

Providing wide-ranging value to society using engineering capabilities cultivated for seven decades

Social issues

- Environmental destruction, depletion of resources
- Aging infrastructure & natural threats
- Depopulation and hollowing-out due to a declining population

Changes in industry and society

- Rapid technological innovation
- Change from goods to experiential services
- Changes in social awareness

MATERIALITY Key issues

Value creation

Solving social issues through “engineering that connects”

- Building and maintaining infrastructure that serves as the foundation of society
- Contributions and building good relationships in local communities
- Advancing digital transformation in construction
- Achieving a carbon neutral society
- Contributing to circular economies

Foundation of value creation

Creating workplace environments in which diverse human resources can thrive

- Developing and promoting human resources who drive value creation
- Safety and health for all working people
- Respecting diversity and creating workplaces conducive to working with vitality
- Boosting productivity by advancing DX

Fostering a company culture that generates innovation

- Encouraging quests into the unknown and diligent technological self-improvement
- Establishing brand value as a Group
- Opening up new possibilities as a global player
- Alliances and collaboration with diverse partners

Fair, highly transparent governance

- Ensuring soundness and transparency in governance
- Ensuring thorough risk management and compliance
- Bolstering information security for both physical items and people
- Respecting human rights

→ p.37-38 Materiality

INPUTS Capital and strengths

1 Formidable financial strength

2 Proven technological capabilities

3 Utilizing DX for safety and quality control

4 Corporate culture that values diversity

5 Combined capabilities of the Group and our partners

→ p.35-36 Value creation capital and strengths

OUTPUTS Businesses, products, & services

Telecom carriers business

- Optical fiber cabling
- Network facilities construction
- Telecommunications civil engineering
- Mobile base station installation & maintenance
- Telecommunications & electricity facility projects

Urban infrastructure business

- Electrical & air conditioning equipment projects
- Social infrastructure construction
- Facilities related to renewable energy & smart energy
- Urban civil engineering (pole-free, pipe jacking, etc.)
- Waste treatment plant construction & maintenance

System solutions business

- Software development on consignment
- DX support solutions
- IT infrastructure architecture (servers, wireless LAN, etc.)
- Managed services (system operations & maintenance, security monitoring, etc.)
- Global business (telecommunications, urban infrastructure, various solutions)

→ p.7-8 Our businesses

OUTCOMES Value provided

Enabling an advanced ICT society

- Continued upgrading of broadband telecommunications
- Building infrastructure that is resilient to natural disasters
- Increasing the population coverage of communications areas
- Developing next-generation infrastructure in underpopulated areas

Enabling a convenient urban lifestyle

- Landscapes of globally comparable standards by undergrounding overhead power lines
- Expanding public investments for building national resilience
- Renewal of aging waste disposal plants
- Advancing use of renewable & smart energy sources
- Promoting “barrier-free” access for people with disabilities

Realizing a prosperous society through digital technologies

- Reforming industrial structures through the cloud, IoT, big data, etc.
- Promoting more extensive communication
- Solutions for advanced security
- Providing the environment for work style reforms & productivity improvement
- Providing ICT environments for high-quality education

Increasing our business value while helping to achieve the SDGs

- Organizational culture that prioritizes safety & quality
- Addressing climate change through environmental management
- Corporate culture in which diverse human resources thrive
- Creating synergies through Group-wide collaboration
- Strengthening our business infrastructure through DX

Management guidelines

Medium-Term Management Plan (FY2021-FY2025)

→ p.21-22 Medium-Term Management Plan and progress

Bolstering our non-financial capital, the source of our value creation

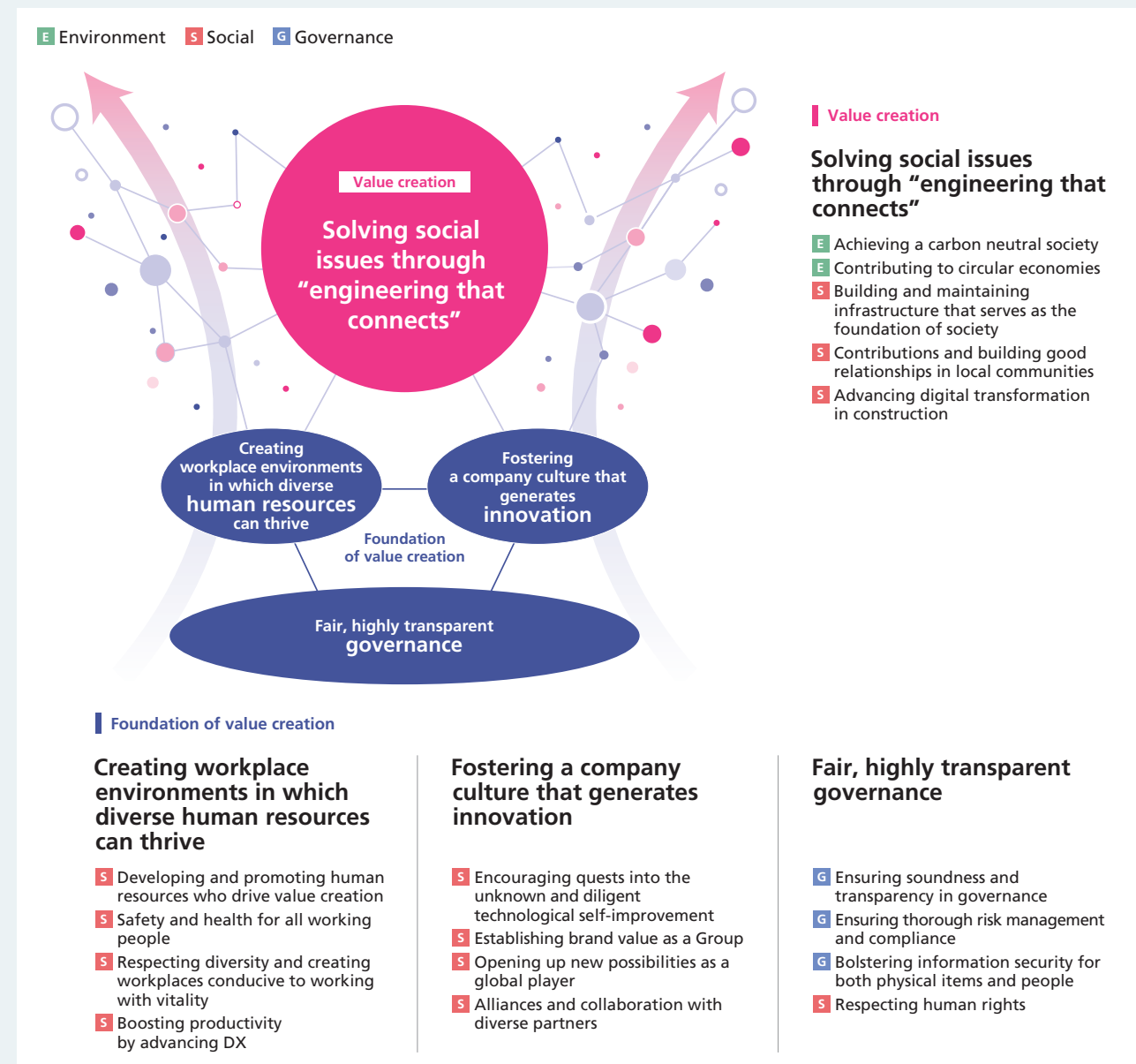
	Capital and strengths	For business improvement and strength	Data and achievements
Financial capital 1 Formidable financial strength <p>→ p.23-26 Message from the CFO</p>	<p>Our strength lies in making effective use of interest-bearing debt while maintaining a high level of shareholders' equity to total assets and having the financial soundness to obtain an "A+" rating from JCR. Based on this sturdy financial foundation, we are making aggressive investments for continuous growth, including in M&A, human resources, and R&D. Our policy for shareholder returns is to continue paying stable dividends with dividends on equity (DOE) of 4.0% as a standard while also buying back shares in a flexible manner.</p>	<ul style="list-style-type: none"> • Generating Group-wide synergies to boost earning power • Focusing on investment in growth areas and on strengthening businesses while maintaining appropriate balance between capital and liabilities • Continuously providing stable shareholder returns 	<p>Shareholders' equity to total assets 52.9%</p> <p>Dividends 12 consecutive years of dividend increases</p>
Intellectual capital 2 Proven technological capabilities <p>→ p.29-32 Human resources strategy round table discussion → p.49-52 Human resources strategy</p>	<p>Our telecom carriers business provides a full range of services from planning and design to construction, operation, and maintenance nationwide. Our urban infrastructure business leverages electrical, civil engineering, and other technologies honed in telecommunications construction. Our system solutions business delivers solutions that address the diverse needs of our customers. We create value that harnesses the technological capabilities of each Group company in these three businesses.</p>	<ul style="list-style-type: none"> • Making our organizational operating mindset even more conducive to innovation • Building internal systems for working on DX and R&D • Multi-skilling and better HR development that is up-to-date on new technology 	<p>Number of ESPs*1 and VE*2 proposals 9,089 <small>*1 ESPs: Exeo Solution Proposals *2 VE: Value Engineering</small></p> <p>Holders of technology related professional qualifications (cumulative) 11,814</p>
Manufacturing capital 3 Utilizing DX for safety and quality control <p>→ p.53-54 Innovation strategy</p>	<p>Usage of DX to raise productivity by improving business processes and further improve safety and quality control has been an important topic in all business areas in which we operate. We are actively utilizing DX to improve operational efficiency and accuracy, including in offshore business collaborations and in utilizing AI for photo inspections and checking equipment.</p>	<ul style="list-style-type: none"> • Automating and improving the efficiency of business processes with ServiceNow, RPA, etc. • Using tools such as network cameras and AI to improve safety and quality control • Enhancing security to operate business more securely 	<p>Nikkei Smart Work Management Survey Smart Work ★★★★ 2024</p> <p>Digital Transformation Certification DX認定</p>
Human capital 4 Corporate culture that values diversity <p>→ p.29-32 Human resources strategy round table discussion → p.49-52 Human resources strategy</p>	<p>In this era of uncertainty and turbulent changes referred to as VUCA, it is essential to establish work environments where diverse human resources such as mid-career hires and female and international employees can harness their capabilities, in order to secure and develop human resources capable of navigating sudden technological innovations and market changes. The Company is promoting diversity and inclusion as a top management priority while also making focused investments in training and other HR development.</p>	<ul style="list-style-type: none"> • Employee learning & development and assignments according to each individual's capabilities and career path (Job Challenge System, Overseas Trainee System, Transformation Leader Development Program, etc.) • Building a Group-wide personnel database • Human resources development based on our shared Group-wide Career Development Program (CDP) 	<p>PRIDE Index 2023 work with Pride Silver 2023</p>
Social & relational capital 5 Combined capabilities of the Group and our partners <p>→ p.27-28 Group management</p>	<p>Our Group does business globally with Group companies that have their own unique strengths. We also have strong bases of operations in regions throughout Japan, including our five major subsidiaries. In order to harness this strength to the fullest, we are building systems that can flexibly utilize the Group's human resources. We are also dedicating energy to establishing the foundations of good relationships with a large number of partner companies in order to provide high-quality services to our customers.</p>	<ul style="list-style-type: none"> • Horizontal rollouts of Group products and mutual support in sales and construction • Standardized, more efficient business processes through commonized systems • Strengthening communication with co-creation and collaboration partner companies • Creating new projects in collaboration with universities and technical colleges 	<p>Number of consolidated subsidiaries 142</p> <p>Number of consolidated employees 17,056</p>

