



TANSEISHA Co., Ltd.


## Integrated Report 2025

**Drawing the future from space,  
adding new colors to  
people and society.**



**TANSEISHA Co., Ltd.**

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## Our Purpose and Our Values

The Tanseisha Group advances its business with the declared Purpose of “Drawing the future from space, adding new colors to people and society.” The five Values and the “Tanseisha Group Standards of Practice”, which we established based on the Purpose, are the concrete expressions of the values and guidelines for conduct that we expect each of our employees to embody. Through our efforts to respond to the six materiality issues that we have identified, we will contribute to solving social issues and grow our business.

### Our Purpose

## Drawing the future from space, adding new colors to people and society.

Our philosophy of space creation ——— It is to give form to something that does not yet exist in the world.  
And to create experiences to grow imaginations, delivered by the space.

Joy, surprise, comfort, and inspiration. To color the lives of people gathering in the space, with rich emotion.  
And to brighten society with the rich colors of “Red and Blue (= Tansei).”

We have been, and will be continuing to challenge ourselves to create space for imaginations to grow,  
by harnessing our colorful personalities.

### Our Values

#### Facing people

We are sincere in our commitment to the wishes of our associates and stakeholders who are connected through the space.

#### Putting our hearts and souls into our work

We engage in each project with sincerity, with professional pride and skill.

#### Challenging beyond the present

We keep on challenging while growing and transforming ourselves with flexible thinking and creativity.

#### Combining colorful personalities

Sparkling creativity, advanced skill—We respect each other’s personality, and unite our hearts into one.

#### Enjoying our work

We enjoy all our work and challenges.

### Tanseisha Group Sustainability Policy

Through our business of creating valuable spaces, we address environmental and social issues and engage in solving them with sincerity, for the sustainable enhancement of corporate value and to contribute to the realization of a sustainable society that abounds in color.

Individual policies  
(organized by ESG themes)

### Materiality issues

Respect for humanity

Coexistence with the environment

Contribution to regional and social development

Promotion of innovation

Development of a responsible supply chain

Enhancement of corporate governance

### Tanseisha Group: Vision 2046

We continuously strive to be not only a group of professionals creating space for imaginations to grow, but a group of challengers to open up the possibilities of space and ourselves.

Fiscal Year Management Plan /  
Medium-Term Management Plan  
(Fiscal 2024–Fiscal 2026)



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Editorial Policy

The Tanseisha Group undertakes business activities to realize its Purpose of “Drawing the future from space, adding new colors to people and society.” To provide readers with a better understanding of the Group’s business model, this report presents the Group’s long-term vision and the business strategies, financial strategies, and sustainability initiatives that it is pursuing toward that goal.

By communicating our value creation story based on integrated thinking through this report, we hope to promote communication with shareholders, investors, and other stakeholders and to strive toward the improvement of quality.

Referenced Frameworks

Guidance for Collaborative Value Creation 2.0, Ministry of Economy, Trade and Industry

INTERNATIONAL <IR> FRAMEWORK, International Financial Reporting Standards (IFRS) Foundation

GRI Sustainability Reporting Standards

Environmental Reporting Guidelines 2018, Ministry of the Environment

Period of the report

February 1, 2024 through January 31, 2025  
(with some information from February 2025 and afterward)

Disclaimer regarding forward-looking statements

The performance forecasts and other forward-looking statements contained in this integrated report are based on estimates made in light of information available at the time of publication and certain assumptions deemed to be reasonable, and include inherent uncertainties. For this reason, please be aware that actual results may differ from forecast figures due to various future factors.



