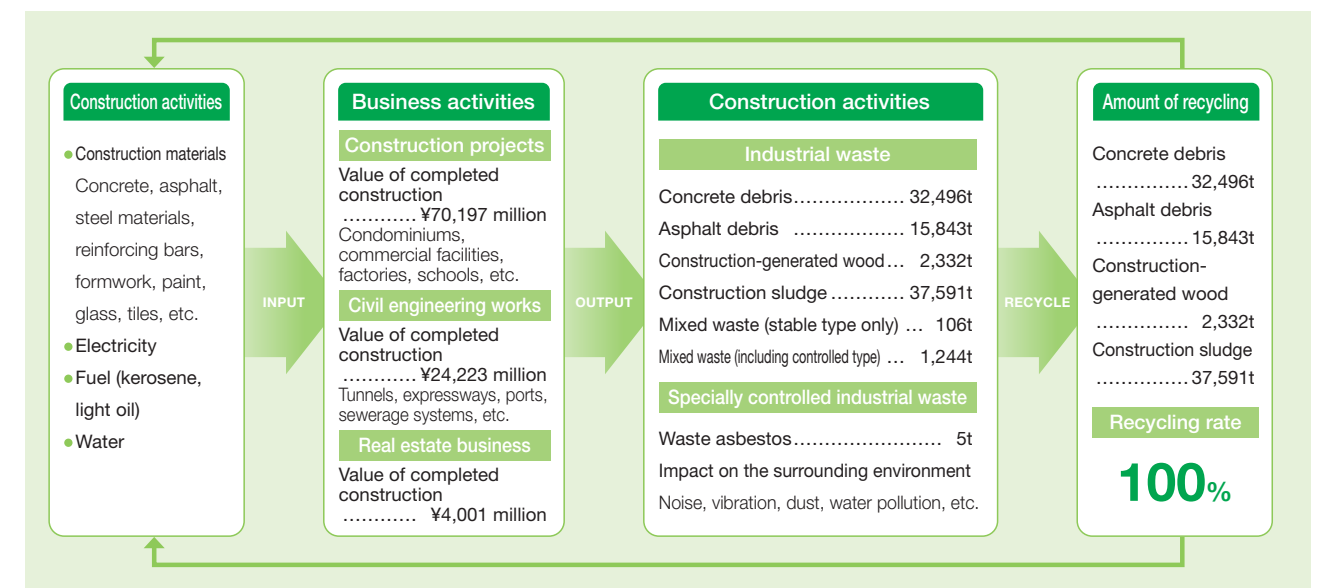
- In all business activities, we will meet customer requirements and aim to improve customer satisfaction.
- In all stages of our business activities, we will strive for resource and energy conservation and recycling, while working to reduce environmental impact and prevent pollution.
- We will comply with laws, regulations, and other requirements to which the Company agrees, and continuously improve the effectiveness of the management system with the aim of enhancing the achievement of established objectives and targets.
- We will establish quality targets and environmental objectives and targets, and ensure that all employees of the Company strive to raise their awareness and understanding through all available means, including internal communication.

## Targets and results

Business domains	Item	Fiscal 2024 target	Fiscal 2024 result	Self-evaluation
Civil engineering business	Promotion of work style reforms	100% achievement of 8 days off in 4 weeks	93.8%	Half achieved
		100% achievement of keeping overtime within 45 hours	78.4%	Unachieved
	Conservation of the surrounding environment and harmony with it	Prevention of serious complaints: 0 cases	0 cases	Achieved
	Design proposals considerate of the surrounding environment	Active environmental proposals in design and technical projects: 10 or more cases	10 cases	Achieved
Construction business	Reduction of construction waste	Housing sector: 2.1 tons per ¥100 million	Company-wide average: 1.70 tons per ¥100 million	Achieved
		Non-housing sector: 1.1 tons per ¥100 million	Company-wide average: 0.78 tons per ¥100 million	Achieved
	Promotion of waste recycling	All applications: 85% or more	Company-wide average: 91.3%	Achieved
	Conservation of the surrounding environment and harmony with it	Prevention of serious complaints: 0 cases	0 cases	Achieved
	Design proposals considerate of the surrounding environment	For design projects with a total floor area of 1,000 m <sup>2</sup> or more, we will conduct environmental efficiency evaluations of buildings using CASBEE and achieve a ratio of 80% or more of buildings rated B+ (BEE=1.0) or higher, and within that, a ratio of 20% or more of buildings rated A (BEE=1.5) or higher.	90.0% (9 out of 10 rated B+ or higher) 20.0% (2 out of 10 rated A+ or higher)	Achieved

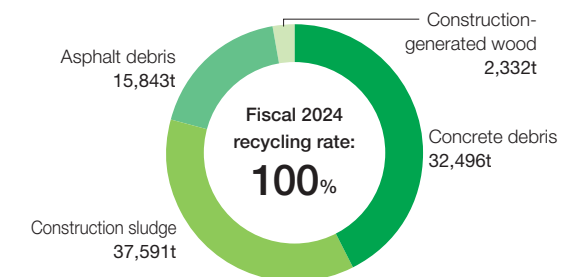
## Material balance

The Company accurately recognizes how its activities are related to the environment and takes the initiative in implementing efforts to reduce environmental impact.



## Recycling of industrial waste

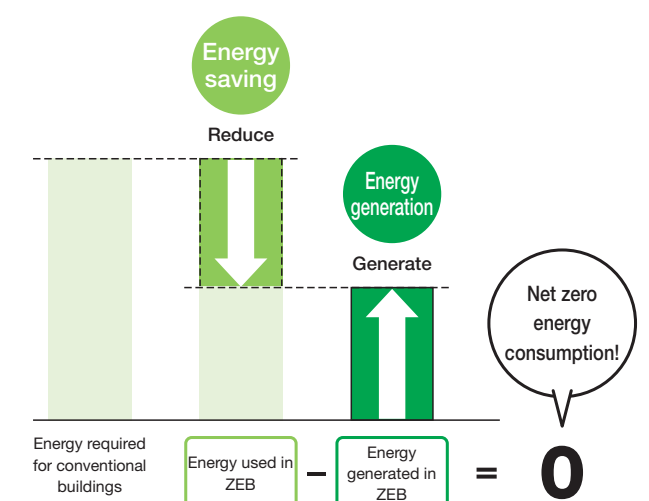
Since obtaining ISO 14001 certification, we have been working to improve the recycling rate of major construction materials. In recent years, we have achieved certain results, and to further improve recycling, we are working on more detailed separation and the reduction of mixed waste.



## Initiatives for ZEB/ZEH (Net Zero Energy Building/House)

As part of our environmental initiatives, we are promoting the construction of ZEB (Net Zero Energy Building) and ZEH (Net Zero Energy House), which aim to achieve a net zero annual balance of primary energy consumption in buildings while realizing a comfortable indoor environment. Through these efforts, we are suppressing CO<sub>2</sub> emissions during building operation and contributing to the mitigation of climate change.

	Fiscal 2022 result	Fiscal 2023 result	Fiscal 2024 result
Construction projects designed and constructed by the Company	10	12	18
Of which, ZEB/ZEH projects	1	2	4





Environmental Initiatives (TCFD)

For details on environmental initiatives (TCFD), please refer to the website below.  
https://www.fkd.co.jp/sustainability/environment/tcfd/



Information Disclosure Based on TCFD Recommendations

The FUKUDA GROUP, in its Medium-Term Business Plan (2022–2025) announced on February 15, 2022, aims for “Contribution to a decarbonized society” under the basic policy of “ESG management for the enhancement of corporate value.” Recognizing the impact of climate change on our business as one of our key management issues, we have joined the “TCFD Consortium” and conducted scenario analyses based on the TCFD recommendations. Based on these results, we disclose climate-related information in accordance with the disclosure framework recommended by the TCFD (governance, strategy, risk management, and indicators and targets).