Putting the materiality into practice as our Group guidelines for achieving a sustainable society

Our Group's materiality is broadly comprised of four material topics, which are further divided into 17 material subtopics. We will find solutions to various social issues while plotting out the continuous growth of the Group by

having each and every employee act with our materiality in mind in all of our business activities. As society changes, we will flexibly accommodate those changes by making periodical revisions to our formulated materiality.

Our materiality



The process to determine our materiality

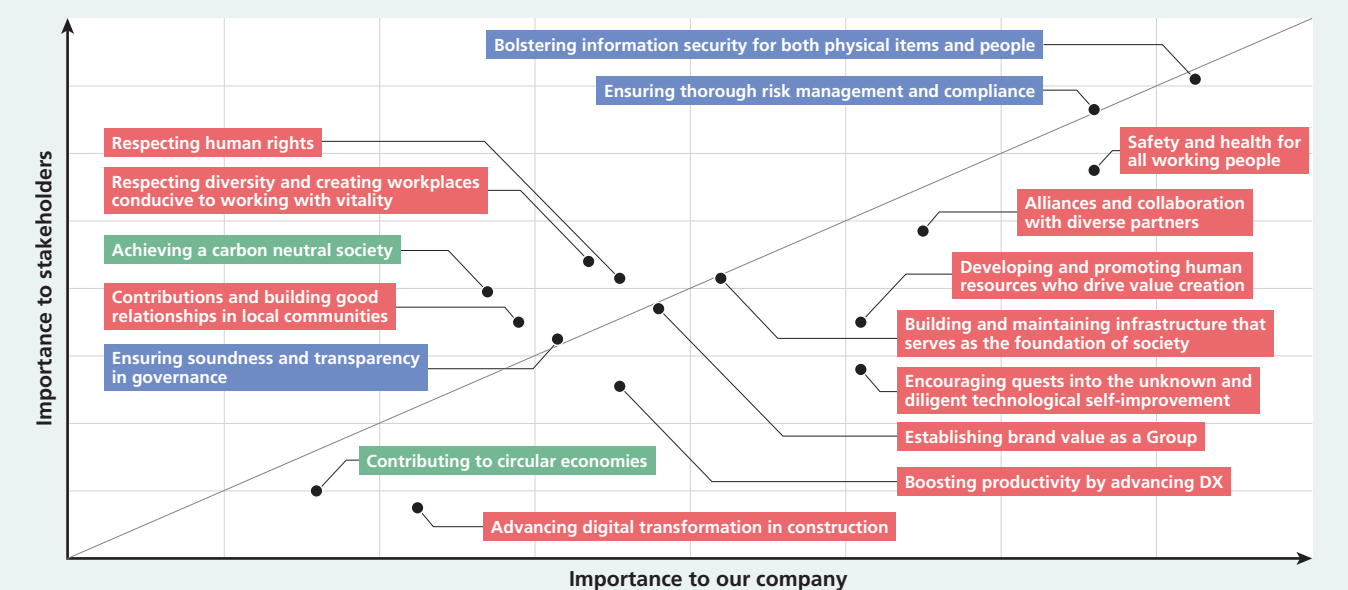
To determine our materiality, we first referred to international standards such as the GRI Standards and identified social issues. After that, we involved Group employees in scoring and workshops to rate the importance of issues along the two axes of "importance to stakeholders," and "importance to our company."

Based on the proposals created through these efforts, we consulted with outside experts, outside directors, and outside statutory auditors, and then reflected their opinions in preparing the final proposal. After considerations in the Management Council and Board of Directors, we made the official decision on May 19, 2023.

The process

- STEP 1 Identify social issues**
Identified 52 issues after referencing the GRI Standards, SASB Standards, etc.
- STEP 2 Prioritize the issues**
Prioritized the issues through scoring by Group employees and holding workshops, then selecting the proposals
- STEP 3 Dialogues with internal and external stakeholders**
Exchanged opinions with outside experts, consulted with outside directors and statutory auditors, and prepared the final proposal
- STEP 4 Decision by management**
Official decision made by the Management Council and Board of Directors

Materiality matrix (according to the results of "Scoring by Group employees" in Step 2)



Note: "Opening up new possibilities as a global player" was added in Step 3, and is therefore not included in this chart.

Message from an outside director







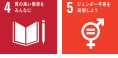














In Board of Directors discussions, we placed heavy weight on the perspective of contributing to local communities by developing telecommunications infrastructure—which is our mission, and perspectives such as new future-oriented advancements and the growth, happiness, and job satisfaction of our employees. From identifying items to taking concrete actions, we engaged in discussions with these perspectives in mind. We also considered means of expression and how to make the materiality appealing, and settled on a design that illustrates our commitment to major growth with governance as the foundation. I think that we managed to formulate a materiality that also properly reflects ideas from internal and external stakeholders.

If the activities of our business units and Group companies are the vertical thread in cloth-weaving, this materiality that we have formulated is the intersecting horizontal thread. I believe that weaving these two interlocking threads together correctly will lead to excellent work performance and increased business value. To make that happen, it is vital to diligently engage in awareness-raising activities that promote understanding among all employees, set easy-to-understand KPIs, and thoroughly execute PDCA. The other outside directors and I will be working on this alongside you and offering our advice.