# Path of Value Creation

## 1940s–1960s

### The Beginning: Established Display Industry

- 1946** WATANABE Masaji founded display and decorative design business in Yanaka Shimizu-cho, Shitaya-ku, Tokyo  
Tanseisha opened “Kenpoten”, the first department store event of the post-World War II era, inside Mitsukoshi Department Store in Nihonbashi
- 1949** Sanko Co., Ltd., official surviving company, was established, later taking name Nikki Co., Ltd.
- 1956** First overseas construction project at the Japan Products Exhibition, held in Beijing and Shanghai, China
- 1959** Reorganized and reestablished as Tanseisha Co., Ltd. (in effect, surviving company)
- 1960** Put in charge of exhibition “National Treasures of Japan” and has since become an officially designated contractor for Tokyo National Museum
- 1962** Put in charge of planning, constructing and operating “Japan Railways Fair”, which celebrated 90th anniversary of opening of train service in Japan
- 1966** Registered as general contractor (Tokyo Governor’s Registration)
- 1967** Established Tanseisha Kosakusho Co., Ltd. (now, Tansei TDC Co., Ltd.)

## 1970s–1990s

### Period of Rapid Growth: Challenge and Pursuit of Creativity

- 1970** Received the most contracts—53 pavilions—among industry peers at the Osaka Expo, driving a significant expansion in net sales, to ¥3 billion  
Established Scientific Molding Lab, focusing on construction and displays for exhibitions at museums, art museums and archival records museums
- 1973** In the 50th anniversary year, topped net sales of ¥5 billion for first time
- 1975** Registered as first-class architect office (Tokyo Governor’s Registration)
- 1978** Constructed a company building at Ueno, Taito-ku, Tokyo and relocated the headquarters
- 1979** Launched a comprehensive Production Center by reintegrating design and production management divisions into a unified organization  
Net sales exceeded ¥10 billion
- 1980** Established the Planning Center as an independent unit to focus on long-term projects, looking two to three years ahead
- 1983** Became the first company in display industry to register stock over the counter

- 1984** Established Tansei Information Institute Co., Ltd. (now, Tansei Institute Co., Ltd.) to strategically promote shift toward better use of information  
Opened Central Technology Center in Mitsuakido, Ibaraki Prefecture, to promote improvements in design, production and construction technologies, and to advance the development of new technologies and products
- 1985** Became the first company ever to win triple crown of Minister of International Trade and Industry Award, Display Design Grand Prize and Asahi Shimbun Prize at Tsukuba Expo
- 1987** Listed on Second Section of Tokyo Stock Exchange
- 1989** Unveiled corporate slogan: “Tanseisha is design and technology”
- 1990** Established design institute as a part of efforts to reinforce the level of design and technical expertise
- 1995** Defined basic concepts—“customer priority, fundamental priority, action priority, on-site priority and core business priority”—to underpin management direction in 38th business year and set up 21st-Century Vision Statement Committee
- 1997** Established Tansei Display Co., Ltd.
- 1999** Established Tansei Integrated Design Studio (IDS) as a new design company

## 2000s

### Second Beginning: Road to the Future

- 2000** Listed on First Section of Tokyo Stock Exchange
- 2001** Obtained ISO 14001 environmental management system certification
- 2002** Strengthened Group’s overall revenue structure and specialized capabilities through expansion, including addition of Game Co., Ltd. (now, JDN Inc.) as a consolidated subsidiary, and pursued entry into new fields of business
- 2003** Eyeing China as a new market, established Tansei Creative Design Co., Ltd., in Shanghai
- 2005** Established Beijing Tansei Co., Ltd.
- 2006** Opened Tansei Europe Representative Office in Paris, France, to help Japanese companies operating in Europe expedite local promotional activities and function as a Japan-Europe information hub  
Obtained permission to use PrivacyMark

- 2011** Unveiled new management vision: “Professionals who create spaces for imaginations to grow”
- 2015** Relocated head office to Konan, Minato-ku, Tokyo
- 2016** Transitioned to company with an audit and supervisory committee
- 2022** Transitioned to “Prime Market”, new market segment of Tokyo Stock Exchange
- 2024** Formulated “Our Purpose” and “Our Values” as the Group philosophy



- 1946** Promulgation of the Constitution of Japan
- 1951** First NHK Kohaku Utagassen (Red & White Year-end Song Festival) at year-end
- 1953** Nippon TV began first full-scale commercial broadcasting
- 1962** Population of Tokyo exceeded 10 million people, the first city of this size in the world
- 1964** Tokaido Shinkansen commenced operation  
Tokyo hosts the 18th Olympic Summer Games
- 1968** GNP eclipsed that of West Germany, becoming second largest in the world
- 1969** Apollo 11 successfully landed on the moon