Going forward, we will continue to place importance on the promotion of ESG management and work toward the realization of a sustainable society through measures formulated with reference to scenario analyses based on the TCFD recommendations.

Governance

- We have established the “Sustainability Committee,” an organization to examine and deliberate on basic policies, key matters, risks, and opportunities related to sustainability, including climate change. We convene the committee at least twice a year.
- The Sustainability Committee examines matters related to sustainability, including climate change, submits and reports them to the Board of Directors, and the Board of Directors supervises these activities.
- Proposals deliberated and resolved by the Board of Directors are disseminated to divisions and reflected in management plans and business operations.

Strategy

- Recognizing climate change as one of the medium- to long-term risks, we examine strategies and the organizational capacity for flexible responses based on related risks and opportunities. To this end, the Company refers to climate change scenarios developed by the IEA (International Energy Agency) and the IPCC (Intergovernmental Panel on Climate Change), the 1.5°C scenario and the 4°C scenario, and assess the long-term impact on the Company through 2050. We conduct scenario analyses covering our domestic civil engineering and building construction businesses.  
\* 1.5°C scenario: IEA-NZE, etc. \* 4°C scenario: IPCC-AR6 (Sixth Assessment Report) - SSP5-8.5, etc.
- The Company identifies risks and opportunities based on two axes, the magnitude of impact on the Company and the likelihood of occurrence, evaluates their materiality, narrows down the priority items, and organizes corresponding countermeasures. Going forward, while enhancing our organizational flexibility as a strategy, we will align with business plans and other initiatives to contribute to the realization of a decarbonized society.

Risk management

- As part of its climate change risk management process, the “Carbon Neutral Committee”, which is composed of cross-functional members from across the Company, conducts analyses of climate change risks, formulates and promotes countermeasures, and manages progress. In prioritizing climate change risks, we focus our efforts on items of high materiality, assessed from the perspectives of likelihood and impact.
- The matters analyzed and reviewed by the Carbon Neutral Committee are reported to the Sustainability Committee. The Sustainability Committee shares information with the Risk Management Committee and the Compliance Committee, manages sustainability-related risks, and reports to the Board of Directors.

Transition risks/opportunities

Factor	Change	Risk/opportunity	Impact on the Company	The Company's response measures	Materiality	
					1.5°C scenario	4°C scenario
Introduction of carbon pricing	Increase in procurement costs	Risk	● Increase in procurement costs for key raw materials and construction materials	● Consider switching to environmentally friendly materials for key raw materials and construction materials together with business partners	High	Low
	Increase in operating costs	Risk	● Increase in the Company's operating costs	● Promote energy-saving and decarbonization at our facilities and construction sites ● Consider introducing renewable energy and carbon credits	Medium	Low
Expansion of renewable energy demand	Increase in renewable energy construction demand	Opportunity	● Increase in renewable energy construction projects	● Strengthen capability to respond to renewable energy-related construction projects	Medium	Low
Heightened decarbonization needs	Increase in demand for decarbonization-related construction	Opportunity	● Increase in demand for environmentally conscious buildings	● Strengthen capability to propose and design to win more orders for environmentally conscious buildings	Medium	Low
	Impact on business from increasing customer needs	Risk	● Environmental requirements added to contract terms with business partners, resulting in investments and costs for compliance ● Possible loss of business opportunities due to our inability to satisfy those needs	● Establish a procurement network for decarbonized materials	Medium	Low
	Increase in demand for various types of renovation	Opportunity	● Increase in orders for seismic retrofitting, renovation, and related projects	● Strengthening proposal capabilities for energy-saving renovations of existing buildings ● Establishing technologies for service-life extension methods of existing infrastructure	Medium	Medium

Physical risks/opportunities

Factor	Change	Risk/opportunity	Impact on the Company	The Company's response measures	Materiality	
					1.5°C scenario	4°C scenario
Natural disaster damage	Impact on supply chain	Risk	● Suspension of construction due to disruption of the supply chain caused by procurement delays and natural disaster damage such as heavy rain or typhoons	● Continuously improve our BCPs with partner companies	Low	Medium
	Impact on the Company's facilities	Risk	● Occurrence of damage to the Company's facilities caused by natural disaster damage such as heavy rain or typhoons	● Continued enhancement of BCP response	Low	Medium
	Increase in demand for natural disaster countermeasures	Opportunity	● Increase in orders for disaster prevention and disaster mitigation work due to natural disaster damage	● Strengthening infrastructure maintenance business capabilities ● Strengthening proposal capabilities for packaged offerings that carry out the entire sequence, from inspection and diagnosis through repair work, using ICT.	Medium	Medium
Chronic temperature rise	Decline in labor productivity in construction work	Risk	● As chronic temperature increases progress, labor productivity in construction declines, and labor costs rise due to the need for additional skilled workers	● Improving productivity through research into labor-saving construction techniques	Low	Medium

Indicators and targets

- In order to evaluate and manage the impact of climate-related issues on management, we set reduction targets using the total amount of greenhouse gas (CO<sub>2</sub>) emissions as an indicator.

(For FUKUDA CORPORATION on a non-consolidated basis)

	Fiscal 2023 result	Fiscal 2024 result	Fiscal 2030 target	Fiscal 2050 target
Scope 1	21,771t-CO <sub>2</sub>	17,267t-CO <sub>2</sub>	30% reduction from fiscal 2023	Carbon neutrality
Scope 2	2,707t-CO <sub>2</sub>	3,797t-CO <sub>2</sub>		
Scope 3	—	1,450,994t-CO <sub>2</sub>	15% reduction from fiscal 2024	



TOPICS

The Chuetsu Branch of KOWA Co., Ltd., received the ECCJ Chairman’s Prize

A project designed and constructed by the Company, the Chuetsu Branch of KOWA Co., Ltd. (completed in June 2024), received the ECCJ Chairman’s Prize of the Fiscal 2024 Energy Conservation Grand Prize Awards organized by The Energy Conservation Center, Japan (ECCJ). KOWA Co., Ltd., which is the client of this project and also part of the FUKUDA GROUP, beginning with the introduction of a geothermal heat pipe snow-melting system at its head office building in 2005, has proceeded with the introduction of geothermal utilization equipment (air conditioning and snow melting) at seven of its own facilities, and has continuously worked on reducing greenhouse gas emissions through geothermal utilization with high energy-saving performance. Then, making use of initiatives up to now, they took on the challenge of a “ZEB” office constructed with a focus on geothermal utilization, and through integration with the Company’s capabilities to design and construct, it was evaluated as an advanced initiative contributing to decarbonization in cold regions.

This project is located in Nagaoka, Niigata Prefecture, a specified snow coverage and cold district, and it has become the first facility in the Chuetsu region of Niigata Prefecture, including Nagaoka, to obtain “ZEB” certification. By centering on geothermal utilization technology and making use of multiple passive technologies <sup>(Note 1)</sup> and active technologies <sup>(Note 2)</sup>, efficient energy conservation is being realized. Furthermore, by incorporating energy generation through solar power, a 102% reduction (planned value) in energy consumption was achieved, and the annual reduction in carbon dioxide emissions (planned value compared with the reference value) was 13.9 tons through energy conservation of air-conditioning equipment including geothermal air-conditioning, and 43.1 tons for the entire office (including solar power generation), resulting in the realization of “ZEB.” In addition, by using circadian lighting and total heat exchangers linked with CO<sub>2</sub> sensors, a comfortable workplace environment is being provided.