Yasushi Kohara
Director

Action plans & KPIs based on our materiality

Materiality			Action plan	KPIs (consolidated if not noted otherwise)	Target (FY of goal)	FY2023 actual	Relevant page(s)
Value creation	Solving social issues through “engineering that connects” 	 Achieving a carbon neutral society	<ul style="list-style-type: none">● Reduce CO₂ emissions● Advance smart energy business (self-owned power lines for wind power generation, storage batteries, EV chargers, etc.)	(1) Rate of CO ₂ emissions reduction (Scope 1 + 2) (vs. FY2020) (2) Renewable electric power usage rate (Company-managed domestic sites)	(1) -43.9% (FY2030) (2) 100% (FY2025)	(1) -16.9% (2) 77.8%	→ p.41-42 Feature 1 → p.45-48 Environmental management
		 Contributing to circular economies	<ul style="list-style-type: none">● Continue initiatives to reduce industrial waste, save energy & save resources● Advance resource recycling-oriented business (refurbishments business, woody biomass power generation)	(1) Final disposal rate of industrial waste (non-consolidated) (2) Reduction of pieces of paper used (non-consolidated)	(1) -50% vs. FY2020 (FY2025) (2) -50% vs. FY2023 (FY2024)	(1) 3.3% (2) -28% (year-on-year)	→ p.27-28 Group management
		 Building and maintaining infrastructure that serves as the foundation of society	<ul style="list-style-type: none">● Work with advancements in telecommunications infrastructure (5G, 6G, IOWN, OREX)● Build & update social infrastructure (expressways, water supply and sewage, putting power lines underground, etc.)● National resilience, disaster recovery support	Holders of technical qualifications at S Ranks (elite ranks) and above (internal standards)	Encourage acquisition of high-rank qualifications	11,814 (cumulative)	→ p.43-44 Feature 2
		 Contributions and building good relationships in local communities	<ul style="list-style-type: none">● Engage in community contribution activities & sponsor community events● Enter into partnerships with communities through business	Number of social & community contribution activities	Continue social & community contribution activities	92	→ p.47-48 Environmental management
		 Advancing digital transformation in construction	<ul style="list-style-type: none">● Use BIM/CIM to transform construction workflows● Use AI/Webcams to improve safety and work efficiency at construction sites	Number of severe accidents (bodily injury or equipment-related)	Aim for zero	2	→ p.49-52 Human resources strategy
Foundation of value creation	Creating workplace environments in which diverse human resources can thrive 	 Developing and promoting human resources who drive value creation	<ul style="list-style-type: none">● Develop next-generation leaders who drive transformation● Implement various human resource development programs● Develop careers based on dialogues with employees as prerequisite	Number of employees who undergo the Transformation Leader Development Program	Cumulative total 1,040 (FY2025)	227 (cumulative 589)	→ p.29-32 Human resources strategy round table discussion → p.49-52 Human resources strategy
		 Safety and health for all working people	<ul style="list-style-type: none">● Implement safety initiatives (AI/network cameras, surveillance centers, etc.)● Develop safety professionals and improve safety training● Implement health and productivity management (reducing overtime, taking paid leave, various health examinations, health guidance)	(1) Percentage of annual paid leave taken (non-consolidated) (2) Percentage undergoing stress checks (non-consolidated & five major subsidiaries*)	(1) 80% (FY2025) (2) 100% (FY2024)	(1) 78.8% (2) 98.3%	
		 Respecting diversity and creating workplaces conducive to working with vitality	<ul style="list-style-type: none">● Promote diversity, equity, and inclusion (DE&I).● Use DX to reform work styles● Raise employee engagement	(1) Number of women in management positions (non-consolidated) (2) Percentage of male employees taking childcare leave (non-consolidated)	(1) 1.5 x FY2020 (FY2025) (2) 20% (FY2025)	(1) 35 (2) 32.9%	
		 Boosting productivity by advancing DX	<ul style="list-style-type: none">● Utilize RPA, AI, tablets & offshore● Build shared IT infrastructure for the Group● Develop DX implementation personnel	Amount of IT & R&D (investments & expenditures)	Generally at least 1% of annual sales	1.03%	→ p.53-54 Innovation strategy
	Fostering a company culture that generates innovation 	 Encouraging quests into the unknown and diligent technological self-improvement	<ul style="list-style-type: none">● Develop innovative personnel, foster a culture of innovation● Generate business & make proposals related to technological development● Partner with universities & research institutions	(1) Create new business through business contests (2) Develop technologies through ESP & VE proposal activities	(1) Number of entries (2) Number of proposals	(1) 61 (2) 9,089	→ p.53-54 Innovation strategy
		 Establishing brand value as a Group	<ul style="list-style-type: none">● Company promotions via commercials, etc.● Sponsor cultural events, sports teams, etc.● More tie-up activities with universities, etc.	Engagement fostered (employee satisfaction improvement)	80% or more (FY2024)	78%	—
		 Opening up new possibilities as a global player	<ul style="list-style-type: none">● Further expand global business● Hire overseas personnel● Bolster development of global human resources	(1) Proportion of net sales from global business (2) Number of overseas trainees sent	(1) At least 10% of net sales (FY2025) (2) Cumulative total 17 (FY2024)	(1) 7.2% (2) Cumulative total 11	→ p.63-64 Strengthening our global business
		 Alliances and collaboration with diverse partners	<ul style="list-style-type: none">● Formulate & instill our Basic Procurement Policy● Bolster communication with partner companies	Measures implemented for communicating with partners	Number of partner surveys conducted	729	→ p.69-82 Corporate governance
	Fair, highly transparent governance 	 Ensuring soundness and transparency in governance	<ul style="list-style-type: none">● Achieving transparent management (ensure diversity & effectiveness of Board of Directors & Board of Statutory Auditors)● More dialogues with stakeholders● Produce various types of information disclosures	(1) Number and percentage of outside directors (2) Number and percentage of outside statutory auditors	(1) 1/3 or more (FY2025) (2) More than half (FY2025)	(1) 5 out of 12 outside directors (2) 3 out of 5 outside statutory auditors	→ p.69-82 Corporate governance
		 Ensuring thorough risk management and compliance	<ul style="list-style-type: none">● Strengthen risk analysis using heat map, etc.● Training & learning/development for compliance● Conduct training for various types of risks	(1) Serious violations of laws and regulations (2) Rate of risk assessment implementation for cases involving significant business risks	(1) Aim for zero (2) 100% (FY2025)	(1) Zero (2) 100%	
		 Bolstering information security for both physical items and people	<ul style="list-style-type: none">● Bolster Group monitoring through EXEO-SIRT● Conduct information security training, learning/development & drills/exercises● Thoroughly implement recurrence prevention measures when accidents occur	(1) Number of serious information security incidents (2) Rate of conducting security training	(1) Aim for zero (2) 100% (FY2025)	(1) Zero (2) 100%	
		 Respecting human rights	<ul style="list-style-type: none">● Establish the Exeo Group Human Rights Policy● Conduct ongoing human rights awareness training● Build an organizational structure for Human rights due diligence & conduct training	(1) Establishment of policy (2) Rate of undergoing training & e-learning	(1) Establishment of human rights policy (2) 100% (FY2024)	(1) Established January 2024 (2) Formulated training policy & e-learning	

* Five major subsidiaries: C-Cube Corporation, Seibu Electric Industry Co., Ltd., Nippon Dentsu Co., Ltd., Daiwa Densetsu Corporation, and Exeo Tech Corporation

1 Taking on the renewable energy business

Leveraging the Group's expertise to help build a sustainable society

The Group engages in various types of renewable energy-related business, including solar power plants, offshore wind power generation, and woody biomass power generation. We are growing this business domain while collaborating more extensively with business partners, including solar sharing through partnerships with real estate firms, and training engineers for self-owned power lines through partnerships with power cable manufacturers.

Ashikaga, Tochigi Prefecture
Ashikaga Eco Power Plant
(Launched operations in March 2024)
Anticipated power generated per year

Approx. **56.80** million kWh
(equivalent to combined annual power
consumption of 13,300 households)



Woody biomass power generation

Ashikaga Eco Power Plant is using unused forest materials and pruned tree branches from roadside trees and parks as fuel, while Furudono Ronden Eco Power Plant is doing the same with unused forest materials. We are operating these as company-owned power plants with the aim of generating steady sales and profitability over the next 20 years through Japan's Feed-In Tariff (FIT) scheme.