- 1970** Japan World Exposition (Osaka Expo) held
- 1972** Sapporo hosted the 11th Olympic Winter Games  
Okinawa was returned to Japan, and Okinawa Prefecture was formally established
- 1973** First oil shock
- 1975** Okinawa International Ocean Exposition (Okinawa Ocean Expo) held
- 1979** Second oil shock
- 1982** Tohoku Shinkansen and Joetsu Shinkansen commenced operation

- 1985** International Science and Technology Exposition (Tsukuba Expo) held
- 1988** Seikan Tunnel—world’s longest—opened
- 1989** The fall of the Berlin Wall
- 1993** Japan professional football league “J.League” debuted
- 1998** Nagano hosted the 18th Olympic Winter Games

- 2002** FIFA World Cup held at sites in South Korea and Japan
- 2003** Digital terrestrial television broadcasting started in Japan
- 2005** World Exposition, Aichi, Japan (EXPO 2005 AICHI JAPAN) held
- 2007** Tokyo Midtown opens for business at the former site of the former Defense Agency
- 2009** Lay judge system was introduced
- 2010** Expo 2010 Shanghai China

- 2012** TOKYO SKYTREE completed
- 2015** Expo 2015 Milano
- 2021** Tokyo hosted the 32nd Olympic Summer Games  
Expo 2020 Dubai
- 2025** Expo 2025 Osaka, Kansai



# Process for Value Creation

Through our business of creating spaces of value, we sincerely address environmental and social challenges, aiming to enhance corporate value and to contribute to a sustainable society that abounds in color.

## Our Purpose

Drawing the future from space, adding new colors to people and society.

## Our Values

Facing people | Putting our hearts and souls into our work | Challenging beyond the present |  
Combining colorful personalities | Enjoying our work

### Allocation of Management Resources

#### Collective strengths and abundant achievements in spatial design

- Offer end-to-end support for space creation
- Operate across a wide range of fields and industries
- Over 6,000 projects a year

#### Abundance of talent to support technical capabilities

- Tanseisha Group employees: approx. 1,400
- Planners and designers: 289
- Production staff: 531
- Number of people with national certification: 531

(Includes 66 first-class architects and 274 first-class construction management engineers)

\*As of January 31, 2025

#### Robust production base

- Tanseisha: 10 locations across Japan
- Ongoing suppliers: approx. 1,000
- Partner companies: 250

\*Number of suppliers is for Tanseisha Co., Ltd. only

#### Financial foundation

- Consolidated net sales: ¥91.8 billion
- Consolidated operating income ratio: 5.6%
- Consolidated ROE: 11.9%
- Cash flow: ¥17.2 billion

(End-of-fiscal year balance of cash and cash equivalents)

\*Fiscal 2024 results

### Addressing Materiality issues

Respect for humanity

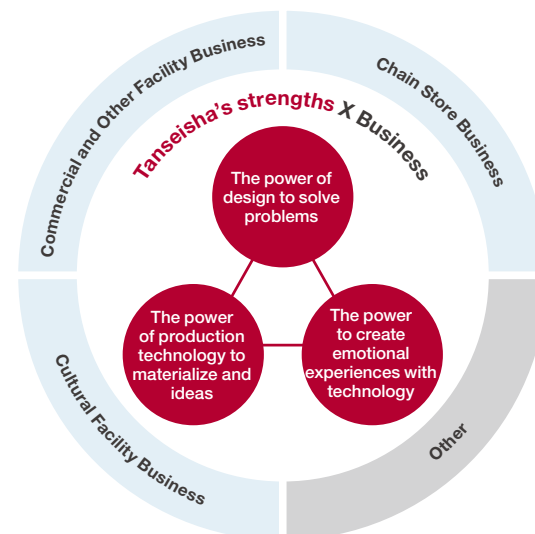
Coexistence with the environment

Contribution to regional and social development

Promotion of innovation

Development of a responsible supply chain

Enhancement of corporate governance



### Medium-Term Management Plan (Fiscal 2024–Fiscal 2026)

#### Underlying structure

- Workstyles and human capital
  - Marketing
  - Supply chain
  - Sustainability response
- +
- Venture into new domains