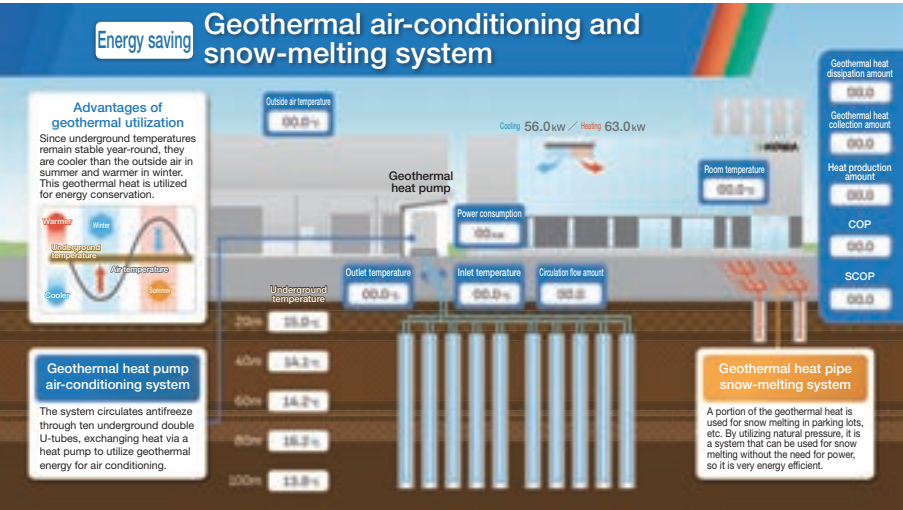
Going forward, aiming for an office that achieves both zero energy and workplace comfort, we will demonstrate “ZEB” through facility operation using energy visualization. In addition, by making use of the know-how gained from this project, we will connect it to the realization of more sustainable construction throughout the entire Group.

(Note 1) Technologies for reducing the amount of required energy to appropriately maintain the environment inside the building  
(Note 2) Technologies for utilizing energy efficiently

Chuetsu Branch of KOWA Co., Ltd. construction project	
Design	First-Class Registered Architects Office of Niigata Head Office of FUKUDA CORPORATION
Construction	Niigata Head Office of FUKUDA CORPORATION Completed in June 2024
Construction site	1-1, Shinsan 4-chome, Nagaoka, Niigata Prefecture
Scale	Total floor area: 1,154.07m <sup>2</sup> Office building: Steel structure, 3 stories above ground Warehouse: Steel structure, 2 stories above ground



Panoramic view of Chuetsu Branch of KOWA



TOPICS

Contribution to local communities

Construction site tours and educational support activities

To promote understanding of the appeal of the construction industry, we regularly host construction site tours and workplace experience programs for high school students studying construction and for local children, providing opportunities to experience firsthand the sites of craftsmanship that cannot be learned from textbooks.



Social contribution activities with partner companies

Fukujukai, which consists of the Company and its partner companies, contributes to local communities through various activities. Last year, we donated funds collected through the activities to, among others, the 2024 Noto Peninsula Earthquake Disaster Relief Fund and projects related to supporting children. Various other activities also took place, including participation in community cleaning and voluntary blood donation. We will continue to contribute to local communities and society through various activities with our partner companies.



Fukuhoukai, a Bandai Daiko Drumming Club

Fukuhoukai, a drumming club, was founded in 1979 by employees of FUKUDA CORPORATION and its group companies. Its Japanese drum performance used to be given only at the Niigata Festival and FUKUDA CORPORATION events.

Today, its activities have expanded to include contributing to the community and supporting citizen welfare, with performances at medical and welfare facilities as well as at local festivals.



Public Interest Incorporated Foundation Fukuda Ikueikai

Since its establishment in 1962, the Public Interest Incorporated Foundation Fukuda Ikueikai has carried out scholarship programs for students enrolled in universities who have ties to Niigata and who, despite being academically excellent, face difficulties in continuing their studies due to financial reasons. To date, lending has been carried out to more than a total of 2,100 students, who are active in various fields.



For details of social initiatives, please refer to the website below.  
<https://www.fkd.co.jp/sustainability/social/>



Human capital management

In the human resources strategy of our “Medium-Term Business Plan 2025,” which began in Fiscal 2022, the FUKUDA GROUP has set forth the goal of “securing diverse talent and promoting the growth of each employee to form and utilize human capital.” With close collaboration across all divisions of each company, we are advancing human capital management. The FUKUDA GROUP is implementing four key measures based on the Human Resource Development Policies and the Workplace Environment Improvement Policies described below.

Human Resource Development Policies

For a company to continue to grow sustainably, the growth of each employee is important, and in order to promote that growth, the development of human resources is indispensable. The FUKUDA GROUP aims to develop human resources who grow on their own, have the independence to persevere and carry tasks through to completion, even in difficult situations, and who, with “sincerity,” are able to look ahead.

Workplace Environment Improvement Policies

Employees are valuable assets that support the growth of the company, and we recognize that respect for diverse perspectives and values contributes to the growth of the company. The FUKUDA GROUP pursues employees’ “health,” “job satisfaction,” and “safety,” and works on developing an environment where diverse human resources can maximize their strengths and continue to work with vitality.

Strengthening human resource development

For the purpose of early development of employees and improvement of business knowledge, we regularly provide training by level and by job category.  
Starting with introductory training for new employees, we also actively carry out training for young employees, and training for mid-level employees and managers. Through this, we support each employee in steadily polishing their skills and being able to demonstrate high performance.



Initiatives and achievements in human capital management

	Fiscal 2023 results	Fiscal 2024 results	Fiscal 2025 targets
Percentage of female workers among management positions	0.5%	0.6%	0.7%
Childcare leave utilization rate among male employees	35.3%	52.2%	80%
Rate of participation in comprehensive medical checkups and health examinations	100%	100%	100%
Percentage of employees with high stress according to stress checks	9.9%	9.4%	5.0% or less
Pass rate for the Second Examination of the First-Class Civil Engineering Works Execution Management Engineer	50.0%	50.0%	70%
Pass rate for the Design and Drafting Examination of First-Class Architects	63.6%	25.0%	50%
Pass rate for the Second Examination of First-Class Building Works Execution Managing Engineers	70.6%	56.5%	60%

Promotion of Work Style Reform

Reduction of excessive working hours

● Awareness reform toward accurate timekeeping	Strictly ensure accurate clock-in and clock-out times by linking with PC startup and shutdown, raising awareness of proper attendance management
● Introduction of attendance management system	Introduced an attendance management system linked with PC logins to ensure accurate attendance management
● Visualization of attendance performance through dashboard	Utilize a dashboard to enable real-time visibility of each employee’s attendance performance, and conduct organizational management aimed at improving overtime reduction

Improvement of productivity

● Utilization of BPO	Outsourcing non-core operations such as construction management, construction drawings, and clerical work to BPO in order to reduce workload
● Active utilization of construction management apps and tools	The civil engineering and the building divisions actively utilize designated apps and tools best suited for each operation.
● Company-wide utilization of tablet devices	Providing tablet devices to employees to perform tasks such as data entry, photo capture, and organizing documents at job sites
● Digitization of documents	Promoting paperless operations by using electronic minutes, cloud storage, and sharing of internal meeting documents
● In-house production of on-site operations	Shifting tasks such as safety document checks, previously performed on-site, to remote-based in-house operations
● Continuation of improvement activities	Establishing an awards system to recognize “best practices” in work style reform initiatives, and implementing it annually