Furudono, Fukushima Prefecture
Furudono Ronden Eco Power Plant
(Launched operations in August 2024)
Anticipated power generated per year

Approx. **15.23** million kWh
(equivalent to combined annual power
consumption of 3,500 households)



Solar power generation on agricultural land (solar sharing)

Together with partners including Tokyu Land Corporation, we built a pilot facility for solar power generation on agricultural land which uses land equipped with a solar power plant as farmland in Higashi Matsuyama, Saitama Prefecture. We are verifying factors including the angle, height, and other installation conditions of the solar panels, effects on the growth and yield of the crops, and power generation effects. We aim to spread and expand solar sharing while exchanging information closely with local farmers.

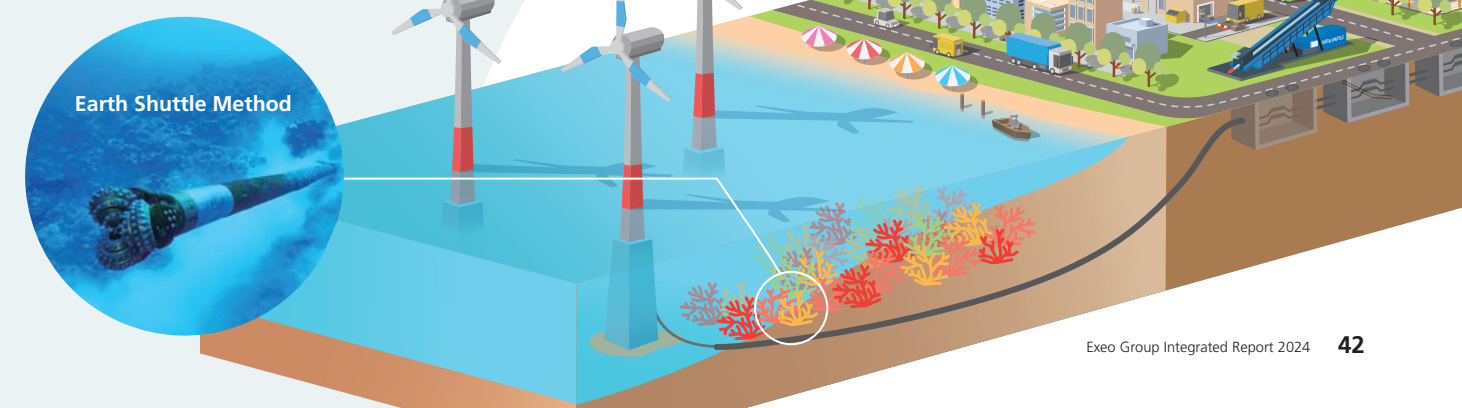


Grid-connected storage batteries

Demand is rapidly increasing for grid-connected storage batteries that temporarily store electric power generated from sunlight and wind power, level out the output fluctuations, and adjust to balance supply with demand. Leveraging our accumulated expertise from the construction of solar power plants and power generation facilities, the Group will swiftly enter this market as an EPC (engineering, procurement, and construction) company and help to expand the use of renewable energy.

Building self-owned power lines in offshore wind power generation

We and our Group companies possess diverse telecommunications civil engineering technologies. Throughout Japan, we are handling installation of pipes for extra high voltage cables using the Earth Shuttle Method (horizontal directional drilling) for underground excavation without damaging the sea floor, as well as construction of self-owned power lines (design and construction of pipes, jacking, and underground structures) and wiring and connection construction (work performed using cable jointers) extending all the way to the grid.



2 Quest to be an engineering company that supports prosperity

Building safe social infrastructure across many fields domestically and internationally

The Group's urban infrastructure business supports the construction and maintenance of infrastructure that serves as society's foundation, including electric power, transportation, and weather forecasting. Leveraging technologies cultivated in the telecom carriers business in telecommunications, electrical, and civil engineering, we are helping to make society more convenient.

Nachikatsuura, Wakayama Prefecture

Construction and maintenance of electric power lines

To transmit electric power steel towers must be built, power cables must be strung up, and electric power transmission lines must be created to connect power plants with substations. Construction of electric power lines in particular has a broad geographical reach, from steep mountainous areas to urban areas. It also requires advanced construction technologies for compatibility with extremely high-voltage power lines. In addition to construction for domestic power companies, we have also been fulfilling requests from overseas including the Middle East in recent years.

What is the Exeo Group?

Messages from management

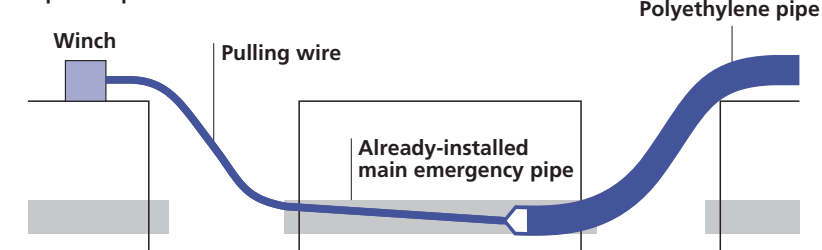
Value creation strategy

Strategy by business field

Governance

Data section

Pipe-in-Pipe Method



Updating fire extinguishing facilities for highway tunnels



One major issue in Northern Tohoku which receives heavy snow accumulation is the degradation of fire extinguishing equipment due to corrosion from the use of snow melting agent. To update the water supply lines installed inside the tunnels for these projects, we adopted the Pipe-in-Pipe Method. This involves mounting wires inside of small-diameter polyethylene pipes, then pulling them into the existing pipes by winding them with a winch.

Hachinohe Expressway, Iwate Prefecture

Installing weather radar

We completed a construction project to install solid-state weather radar on the premises of Malaysia's Malacca Meteorological Office. This was our first ever comprehensive project (civil engineering, construction, wiring, radar device installation) without having a local affiliate, but the project was completed through the combined strength of support from Head Office and partner companies in Japan, along with cooperation from local staff. As a result, we helped to minimize damage from localized heavy rainfall in this tropical area.

State of Malacca, Malaysia



Activities to aid restoration after the Noto Peninsula Earthquake

Our entire Group is engaged in activities to provide relief in the wake of the 2024 Noto Peninsula Earthquake which struck on New Year's Day 2024. We sent as many as 6,000 engineers from all around Japan to work on restoring the local telecommunications infrastructure.

It appears there is still a long path ahead for restoration. We will continue doing what we can to help.



Environmental management

Information disclosures based on TCFD recommendations

The Group considers environmental problems such as climate change to be important issues for management to address. We defined practicing ESG management as one of the challenges in our 2030 Vision, and in Medium-Term Management Plan (FY2021-FY2025) we set environmental, social, and governance KPIs as well as specific targets, which we are working systematically and continuously to achieve. Additionally, in December 2021, we declared our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) while also joining the TCFD Consortium, and we are now disclosing information according to the TCDF framework. We are using scenario analyses that

anticipate what the world will be like in 2030 and 2050 to ascertain the impact that climate change will have on our Group's business. The primary information sources for our analyses were the 1.5°C scenario by the International Energy Agency (IEA), and the 4°C scenario by the Intergovernmental Panel on Climate Change (IPCC). We have also defined and are monitoring the following metrics and goals for managing risks and opportunities. We will actively engage in eco-friendly business practices such as reducing greenhouse gas emissions while also working actively to contribute toward solutions for climate-related social issues through businesses such as renewable energy.

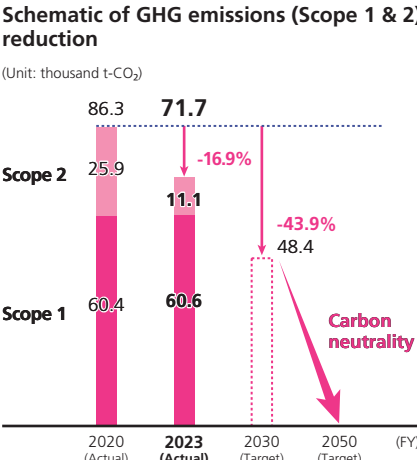
Goal (Unit: thousand t-CO ₂)				
	Base year (FY2020)	Target year		Scope of data
		FY2030 (vs. base year)	FY2050	
Scope 1 & 2	86.3	48.4 (−43.9%)	Carbon neutrality	Consolidated
Scope 3	1,757.0	1,317.8 (−25%)	—	Consolidated

Submetrics					
	FY2021	FY2022	FY2023	FY2025 (Target)	Scope of data
Switch to electricity from renewable energy sources	33.6%	73.2%	77.8%	100%	Company-managed sites of Exeo Group, Inc.
Adoption of EVs and other low-emission vehicles	95.5%	96.1%	96.7%	100%	Passenger vehicles of Exeo Group, Inc.

Notes: 1. Greenhouse gas emitted by the Group is CO₂ (carbon dioxide).
2. Numerical values for the base year could be subject to change if applicable scope or calculation methods change as we make these calculations more sophisticated going forward, or if an event that exceeds the course of our business growth occurs.

Metric & actual (GHG emissions by Scope) (Unit: thousand t-CO ₂) (Scope of data: consolidated)				
	Base year (FY2020)	FY2023	Difference	% change
Scope 1 & 2 (our own)	86.3	71.7	−14.5	−16.9%
Scope 1 (direct emissions)	60.4	60.6	0.2	0.3%
Scope 2 (indirect emissions)	25.9	11.1	−14.7	−57.0%
Scope 3 (supply chain)	1,757.0	1,264.4	−492.7	−28.0%
Category 1 (purchased goods and services)	275.9	173.7	−102.2	−37.0%
Category 2 (capital goods)	41.5	70.2	28.7	69.2%
Category 3 (fuel- and energy-related activities)	12.7	13.0	0.4	2.9%
Category 5 (waste generated in operations)	2.4	4.6	2.2	89.0%
Category 6 (business travel)	1.9	2.2	0.3	18.6%
Category 7 (commuting)	3.4	4.0	0.6	18.7%
Category 11 (use of sold products)	1,418.4	995.8	−422.5	−29.8%
Category 13 (downstream leased assets)	0.9	0.8	−0.1	−14.2%

Notes: 1. Companies subject to consolidated accounting are the scope of cumulative total emissions.
2. An independent third-party assurance report has been obtained from Sustainability Accounting Co., Ltd. for these emissions figures.
3. Numerical values for the base year could be subject to change if applicable scope or calculation methods change as we make these calculations more sophisticated going forward, or if an event that exceeds the course of our business growth occurs.



For our fiscal 2030 target, we received SBT validation in July 2024.

1.5°C scenario (scenario in which the necessary measures were taken to keep temperature rises to 1.5°C compared to pre-industrial levels)

Type	Climate change factor	Impact on the Group	Time line of impact*1	Level of impact*2		Key response measures
				2030	2050	
Risks	Introduction of carbon tax	● Increase in taxation such as instituting a carbon tax (taxed according to CO ₂ emissions from business activities)	Medium / Long	▼▼ 10	—	● Shift to the use of renewable energy for the electric power used in business activities (switching to the renewable energy menu, purchasing renewable energy certificates, PPA, etc.), switching to eco-friendly cars ● Efforts to save energy in business activities (switching to LED lights, setting proper temperatures for air conditioners, promoting eco-driving, use of accelerants, etc.)
	Emissions controls	● Increase in cost to buy credits for CO ₂ emissions (emissions quotas) that fail to reduce enough volume	Medium / Long	—	▼ 2	● Achieve reduction targets by implementing the CO ₂ emissions reduction measures shown above
	Shifting to renewable energy (renewable energy measures)	● Soaring renewable energy procurement prices if renewable energy is not supplied in sufficient volume	Short / Medium / Long	▼ 0.3	▼ 0.4	● Strive to mitigate risk of cost increases by passing them on in prices for construction work
	Surging raw materials prices	● Increased cost of stocking materials made from natural resources	Short / Medium / Long	—	—	
	Obligation to disclose information	● Increase in costs to comply with expanded obligations to disclose information related to greenhouse gas emissions	Short / Medium / Long	▼ 1	▼ 1	● Avoid increased costs to handle emissions calculations by implementing DX in the calculation operations
	Advancements in energy-saving and renewable energy	● Declining profit due to limited capacity to accept orders attributable to shortage of engineers	Short / Medium / Long	▼▼	▼▼	● Mutually complement resources through M&A and business partnerships as a measure against declining profit due to limited capacity to accept orders attributable to shortage of engineers
	Changing customer preferences	● Preferences shift toward companies that have done more for the environment, and declining sales for those who miss this trend due to business relationships being severed or losing market share to other companies	Short / Medium / Long	—	—	● Increase our business value with activities to decarbonize our Group from within and with social contributions through our business (improve our assessments from environmental ratings agencies)
Opportunities	Stakeholder assessments	● Business value (stock price) falls due to negative assessments of measures against climate change (insufficient information disclosures, failure to reach CO ₂ emissions targets, etc.), making it harder to raise funds and secure human resources	Short / Medium / Long	—	—	
	Renewable energy-related construction	● Expansion of business due to increased demand for renewable energy such as offshore wind power generation ● Expansion of smart grid business due to changes in power distribution systems (ability to newly enter the power distribution business) ● Expansion of energy storage plant construction and maintenance business due to increasing needs for storage batteries ● Expansion of solar sharing business to use land at sites where solar power plants are installed as agricultural land	Short / Medium / Long	▲▲	▲▲	● Actively pursue business in renewable energies such as solar power, offshore wind power generation and biomass, and expand orders for EPC projects (mutually complementary resources through business partnerships, expand construction domains through capital contributions, etc.)
	Market expansion	● Markets for renovation construction and cloud services due to increased demand for disaster response and mitigation ● Solutions market for decarbonization efforts generated by usage of ICT ● Markets for the development of infrastructure such as networks as urban digitalization advances ● Market for refurbishments geared toward creating circular economies	Short / Medium / Long	▲	▲	● Expand our urban infrastructure and refurbishments businesses
	Services for mitigating and addressing climate change	● Expansion of our urban infrastructure business from advancements in pole-free and shifts to net-zero energy buildings (ZEB) to mitigate climate change	Short / Medium / Long			
	Adaptation to climate change	● Stronger resilience by switching to telecommuting and other flexible work styles not dependent on location, in response to climate change	Short / Medium / Long			● Make further efforts toward flexible work styles
	Stakeholder assessments	● Decarbonization efforts lead to higher business value, more opportunities to raise funds from financial institutions and the business growth that entails, creates opportunities to receive orders from new clients, and creates opportunities to secure talented human resources	Short / Medium / Long	—	—	

4°C scenario (scenario in which measures to counter climate change are insufficient, and temperatures rise by approximately 4°C compared to pre-industrial levels)

Type	Climate change factor	Impact on the Group	Time line of impact*1	Level of impact*2		Key response measures
				2030	2050	
Risks	(Acute) Intensifying weather	● Emerging risk of flood damage to residential and other buildings as well as the commensurate increase in damage insurance premiums, worsening work environments ● Supply chain disruptions due to intensified weather, interruptions to procurement and deliveries, lost chances to make proposals to customers or receive orders from them	Medium / Long	▼ 7	▼▼ 19	● Better BCP preparedness in the event of a disaster, regular hazard risk assessments for properties owned
	(Chronic) Higher temperatures	● Worsening labor shortages in construction due to increased health risks (heatstroke, etc.) and worsening work environments at outdoor construction sites ● Lower work efficiency, delayed completion of construction, and increased cost of provisions due to heat stress	Medium / Long	▼ 8	▼▼ 11	● Ensure and improve operating efficiency of worksites by taking thorough measures against heatstroke (utilizing ICT in safety management for work sites and advancing digital transformation (DX) of work sites) ● Secure sufficient construction periods

*1 Short time line: 3 years or less, Medium time line: Over 3 and up to 10 years, Long time line: Over 10 years
*2 Financial impact (profit) on business activities of the Group in fiscal 2030 is calculated under the assumption of certain conditions. Anticipating the relative magnitudes, risks are expressed as “▼▼▼ (large),” “▼▼▼ (medium),” and “▼ (small),” and opportunities as “▲▲▲ (large),” “▲▲▲ (medium),” and “▲ (small).” Impact scale in financial terms is (large): ¥10.0 billion or more, (medium): From ¥1.0 billion to less than ¥10.0 billion, and (small): Less than ¥1.0 billion

Report based on TNFD recommendations

We began performing analyses according to the LEAP approach^{*1} advocated by the Taskforce on Nature-related Financial Disclosures TNFD, identified our dependencies and impacts on the natural environment, and learned about the natural environments surrounding our worksites. Going forward, we will pursue harmony between a rich natural environment and our business activities by evaluating nature-related risks and opportunities and considering measures to make our business activities more eco-friendly.