Promotion of flexible work styles

● Implementation of “No Overtime Day”	Designated every Wednesday as “No Overtime Day,” encouraging employees to develop work-life balance habits
● Encouragement of taking leave	Established a system with at least 5 days of “Paid Leave Encouragement Days” per year, improving the environment for planned leave-taking
● Operation of the hourly paid leave system	Revised the conventional full-day leave system, introducing an hourly paid leave system that allows employees to take leave in one-hour increments
● Operation of flextime system	Designed a flextime system centered on work sites, promoting flexible work styles

Health & Productivity Management

Certified as a Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category)

The Health & Productivity Management Outstanding Organization Certification Program is a system that recognizes corporations, including large enterprises and SMEs, that are implementing excellent health and productivity management based on initiatives addressing regional health issues and health promotion measures advanced by the Nippon Kenko Kaigi.  
The Company has been certified for three consecutive years since 2023 as a “Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category),” jointly implemented by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi.



Diversity

Promotion of women’s active participation

We recognize the promotion of women’s participation as a priority issue for the Company. We are working to dispel conventional images of the construction industry and to develop systems and workplace environments where women can fully demonstrate their abilities and work comfortably. In recruitment activities, female recruiters highlight the attractiveness of the Company to female students, and we strive to secure human resources by recruiting female engineers.  
In addition, since office-based female employees have few opportunities to visit construction sites, we hold site tours for them and actively communicate the appeal of the construction industry.





# Initiatives for Safety and Quality

For details of safety initiatives, please refer to the website below.  
<https://www.fkd.co.jp/sustainability/safety-quality/>



Recognizing that ensuring occupational safety and health is fundamental to corporate management, each officer and employee remains aware of the importance of human life and, together with partner companies, promotes safety and health management activities to prevent occupational accidents.

## Fiscal 2024 Safety and Health Management Policies

1. Compliance with occupational safety and health-related laws and regulations and company safety rules
2. Strengthening risk management to prevent occupational accidents, disasters, and other incidents
3. Enhancing OJT initiatives and deepening work style reform

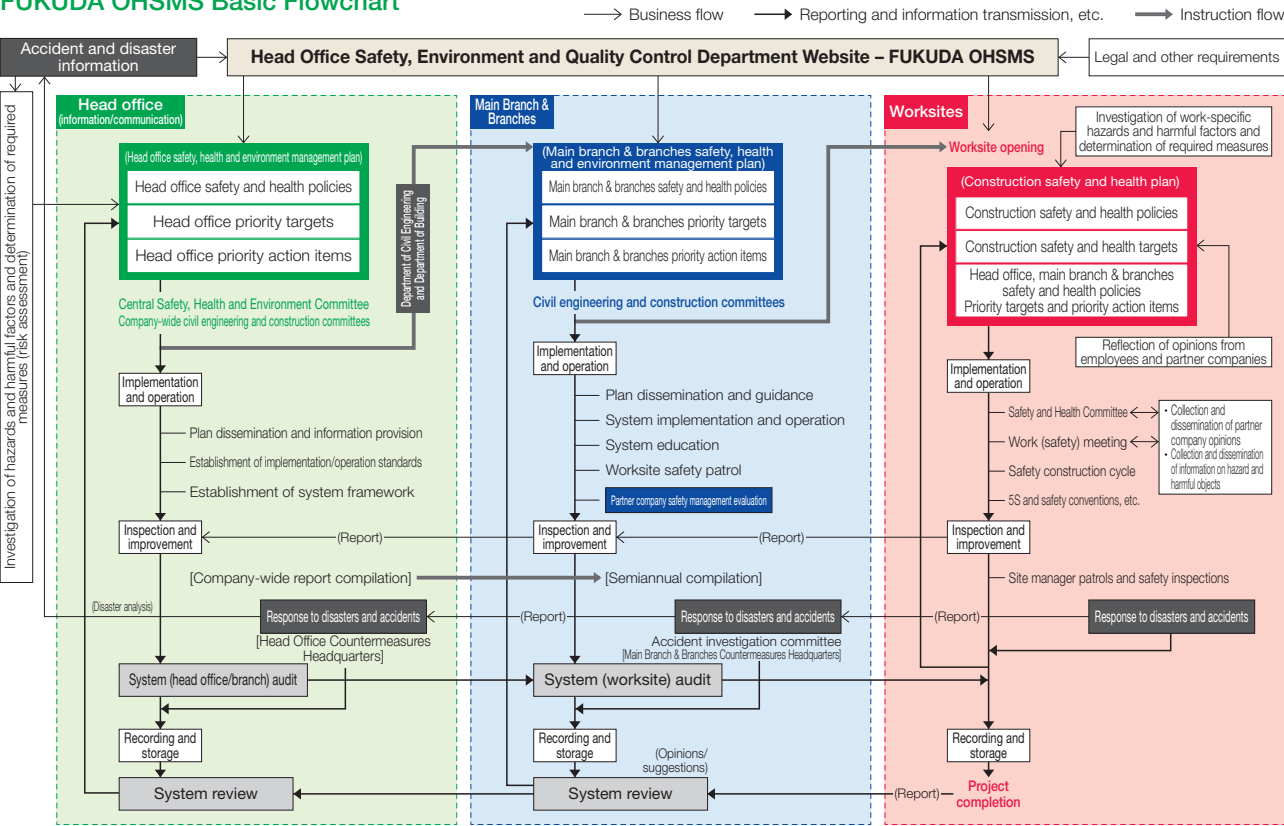
## Safety and Health Slogan

Eliminating hazards through “calling out,” raising awareness through “pointing and calling,” and a strong determination to follow the rules

## Targets and results

The FUKUDA CORPORATION Occupational Safety and Health Management System sets forth the fundamental matters of safety and health activities that the Company voluntarily undertakes in cooperation with employees and partner companies. By systematizing these matters and carrying out continuous and ongoing activities, our head office, branch offices, and worksites work together to promote the assurance of occupational safety and health, the creation of a comfortable work environment, and the improvement of safety and health standards.

## FUKUDA OHSMS Basic Flowchart



\* This is the basic flowchart for fiscal 2024.

## Safety patrol

Safety and health patrols are conducted as part of safety activities aimed at preventing occupational accidents and incidents. We consider them indispensable for promoting the creation of a safe and comfortable workplace, and they are carried out in collaboration between the civil engineering and building departments and the Safety, Environment and Quality Control Department.

In addition, during National Occupational Safety Week and National Occupational Health Week, patrols are also conducted by executives.

# Corporate Governance

For details of governance, please refer to the website below.  
<https://www.fkd.co.jp/sustainability/governance/>



## Basic approach to corporate governance

The Company recognizes the importance of corporate social responsibility and compliance, as well as the need to address sustainability issues such as global environmental problems and respect for human rights. With an awareness of these responsibilities, we regard corporate governance as a key management issue in order to contribute to the satisfaction of our stakeholders, including shareholders, customers, business partners, local communities, and employees.