We also declared our support for the principles of the TNFD and joined the group of supportive organizations of the TNFD Forum starting in July 2024.

^{*1} An approach to locate (L) interfaces with nature, evaluate (E) dependencies and impacts, assess (A) materials risks and opportunities, and prepare (P) to respond and report.

Related website: The TNFD Forum
<https://tnfd.global/engage/tnfd-community/>



Dependencies and impacts on nature

Using ENCORE^{*2}, we analyzed the dependencies on ecosystem services and influences on the environment in the business activities of the Company. The analysis results

identified a high dependency on timber which is turned into fuel at our biomass power plants. In terms of influences on the environment, we learned that we could very likely be impacting the environment through a variety of factors such as land and water usage and emissions of water and land contaminants in addition to greenhouse gases in the telecom carriers and urban infrastructure businesses in which we perform various types of construction.

^{*2} A tool developed by organizations including the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) to understand the dependencies and impacts on nature of each business process.

Sensitive locations

Based on the location data of worksites conducting the Company's business activities, we engaged in considerations to identify sites that correspond to any of the TNFD's four suggested assessment standpoints (biodiversity importance, ecosystem integrity, water stress, importance of ecosystem services provision) as sensitive locations. The results of the analysis identified multiple locations including biomass and solar power plants as sensitive locations. After analyzing the risks and opportunities, we will further narrow these down to sites we should focus on as priority locations and strive to mitigate the environmental impact of the activities at each of these sites.

Relationships of dependencies indicated by ENCORE with our activities

Type	Dependency or impact	Relationship with us
Dependency	Fibers and other materials	Fuel procurement in biomass power generation
Impact	Use of terrestrial, freshwater, and marine ecosystems	Land modifications and use of heavy machinery in construction, laying of undersea cables
	Water usage	Biomass power generation, cooling at data centers, cleaning at solar power plants
	GHG & non-GHG emissions	Fuel burning in construction activities and biomass power generation
	Contaminants in water	Contaminating water and releasing chemicals into land in construction
	Soil contaminants	Using paints, coatings, and anti-corrosion agents and also runoff of harmful substances in construction
	Solid waste	Generating ashes and other waste after fuel burning in biomass power generation
	Disruptions (nuisances)	Noise and bright lights due to construction or laying of cables

Main initiatives to conserve biodiversity in our business activities

Deploying the Earth Shuttle Method to avoid negative impacts on marine and coastal ecosystems

Our Earth Shuttle Method of horizontal directional drilling enables the laying of submarine pipes of a required diameter in a required location while protecting the seabed. It is used in applications such as communications and electric power landing pipes, water supply pipes, seawater intake pipes, and high-voltage cables for offshore wind farms. It is ideal for delicate natural habitats such as fishing grounds and coral reef nature reserves, as well as sites where waves could damage pipes and cables.

Offshore wind power generation is seen as a promising source of renewable energy in the future. We consider this method to be a key initiative to addressing the associated problem of the impact of submarine cables on biodiversity. We also newly developed the Marine Shuttle Method which is capable of extending into underwater areas from long distances with small-diameter pipes using the slurry type pipe jacking method. We dedicate ourselves to creating systems that meet our customers' wide-ranging needs.

→ p.41-42
Feature 1: Taking on the renewable energy business

Activities to maintain and bolster forest resources

Exeo Forests ("Mori")

We showed our support for activities by Japan's Forestry Agency to maintain and bolster forest resources by entering into revenue-sharing forest development agreements (conservation agreements for national forests on the condition of no logging) with forest offices in the regions of Hokkaido, Tohoku, Kansai, Chugoku, and Kyushu.

These have all been named Exeo Forests ("Mori"). We are engaged in a variety of activities at these forests, from cutting lawns and vine cutting to installing birdhouses and cleaning up surrounding areas. We also use them as locations for activities to raise awareness about biodiversity conservation.

Seibu Forest of Kikuchi

Based on the Seibu Forest of Kikuchi Joint Forestry with Corporations partnership agreement signed in 2010 with



An activity at an Exeo Forest (Kansai Branch)

the city of Kikuchi in Kumamoto Prefecture, Seibu Electric Industry Co., Ltd. engages in forest maintenance with the aims of protecting watersheds and preventing global warming.

Employees of Seibu Electric Industry and their family members and past employee groups are performing forestry work through this collaboration, helping with forest thinning, tree planting, and weeding work on a volunteer basis while bolstering social engagement with the community.

Through activities such as these to maintain and bolster forests, we will continue striving to conserve biodiversity. We will also explore conservation of natural environments through the acquisition of timberlands.



Tree planting activities at Seibu Forest of Kikuchi

Human resources strategy

Basic approach to human resources

Our employees are invaluable assets. Based on our human resources philosophy regarding employees as the Group's primary assets, we pursue prosperity for both our employees and the Company through diligent practice of respect for human rights, fair evaluations and treatment, human resource development, and professionalism.

Based also on the idea that it is essential to our future ongoing growth to secure and develop talented human resources and create workplaces where everyone can work with vitality and harness their capabilities to the fullest, we are implementing work style reforms to change attitudes toward work styles, reform rules, and promote diversity, equity, and inclusion (DE&I).

Hiring & human resource development

The Group strives to hire and develop human resources who are capable of adapting to rapid technological innovations and market changes.

For training, we offer a diverse lineup of programs including new employee training, position-based training, technical training, the Transformation Leader Development Program, and the culture transformation program. Moreover, we also provide support for self-development, such as incentive programs for acquiring qualifications and correspondence learning courses, and are committed to providing growth opportunities and encouraging employees to actively take advantage of them.

Basic policies, strategies, and efforts for bolstering our human capital

Area	Basic policy	Strategic issue	Main initiatives
Hiring	Hire human resources who are capable of adapting to rapid technological innovations and changes in business structure	Securing competitive human resources	<ul style="list-style-type: none"> Strengthen promotions using hiring websites, YouTube, and other platforms/channels Increase referral hiring and re-hiring of alumni (past employees)
Development	Offer early-on and well-timed development programs that further the development of transformation leaders and high-skilled professionals	Transformation leader development	<ul style="list-style-type: none"> Bolstering our curriculum for developing the younger generation of employees Transformation Leader Development Program (target: cumulative total 1,040 participants by end of fiscal 2025)
		Developing high-skilled professionals	<ul style="list-style-type: none"> Bolstering technology training through collaboration with Group companies Working on multi-skilling & reskilling employees
Culture	Establish environments where employees feel energized on the job, leading to high productivity, by raising engagement and ensuring psychological safety	Raising engagement	<ul style="list-style-type: none"> Career development programs (CDPs) and career development plotted out by employees themselves Establishing environments for autonomous development via e-learning, etc.
		Ensuring psychological safety	<ul style="list-style-type: none"> Creating harassment-free workplaces that unlock employees' capabilities Promoting one-on-one discussions where employees can think and speak their minds

Four foundations of strategy implementation

- Visualizing our human resources portfolio by building a talent management program and swiftly linking it with management strategy
- Implementing diversity, equity, and inclusion (DE&I) measures (for women, disabled, LGBTQ, promoting childcare leave by men, etc.)
- Strategic communication of information internally and externally (external disclosures of reports, bolstering hiring promotions, communicating information to promote internal understanding, etc.)
- Group collaboration on hiring activities and development measures such as training plans

Four hiring & human resources development policies

- Strive to pursue the sustainable growth of the Group by flexibly hiring human resources according to business requirements.
- Develop human resources as required to expand and shift our business by improving employee knowledge, capabilities, and skills systematically and in a timely manner through the Career Development Program (CDP) and training.
- Implement DE&I measures to build work environments that make it easier for diverse human resources to thrive.
- Foster an open, liberated culture and comfortable workplaces that enable each employee to better harness their capabilities.

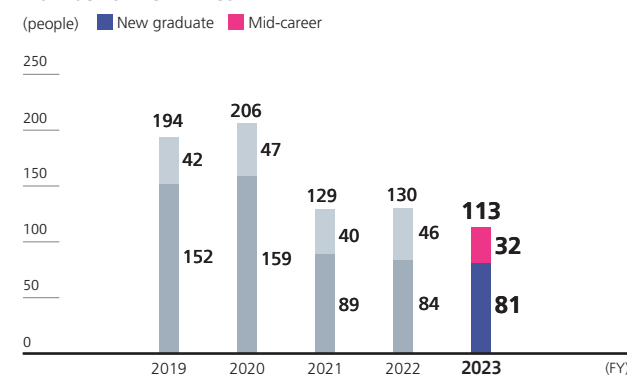
Overseas Trainee System

From 2015 to 2021, the Company had a program to send employees to the Philippines. However, in 2022, in tune with the expansion of our global business, we discontinued the the program and created a new expanded global trainee system based on the Philippine model.