In order to realize an optimal corporate governance structure, we strive to ensure the rights and equality of shareholders, enhance the functioning of the Board of Directors, and secure management transparency through proactive information disclosure. We believe that prompt decision-making, efficient business execution, and the effective utilization of supervisory functions, achieved through the exercise of these corporate governance functions, contribute to the enhancement of medium- to long-term corporate value and to contributions to society.

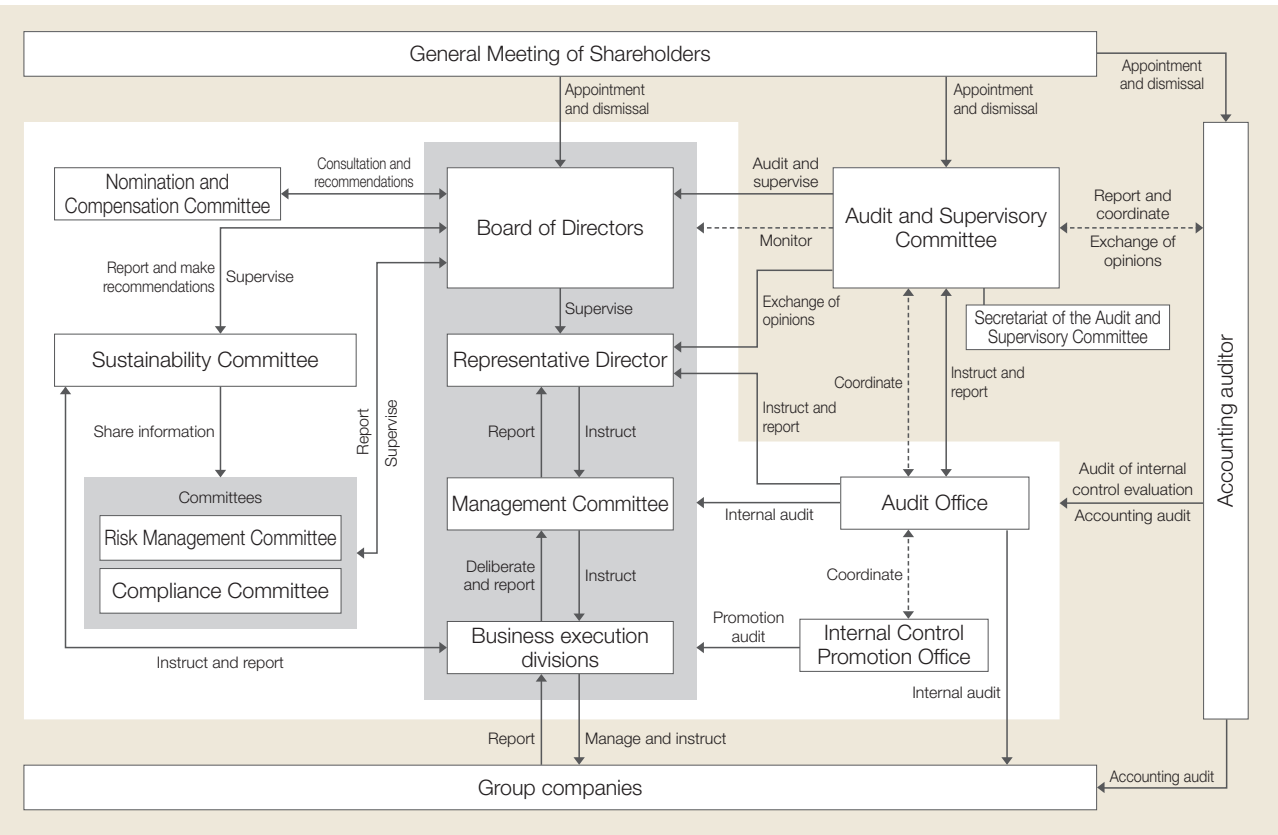
## Overview of corporate governance structure

The Company's Board of Directors deliberates on management strategies and other important management matters, makes necessary decisions, and supervises business execution.

In addition, with the aim of further enhancing the supervisory function of the Board of Directors and expediting management decision-making, as well as strengthening our corporate governance structure, we transitioned to a company with an Audit and Supervisory Committee effective March 28, 2023. The Audit and Supervisory Committee is composed of three directors concurrently serving as Audit and Supervisory Committee members (including two outside directors). One director from within the company has been appointed as a full-time committee member, and through attendance at important meetings such as Board of Directors meetings and the conduct of operational audits, the committee audits and supervises the execution of duties by directors.

Furthermore, in order to enhance our corporate governance structure by ensuring the transparency and objectivity of the evaluation and decision-making processes when considering important matters such as the appointment, dismissal, and compensation of directors, we established the Nomination and Compensation Committee, a voluntary committee, effective September 11, 2024.

## Corporate governance structure







Evaluation of the effectiveness of the Board of Directors

The Company's Board of Directors analyzes and evaluates the effectiveness of the Board of Directors as a whole at least once a year. With respect to the evaluation of effectiveness for fiscal 2024, Directors were requested to sign and answer a self-assessment questionnaire, and at the Board of Directors meeting held in March 2025, discussions were held on the analysis and evaluation results regarding the effectiveness of the Board of Directors. Based on the results of the evaluation of the effectiveness of the Board of Directors, the Company will work to address issues, enhance the effectiveness of the Board of Directors, and further strengthen its corporate governance system.

Compensation System for Directors

With respect to compensation for Directors, the individual compensation amounts for Directors who are not Audit and Supervisory Committee members consist of a base compensation plus performance-linked compensation. The Board of Directors entrusts the determination of the compensation amounts to the Nomination and Compensation Committee, a voluntary committee where Outside Directors form a majority. In addition, with respect to the individual compensation amounts for Directors concurrently serving as Audit and Supervisory Committee members, such amounts are determined through discussions among the Audit and Supervisory Committee members within the scope of the compensation limit approved at the General Meeting of Shareholders. Meanwhile, with respect to non-monetary compensation in the form of ordinary shares, points are granted in accordance with the calculation method stipulated in the Rules on the Granting of Shares to Officers.

Human Resource Development of Directors and Other Officers

In order to enhance the knowledge of Directors and other officers across the FUKUDA GROUP and to promote unity of purpose, the Company holds group-wide meetings of officers, such as officer training sessions and management roundtable meetings, on an annual basis. In addition, for newly appointed officers, the Company provides opportunities to understand the roles and responsibilities required of Directors and other officers by holding a “Group Training Program for Newly Appointed Directors” or encouraging participation in comparable external seminars. Furthermore, when a new Outside Director takes office, the Company provides explanations regarding the business, organization, and finances of the FUKUDA GROUP, thereby striving to ensure the appropriate provision of information.

Skills matrix		Corporate management	Finance and accounting	Legal risk	Civil engineering business	Construction business	Sales and marketing	Human resources and human capital	Technology and IT
Katsuyuki Fukuda	Representative Director, Chairman of the Board	●					●	●	
Masanori Araaki	Representative Director, President of the Board	●	●				●	●	
Hideaki Saito	Director & Senior Managing Executive Officer				●		●		●
Yutaka Yamaga	Director & Managing Executive Officer					●			●
Shinichi Otsuka	Director & Managing Executive Officer	●	●	●			●		●
Shuichi Sunada	Director & Executive Officer				●				●
Toshio Omi	Director & Executive Officer	●	●						
Jumatsu Eizuka	Outside Director	●	●				●	●	
Sayuri Uehara	Outside Director	●						●	
Katsuhiko Iwasaki	Director, Full-Time Audit and Supervisory Committee Member		●	●				●	●
Yoshinao Nakata	Outside Director, Audit and Supervisory Committee Member		●	●				●	
Yoshihiro Wakatsuki	Outside Director, Audit and Supervisory Committee Member			●				●	

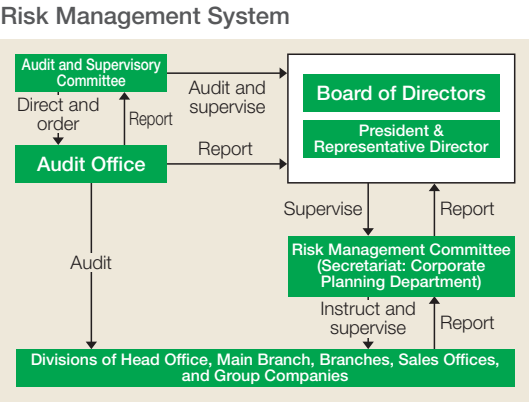
\* The table above does not represent all of the knowledge, experience, and abilities possessed by Directors.