Through this system, we accept applicants from among all employees of the Group including Group companies (who have been with us at least three years and are age 25 or older) and send them to work at overseas Group companies for roughly one year. Engaging hands-on at the worksites where they are assigned, trainees gain experience, personal networks, and expertise, while quickly developing into the personnel who will drive the Group's business into the future.

Five trainees were sent overseas in fiscal 2023, with three going to Singapore and two going to the Philippines.

Number of new hires



Average years of continuous service

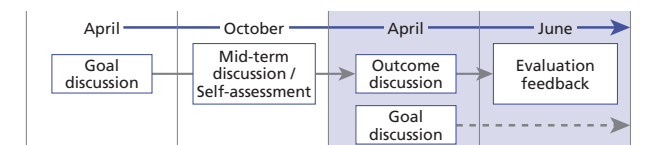
	FY2021	FY2022	FY2023
Male	17.9	18.2	18.7
Female	14.4	14.6	14.5
Total	17.6	17.9	18.3

Fair evaluations and treatment

As a system to reward employees for their efforts by fairly evaluating outcomes, employees hold bi-annual discussions with their superiors to discuss their progress and achievement of self-established goals. We are helping to ensure the evaluations are convincing by providing feedback on the results of the evaluations to employees.

In addition, all employees are given an opportunity to talk with their supervisors once a year about their job satisfaction, career plans and other matters.

Discussion schedule



Implementation rate of discussions with supervisors

FY2021	FY2022	FY2023
100%	100%	100%

Work style reform

With the aim of proper management of working hours and rectifying long working hours, labor representatives and top management have issued a joint declaration and are working on reforms to comply with labor related laws and regulations, promote flexible work styles, improve operational efficiency across the organization, and maintain and promote physical and mental health by raising employee awareness and implementing specific measures. We are also working to realize diverse and flexible work styles through means such as the establishment of a regional key position system (a system for regionally assigned employees) and a teleworking system.

For the new lifestyles and new working styles recommended by the Japanese government, we are striving to create a work environment where everyone can work with peace of mind and enthusiasm through efforts including: (1) review of operations (business inventory, business evaluation, etc.), (2) improvement of the environment (PC, work environment, etc.), (3) consideration for health and well-being (development of a system for supporting mental health, etc.), (4) enhancement of systems (review of commuting styles, establishment of an expenses policy for working from home and for working from remote locations, etc.).

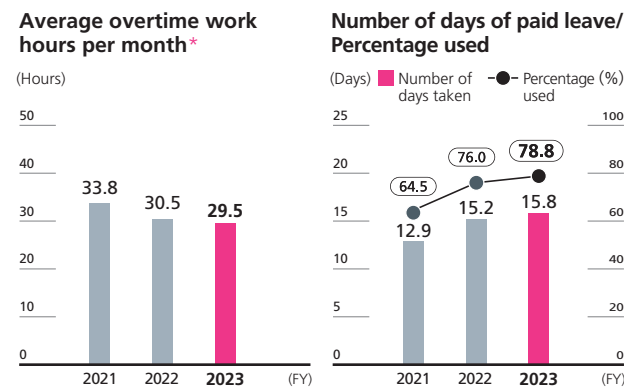
Health and productivity management initiatives

The Group aims to create safe, highly appealing workplaces with job satisfaction and to maintain and improve the health of all employees performing the operations of the Group, for the sake of the physical and mental health of each and every employee, and for higher productivity, better work efficiency, and the ongoing growth of the company.

Based on this approach, on April 1, 2024, we established the Exeo Group Health & Productivity Management Declaration.

Reducing long working hours

As initiatives to reduce long work hours, we are visualizing scheduled and actual overtime work hours using a system and working to standardize operations. At the same time, we are proactively reducing overall annual work hours by improving productivity through DX implementation.



Diversity, equity, and inclusion (DE&I)

Supporting women's career advancement

We have formulated an action plan in accordance with the Act on the Promotion of Women's Participation and Advancement in the Workplace and publish related information including numerical targets in addition to actively hiring women—which will also enable us to achieve these targets. In order to develop future female executives, the Diversity Promotion Office, Human Resources Department, and our various departments are also working together on promoting initiatives to develop female managers, including considerations for creating development plans.

We also changed the name of our promoters to women's career advancement, initiated in 2017 to "diversity promoters" in order to pursue DE&I from a broader range of perspectives throughout the Group as a whole. Both men and

women are being selected by departments and branches as their diversity promoters to engage in activities that get their workplaces involved.

As a result of these efforts, the Ministry of Health, Labour and Welfare recognized Exeo Group, Inc. in 2016 with its Eruboshi certification, which is awarded to companies for outstanding efforts to support the career development of women. We have also received recognition from the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for three consecutive years, as a Nadeshiko Brand in 2020 and as a Semi-Nadeshiko Brand in 2021 and 2022. These certifications are awarded to listed companies in recognition of their efforts to support the career advancement of women.

General Employers Action Plan based on the Act on the Promotion of Women's Participation and Advancement in the Workplace and our progress

Plan period: April 1, 2021 to March 31, 2026 (5 years)

	As of the end of March, 2021	As of the end of March, 2024	Target at the end of March, 2026
Number of women in management positions	20	35	1.5 times (30)
Number of female employees	307	343	25% increase (384)
Percentage of male employees taking childcare leave	7.3%	32.9%	20%



Training for management and managerial positions

Training is conducted starting from upper levels of the company to foster an understanding of the importance of promoting DE&I as a management strategy and to recognize issues the company faces in doing so.

As a result of these efforts, our company received bronze certification in the PRIDE Index 2020 and a silver certification in the fiscal 2021 through 2023 versions of this index established by the organization Work with Pride to evaluate workplace initiatives related to LGBTQ and other sexual minorities. Aside from that, we were awarded the highest possible rank "Best Workplace for Diversity & Inclusion" for three consecutive years in fiscal 2021 through 2023 by the D&I Award which recognizes companies making admirable efforts toward diversity and inclusion.



Work-life balance

Basic approach

We are also engaged in various activities to reduce overall work hours and create physically and mentally healthy efficient workplaces. We are reducing unnecessary and non-urgent overtime hours by ensuring that meetings are held at the beginning and end of work. In addition to activities in the everyday work environment such as diligently enforcing no-overtime day once per week, we are also promoting the use of annual paid leave days in combination with long holidays such as Japan's "Golden Week" from the end of April to early May, summer holidays, and year-end/new-year holidays.

Supporting the balance between work and home

We are actively enhancing systems and holding briefings to achieve the targets in the action plan (Seventh Action Plan) that we formulated in April 2022 pursuant to the Act on Advancement of Measures to Support Raising Next-Generation Children. We have introduced company-led childcare facilities along with a babysitter system, and are actively providing consultations from midwives as we work to develop environments that make it easy for employees to strike a balance between their jobs and parenting responsibilities, regardless of gender. In 2015, we earned the Kurumin Mark, an accreditation from the Minister of Health, Labour and Welfare recognizing companies providing support for childcare.