Basic Policies

- 1. We place the highest priority on ensuring the quality and safety of our business activities, and we sincerely strive to reduce and eliminate factors that may hinder the health, safety, or interests of all stakeholders surrounding the Company, including customers, business partners, shareholders, local communities, the global environment, and officers and employees.
- 2. Guided by a spirit of compliance, we not only comply with laws and internal regulations but also act in accordance with the “FUKUDA CORPORATION Code of Conduct,” with each individual exercising autonomy and taking responsible action.
- 3. In the event that risks materialize, we will respond appropriately and promptly to minimize losses, while making every effort to prevent recurrence.

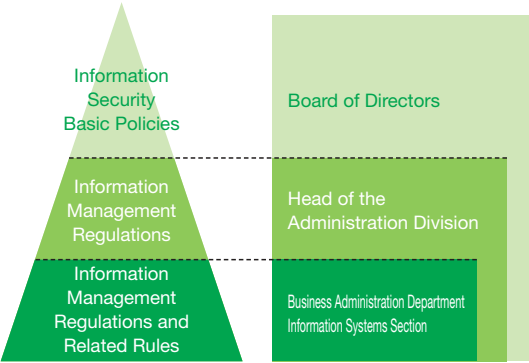
Risk Management System

The Company has established the Risk Management Committee, a committee responsible for promoting company-wide risk management. The Committee identifies risks that may have a significant impact on the continuity of business, evaluates them by taking into account their degree of impact and urgency, designates the responsible divisions according to the classification of such risks, and monitors the status of responses while promoting corrective and improvement measures in each division. In addition, the Board of Directors supervises the status of operations by receiving such reports at least once a year. Each division also carries out its operations while implementing necessary measures to avoid and mitigate risks that have materialized.



Information Security

The Company appropriately and securely manages the information assets entrusted to it through its business activities, such as customers' personal information and transaction information, and strives in good faith to protect them from various threats, and contributes to society. As part of these efforts, the Company has established the “Information Security Basic Policies.” These policies are intended to ensure that all officers and employees engaged in the Company's operations, in its aim to become the leading company in customer satisfaction, deepen their understanding of the necessity and responsibility of protecting information assets, and appropriately manage and operate information in compliance with relevant rules and regulations. With the Head of the Administration Division serving as the responsible officer, the Company will continue to maintain information security while developing a company-wide management framework.



Business Continuity Plan (BCP)

The Company has formulated a business continuity plan (BCP) to rescue officers, employees, and stakeholders in the event of large-scale disasters or accidents and ensure their safety, to engage as a construction company to the fullest extent possible in rescue and recovery activities for business partners and local communities, and to meet the expectations of customers and the community. To verify the effectiveness of the BCP, the Company conducts regular drills. Last year, assuming the occurrence of a directly beneath-the-capital earthquake, drills were carried out for initial information gathering, procurement of supplies, and transportation of supplies. In addition, safety confirmation drills for all officers and employees are also conducted to enhance the effectiveness of the BCP.



Disaster Response Headquarters of the Head Office (Drill)



## Group Companies

### FUKUDA GROUP overview

The FUKUDA GROUP is a corporate group in which each group company values the spirit of “independence and self-reliance,” conducting autonomous management based on its own business vision and management philosophy. Each group company maintains its independence in management, so strong unity of the entire Group is indispensable.

To this end, the FUKUDA GROUP upholds the shared value of the spirit of “Always sincere from now until the next century and beyond,” with all officers and employees across the Group sharing this commitment and mindset, working together as one to advance daily business development.

#### FUKUDA GROUP Spirit

## Always sincere from now until the next century and beyond

### Domestic group companies

	<b>FUKUDA ROAD CONSTRUCTION</b>	Niigata, Niigata Prefecture	Number of employees <b>410</b>	Capital <b>¥2.0 billion</b>	Founded <b>1949</b>	2024 net sales <b>¥32.39 billion</b>
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FUKUDA ROAD CONSTRUCTION CO., LTD. operates a nationwide road construction business, engaging in paving works for a wide range of clients, including expressways, various types of roads, airports, commercial facilities, and sports facilities. The company also operates plants across the country that are responsible for manufacturing and selling asphalt mixture, a key paving material. The company has also made the utmost contribution to recovery and reconstruction efforts following the frequent natural disasters to date. In 1976, FUKUDA ROAD CONSTRUCTION established the first road paving technology research institute on the Sea of Japan side, where it has carried out advanced technological developments such as porous asphalt pavement and anti-icing pavement.

#### Technology

One of the technologies the company is currently promoting is “Multifine-Eye.” By using artificial intelligence (AI), this system automatically diagnoses the damage level classification of “cracks” and “rutting” from images of paved road surfaces. It analyzes footage taken with commercially available cameras

and visualizes the results through video, maps, and graphs, thereby achieving significant labor savings and reducing analysis time. Another example is the silent guidance system for construction vehicles, “Otonashikun.” This system guides construction vehicles such as dump trucks during reversing or unloading operations not with whistles from flagmen or horns from heavy machinery, but through guidance displayed on LED panels and audio transmitted via FM radio. The company will continue to devote ourselves to technological development in order to address a wide range of social issues.

#### Medium-Term Business Plan

Under its management philosophy, which places the greatest emphasis on “sincerity” and “technology,” FUKUDA ROAD CONSTRUCTION's new Medium-Term Management Policy, beginning this year, sets forth the initiative “Employee Happiness Reform- Everything Toward Work Fulfillment,” with the following pillars: (1) Field-Oriented Principle, (2) Well-Being, and (3) Absolute Safety Principle, which we are thoroughly pursuing. The company has defined this “Happiness Reform” as our own 18th sustainable development goal (SDG).



Technology Research Institute of FUKUDA ROAD CONSTRUCTION CO., LTD.  
(Niigata, Niigata Prefecture)



Paving work utilizing “Otonashikun”

	Niigata, Niigata Prefecture	Number of employees <b>242</b>	Capital <b>¥93.88 million</b>	Founded <b>1955</b>	2024 net sales <b>¥10.46 billion</b>
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KOWA Co., Ltd. started as a specialist in the development of underground resources such as groundwater and hot springs, and over the years has engaged as professionals in ground and water-related fields, undertaking businesses in disaster prevention and mitigation, infrastructure management, and environmental energy. In recent years, KOWA has actively participated in restoration work following frequent natural disasters and promoted the use of renewable thermal energy sources such as geothermal and sewage heat. The company has also advanced their adoption in its own facilities, rebuilding the building of the Chuetsu Branch as a new “ZEB” office. While adapting to the changing social environment, KOWA will continue to contribute to local communities with a spirit of taking on new challenges.




The Net Zero Energy Building (ZEB) of the Chuetsu Branch of KOWA Co., Ltd.  
(Nagaoka, Niigata Prefecture)

	Niigata, Niigata Prefecture	Number of employees <b>91</b>	Capital <b>¥30.00 million</b>	Founded <b>1971</b>	2024 net sales <b>¥6.34 billion</b>
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Kita Nihon Construction Material Leasing Co., Ltd. rents and sells temporary steel materials essential for road and bridge construction, while also undertaking the design and execution of temporary works itself, thereby contributing to local infrastructure development in collaboration with general contractors and local construction companies. In addition, as “temporary works professionals,” the company responds to a wide range of needs from construction companies, covering everything from drawing preparation to steel processing at factories and proposing construction methods. In recent years, the heavy temporary works industry, like the construction industry as a whole, has faced challenges such as rising prices and labor supply-demand issues, while its main market segment has also shifted from new construction to maintenance, as well as disaster prevention and mitigation. In this era of increasing uncertainty, the company will continue to enhance our product lineup, develop new offerings, and pursue fair rental pricing. At the same time, Kita Nihon Construction Material Leasing Co. will advance human capital management by improving the work environment and actively recruiting and developing talent, while steadily responding to customer needs.



Head Office and Higashi Port Plant of Kita Nihon Construction Material Leasing Co., Ltd.  
(Niigata, Niigata Prefecture)

	Niigata, Niigata Prefecture	Number of employees <b>342</b>	Capital <b>¥80.00 million</b>	Founded <b>1975</b>	2024 net sales <b>¥9.22 billion</b>
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As a comprehensive regional environmental maintenance and management company, RECS CORPORATION is engaged in the upkeep and repair of social infrastructure, including road traffic safety facilities, sewer systems, tunnels, and bridges, while also conducting road patrols and providing rental and sales of construction safety equipment. In recent years, particularly within Niigata Prefecture, many aging bridges have required repairs. RECS has contributed through its proprietary methods, including crack and spalling repairs, refurbishment of expansion joints and anti-fall devices, and reinforcement using carbon fiber sheets. In bridge repainting projects, RECS proposes the “circulating blast construction method,” which significantly reduces industrial waste generation and lowers environmental impact, and this approach has been adopted by many municipalities. The company will continue to contribute to the realization of a sustainable society through regional environmental conservation.



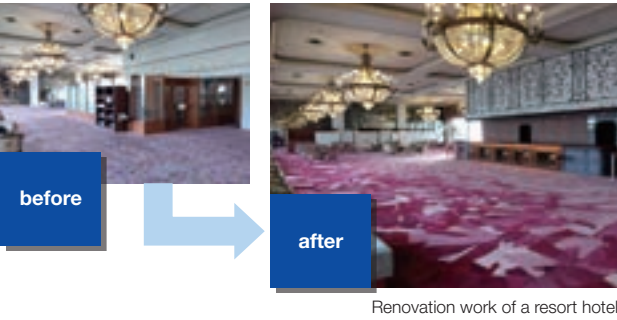
Yoneyama Ohashi Bridge after completion of repainting work  
(Kashiwazaki, Niigata Prefecture)



Group Companies

 福田リニューアル株式会社	Chiyoda-ku, Tokyo	Number of employees 79	Capital ¥0.1 billion	Founded 1996	2024 net sales ¥6.84 billion
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Founded in 1996 as a company specializing in renovation, FUKUDA RENEWAL CORPORATION is now approaching its 30th year. As a comprehensive renovation company handling everything from building inspection and diagnosis to design, construction, and after-sales service, the company continues to meet diverse needs of our customers. FUKUDA RENEWAL carries out a wide range of renovation work for various types of buildings, including hotels, offices, stores, hospitals, factories, and warehouses. Since 2022, the company has also been engaged in the real estate business, steadily building up a track record. With its extensive track record and experience, the company not only protects and preserves customers’ valuable assets but also works to maximize their value.



Overseas group companies

 THAI FUKUDA CORPORATION LIMITED	Bangkok, Kingdom of Thailand	Number of employees 28	Capital 10.00 million baht (¥45.80 million)	Founded 1992	2024 net sales 0.68 billion baht (approx. ¥3.16 billion)
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THAI FUKUDA CORPORATION is a local subsidiary of FUKUDA CORPORATION, established in Thailand in 1992. With Japanese manufacturers as its main clients, the company primarily handles the construction of production facilities and logistics facilities. Under the Group Spirit of “Always sincere from now until the next century and beyond,” THAI FUKUDA has accurately identified customer needs and built long-term relationships with many companies through construction that emphasizes quality and reliability. Going forward, the company will continue to respond to changes in market demand while advancing competitiveness and pursuing sustainable business development.



Group companies

(Unit: Billion yen)

Segment	Company name	Head office	Business	Net sales
Civil engineering business related to construction	FUKUDA ROAD CONSTRUCTION CO., LTD.	Niigata	Paving works, general civil engineering works, pavement damage diagnosis, and manufacture and sale of asphalt mixtures	32.39
	KOWA Co., Ltd.	Niigata	Civil engineering works, construction consulting, and geological surveys	10.46
	Kita Nihon Construction Material Leasing Co., Ltd.	Niigata	Rental, repair, and sale of temporary construction steel materials, and temporary construction works	6.34
	RECS CORPORATION	Niigata	Maintenance of road auxiliary facilities and sales and rental of safety equipment	9.22
	Saido Co., Ltd.	Saitama	Paving works, civil engineering works	0.61
	Sagami Enji Co., Ltd.	Kanagawa	Paving works, civil engineering works	0.68
	Nigata Zouen Corporation	Niigata	Landscaping works and general civil engineering works, as well as maintenance and management of parks and gardens	0.98

Civil engineering business related to construction	Pabig Aizu Co., Ltd.	Fukushima	Paving works, civil engineering works	0.54
	Murakami Hozai Co., Ltd.	Niigata	Manufacture and sale of asphalt mixtures	0.26
	Rise Pave Co., Ltd.	Aomori	Paving works, civil engineering works	1.14
	Re Earth Corporation	Tokyo	Construction, surveys, and consulting related to ground improvement, contaminated soil, and environmental facilities	1.25
	OhHIRO Industries Co., Ltd.	Niigata	Paving works, civil engineering works	0.21
	Okumikawa Co., Ltd.	Aichi	Paving works, civil engineering works	0.38
	Geoc Giken Co., Ltd.	Niigata	Geotechnical surveys and ground improvement works, geothermal snow-melting construction	1.19
	GeotecService Co., Ltd.	Niigata	Construction and operation of geotechnical and meteorological disaster prevention networks, installation and monitoring of measuring instruments, sales of snow-melting equipment and drilling materials	0.47
	Shinsei Road Co., Ltd.	Hokkaido	Paving works, civil engineering works	0.22
	DiaTec Corporation	Niigata	Survey, diagnosis, and design of concrete and steel structures	0.18
	Fine Road Consultant Co., Ltd.	Niigata	Surveys, planning, construction management, and consulting related to paving and soil	0.10
	TAKAKEN CO., LTD.	Niigata	Collection and sale of gravel, sand, and crushed stone, general civil engineering works, and real estate business	1.17
	Asahi Hodo Co., Ltd.	Niigata	Paving works	0.30
	Create Center Corp.	Niigata	Construction consulting	0.52
	Soshin Corp.	Niigata	Civil engineering works, water supply facility construction, steel structure construction, paving works, and rental, maintenance, and repair of construction machinery	1.35
	Niigata Hozai Co., Ltd.	Niigata	Manufacture and sale of asphalt mixtures	1.59