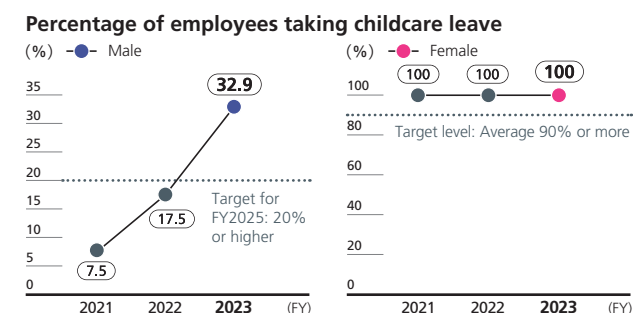


Kurumin Mark from the Minister of Health, Labour and Welfare

General Employer Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children

Target	(1) Achieve 20% rate of male employees taking childcare leave (2) Maintain childcare leave usage rate of at least 90% among female employees (3) Effectively communicate guidance about how to use the System for Balancing Medical Treatment with Work which was newly established in April 2022, and about the related procedures
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Plan period: April 1, 2022 to March 31, 2026 (4 years)



Occupational safety and health

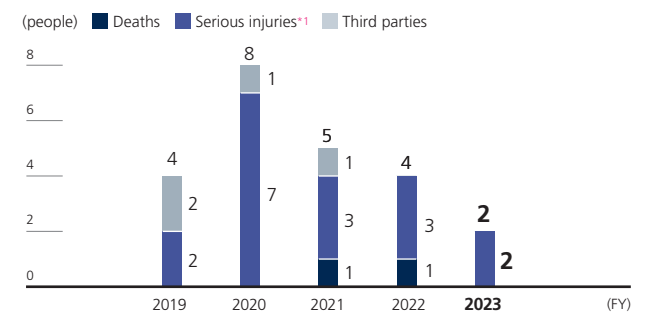
Among the Exeo Group Management Policies, our occupational safety and health management policies call for "thoroughly ensuring safe work operations and maintaining and promoting mental and physical health."

Based on these policies, we have established four priority measures and we are working together throughout the Group to achieve the related goals.

Priority measures

- Reliably execute safe construction cycles and verify that they become established
- Implement measures to prevent bodily injury accidents that absolutely cannot be allowed to occur
- Manage work-life balance (reduce overall work hours)
- Preemptively prevent health problems from overwork and provide better mental health care

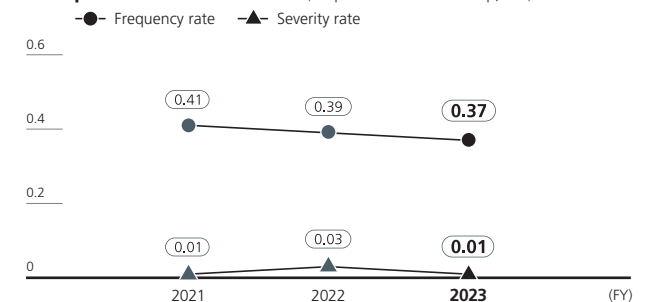
Status of bodily injury accident occurrences



Scope of data: Exeo Group, Inc. and its five major subsidiaries (C-Cube Corporation, Seibu Electric Industry Co., Ltd., Nippon Dentsu Co., Ltd., Daiwa Denetsu Corporation, and Exeo Tech Corporation)

*1 Hospitalized for two weeks or more and 30 or more days of temporary absence

Occupational accident rates (Scope of data: Exeo Group, Inc.)





New business creation and R&D with sights set on medium- to long-term growth

Kazuhiko Okubo
Operating Officer, General Manager of Innovation Promotion Division

Mission of the Innovation Promotion Division

The Group established the Innovation Promotion Division in July 2020 with the primary mission to create new businesses for the continuous growth of the Group as a whole. When considering new businesses, we analyze changes in the business environment from a medium- to long-term perspective and aim to start up new businesses that leverage the strengths of the group for competitive advantage.

To achieve our mission, we focus on creating the mechanisms to continuously innovate (organizational operating mindset) and establishing systems to develop innovative personnel.

Innovation strategy

We are defining concepts and refining them under an innovation strategy comprised of two policies: (1) expand domains via our existing businesses, and (2) start up new businesses that leverage existing strengths. Based on expertise honed over the years as an integrated engineering enterprise, we will work on expanding into the domains of service providers and data platform companies while starting up new businesses in urban infrastructure and system solutions.

Our main achievements in fiscal 2023 were construction to equip older buildings with energy-saving (ESG renovations) in the urban infrastructure business, and an AI meal planning service called the NutriMate nutritional meal management system in the system solutions business. In fiscal 2024, we will steadily engage in these new businesses and find ways to scale them up, while also continuing to give tangible form to business ideas arising from our worksites.

For human resources development, we are also organizing trainings and lectures on the topic of innovation, as well as business contests to bring in ideas for new businesses. Through efforts such as these, we aim to create organizations capable of continuously generating innovations.

R&D strategy

Upfront investments in technology aimed at medium- to long-term future growth are also important. As such, the Group has defined automation and labor saving, safety and quality, carbon neutrality, and new businesses and solutions as the four fields we should focus our R&D on. I think these four fields are essential to the Group's continued growth in domains that also relate to the social contribution of supporting telecommunications and social infrastructure.

Our objective for fiscal 2024 is to identify core technologies that can be competitive advantages for the Group in this priority domain. For example, in automation and energy-saving, we will work on technological development through open innovation in partnership with companies inside and outside the Group and also universities to make remote operation of factories possible and increase the efficiency of solutions business through the use of generative AI.

We will also share the details of such efforts between Group companies and consolidate expertise, then channel those into operational efficiency and further growth for each Group company.

Construction to equip existing buildings with energy-saving

Demand for renovations of older buildings is rising from the standpoint of reducing environmental impact. Through "construction without moving out" in which construction is done while tenants remain in existing buildings, we are performing construction to equip older buildings with energy-saving that reduces energy consumption.

This form of construction is a proposal-based business that aims to generate new business from the standpoint of solutions to social issues. Currently, we are working continuously toward steady profit generation and business expansion.

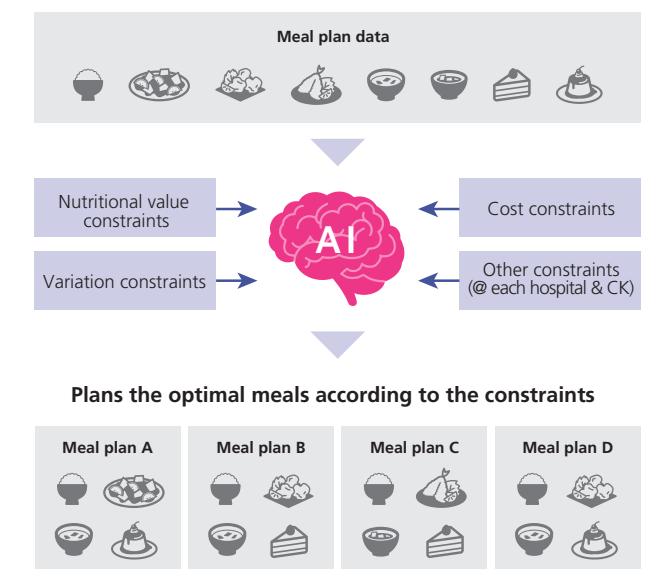


Developing AI meal planning services with potential for use at hospitals and nursing homes

Nutritional meal management system "NutriMate" is a comprehensive system that can support nutritional meal service operations at facilities such as hospitals and nursing homes. Taking many different factors into consideration from accommodating allergies to nutritional balance, flavor, plate presentation, seasonal dishes, and avoiding monotonous repetition, it can generate meal plans that seamlessly align closely with human sensibilities. With large hospitals as the primary users, the system has been implemented at 49% of university hospitals — representing the number one market share nationwide.

We are applying for the patent as a business model capable of meeting all forms of meal-related needs, as well as individualized dietary needs in the era of Japan's rapidly aging society.

Illustration of AI-based meal plan generation concept



Innovation promotion plan

Topic	Status
ESG renovations	Delivering energy savings through maintenance and re-construction of older buildings
Smart construction	Working on automating the process of site surveys, design, cost estimation, and construction in engineering work and making these more efficient
Healthcare	Conducting a PoC for AI-based meal planning business as a new offering. Releasing automated meal plan creation feature in July 2024
Solar power	Cooperating with Seibu Electric Co., Ltd. and other Group companies to explore a medium- to long-term strategy to win projects
Business contest (creating organizational operating mindset)	Conducting as an approach to generating continuous business ideas and raising worksite awareness for turning ideas into IP and products

R&D activity plan and progress

Topic	Status
Automation and labor saving in construction processes	<ul style="list-style-type: none"> Clarifying the state of operations in a series of construction flows Analyzing the possibilities and methods to build systems when applying past precedents and case examples from Japan and the world at our companies
Remote operation & automation in pipe jacking	<ul style="list-style-type: none"> Taking inventory of expertise in conventional labor-based tasks and preparing to implement a VR system Gathering pipe jacking data in Japan and the world and exploring ways to configure remote operating systems through industry-academia partnership
Generative AI-driven improvements in operational efficiency of solutions	<ul style="list-style-type: none"> Verifying application of design and operations/maintenance to solution operations Building Group-wide environments for safe usage of generative AI