Construction business related to construction	FUKUDA RENEWAL CORPORATION	Tokyo	Building inspection and diagnosis, building renovation, and new construction work	6.84
	FUKUDA HOUSING CO., LTD.	Niigata	Housing construction, renovations, real estate business, condominium management, and building maintenance	2.40
	THAI FUKUDA CORPORATION LIMITED	Bangkok	Construction projects	3.16

Business related to real estate and service	FUKUDA ASSET & SERVICE CO., LTD.	Niigata	Sale, leasing, and brokerage of real estate	0.81
	Design Workshop Co., Ltd.	Miyagi	Operation, management, and administration of fee-based nursing homes, and long-term care insurance business	0.45
	PSC Co., Ltd.	Niigata	Disposal of general and industrial waste	0.11
	IT Support Co., Ltd.	Niigata	Sale, rental, leasing, repair, and maintenance of computer equipment, communication devices, and software	0.48

Company Overview (as of December 31, 2024)

Company name:	FUKUDA CORPORATION
Representative:	Katsuyuki Fukuda, Chairman & Representative Director Masanori Araaki, President & Representative Director
Head office:	3-10 Ichibanboridoricho, Chuo-ku, Niigata, Niigata Prefecture 951-8668 Japan
Established:	January 1902
Founded:	December 1927
Capital:	5,158,408,496 yen
Employees:	850
Business:	<div>• Contracting, planning, design, supervision, and consulting services for construction projects</div> <div>• Purchase, sale, exchange, leasing, brokerage, and management of real estate</div> <div>• Construction and sale of housing, as well as land development and sales</div> <div>• Projects related to regional development, urban development, and environmental maintenance, as well as contracting, planning, design, supervision, and consulting services related thereto</div> <div>• Ownership, leasing, and operation of lodging facilities, sports facilities, recreational facilities, health and medical facilities, etc.</div> <div>• Processing, sale, and leasing of construction materials, equipment, and machinery</div> <div>• All businesses incidental to the foregoing items</div>
Main Branch & Branches:	<div>• Niigata Main Branch (Chuo-ku, Niigata, Niigata Prefecture)</div> <div>• Tokyo Main Branch (Chiyoda-ku, Tokyo)</div> <div>• Chuetsu Branch (Nagaoka, Niigata Prefecture)</div> <div>• Tohoku Branch (Aoba-ku, Sendai, Miyagi Prefecture)</div> <div>• Nagoya Branch (Naka-ku, Nagoya, Aichi Prefecture)</div> <div>• Osaka Branch (Kita-ku, Osaka, Osaka Prefecture)</div> <div>• Kyushu Branch (Hakata-ku, Fukuoka, Fukuoka Prefecture)</div> <div>• Hokkaido Branch (Chuo-ku, Sapporo, Hokkaido Prefecture)</div>
Domestic Sales Offices, etc.:	11 locations
License/Permit Number:	<div>• Construction Business License: Minister of Land, Infrastructure, Transport and Tourism (Special-6) No. 3057 (As of June 30, 2025)</div> <div>• Construction Consultant Registration: No. Ken-02-5532</div> <div>• First-Class Architect Office Registration</div> <div>Niigata Head Office of FUKUDA CORPORATION: Registered with the Governor of Niigata Prefecture (Ri) No. 1634</div> <div>Tokyo Head Office of FUKUDA CORPORATION: Registered with the Governor of Tokyo No. 3033</div> <div>• Real Estate Brokerage License: Minister of Land, Infrastructure, Transport and Tourism (13) No. 2341</div> <div>• Designated Investigation Agency under the Soil Contamination Countermeasures Act: 2020-3-0009</div>

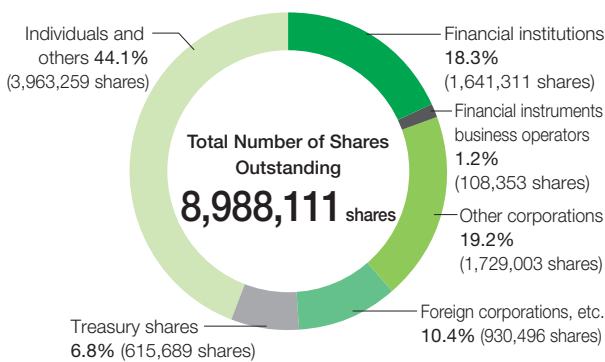


Stock Information (as of December 31, 2024)

Status of shares

Stock code:	1899
Listed on:	Tokyo Stock Exchange
Total Number of Shares Authorized to be Issued:	20,000,000 shares
Total Number of Shares Outstanding:	8,988,111 shares
Number of Shareholders:	7,749
Administrator of Shareholder Registry:	Mitsubishi UFJ Trust and Banking Corporation

Distribution of shares by shareholder category



Status of shares

Name of shareholder	Number of shares held (thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd.	708	8.5
(Public Interest Incorporated Foundation) Fukuda Ikueikai	688	8.2
Naomi Fukuda	431	5.2
Daishi Hokuetsu Bank, Ltd.	375	4.5
Kazuko Ozawa	321	3.8
FUKUDA SEKIZAI CO., LTD.	286	3.4
FUKUDA CORPORATION Kyoei-kai	281	3.4
Katsuyuki Fukuda	232	2.8
Hiroshi Fukuda	231	2.8
Yuko Honjo	178	2.1

Note: Shareholding ratio is calculated after deducting the number of treasury shares (615,689 shares). The number of treasury shares does not include the shares of the Company (95,100 shares) held by Trust & Custody Services Bank, Ltd. (trust account E) as the trust assets of the Employee Stock Ownership Plan (J-ESOP) and Board Benefit Trust (BBT).

Information for shareholders

Record Date:	Ordinary General Meeting of Shareholders: December 31
Year-End Dividend:	December 31
Interim Dividend:	June 30
Administrator of Shareholder Registry: Account Management Institution for Special Accounts:	Mitsubishi UFJ Trust and Banking Corporation [Contact Information] Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Department 1-1 Nikkocho, Fuchu, Tokyo Tel: 0120-232-711 (Toll-free)
	[Mailing Address] Shin-Tokyo Post Office, PO box No. 29, Tokyo 137-8081 Japan
Number of Shares Per Unit:	100
Listed on:	Prime Market of Tokyo Stock Exchange
Method of Public Notice:	Public notices will be made electronically. However, when electronic public notices cannot be made due to circumstances beyond our control, we will post a notice in the Nihon Keizai Shimbun. URL for Public Notices: <a href="https://www.fkd.co.jp/">https://www.fkd.co.jp/</a>

Notes:

- Please contact the securities company where you have your account regarding procedures for matters such as change of address of shareholders and requests for purchase of shares. These procedures are not handled by the Stock Transfer Agent (Mitsubishi UFJ Trust and Banking Corporation). Unclaimed dividends are payable at the main office/branches of Mitsubishi UFJ Trust and Banking Corporation.
- Procedures related to shares recorded in special accounts are handled by Mitsubishi UFJ Trust and Banking Corporation as the account management institution. Shareholders are therefore requested to contact the account management institution (Mitsubishi UFJ Trust and Banking Corporation) for the aforementioned special accounts. The services are also provided at nationwide branches of Mitsubishi UFJ Trust and Banking Corporation.