### Management targets and KPIs (Fiscal 2026)

#### Financial targets

Consolidated net sales	Consolidated operating income ratio
¥ 95.0 billion	5.8%
Consolidated ROE	Consolidated dividend payout ratio
11.0%	50% or more

#### Non-financial targets

Engagement score	Number of employees complying with specified internal working hours
Higher than last year's level	Increase over last year's level
Progress in expanding new partner companies	Eco Vadis rating
100%	Silver medal
Women's representation in management roles	Greenhouse gas emissions
15% or more	Reduce by 40% (compared with 2021)

### Tanseisha: Vision 2046

We continuously strive to be not only a group of professionals creating space for imaginations to grow, but a group of challengers to open up the possibilities of space and ourselves.

A sustainable society that abounds in color

### Social value

#### For people

Through the creation of spaces that connect people, we will deliver unprecedented experiential value and add color to the lives of people with rich emotion.

#### For the environment

We will transform the spatial design into a sustainable process and contribute to decarbonization, co-existence with nature, and realization of a circular economy

#### For society

We will encourage meaningful connections between people and contribute to the development of local communities and society at large by creating, communicating and preserving diverse and rich cultures

### Economic value

#### Sustainable enhancement of corporate value

We will generate a cycle of economic value and environmental/social value and continue to enhance corporate value for our diverse stakeholders

#### Revitalization of industry and economic activity

As "professionals in spatial design", we will address challenges and contribute to the success of our customers' business

## Sources of Value Creation

### Addressing challenges through “space creation”

#### Management resources

Management resources	Details
<b>Collective strengths and abundant achievements in spatial design</b> <ul style="list-style-type: none"> <li>Offer end-to-end support for space creation</li> <li>Operate across a wide range of fields and industries</li> <li>Over 6,000 projects a year</li> </ul>	<p>Through our integrated involvement in all spatial design processes, from research and planning to design, layout, production, construction, and operation, we have established an advantageous position as a leading company in the comprehensive display design business. We are one of only two comprehensive display design businesses in Japan working in such a diverse range of fields. By working on over 6,000 projects a year in a wide range of fields, we are able to accumulate a wealth of experience and expertise, further elevating our specialist strengths and technical capabilities. We combine our comprehensive strengths with proven specialist strengths and technical capabilities to create and maximize the value of spatial design.</p>
<b>Abundance of talent to support technical capabilities</b> <ul style="list-style-type: none"> <li>Tanseisha Group employees: approx. 1,400</li> <li>Planners and designers: 289</li> <li>Production staff: 531</li> <li>Number of people with national certification: 531 (Includes 66 first-class architects and 274 first-class construction management engineers)</li> </ul> <small>*As of January 31, 2025</small>	<p>Our creators and production staff, as “professionals in spatial design”, possess a wealth of expertise and creative ability, driving the generation of rich ideas and the realization of those ideas. With one of the industry’s highest numbers of nationally certified professionals, the Group stands out for both the quantity and quality of its engineers. They are supported by expert staff with deep knowledge in fields such as safety management, laws and regulations, structural systems, and equipment. In addition, as a comprehensive display company, one of our key strengths lie in fostering collaboration and co-creation across a broad range of our business domains. Viewing our employees’ diverse individuality and creativity as our most important asset, we focus efforts on recruiting, developing, and optimally allocating talent to ensure their growth and long-term success.</p>
<b>Robust production base</b> <ul style="list-style-type: none"> <li>Tanseisha: 10 locations across Japan</li> <li>Ongoing suppliers: approx. 1,000</li> <li>Partner companies: 250</li> </ul> <small>*Number of suppliers is for Tanseisha Co., Ltd. Only</small>	<p>To meet the demands of all kinds of markets and customers throughout Japan and embody “spaces that allow imaginations to grow”, cooperation with diverse, highly capable suppliers and partner companies is essential. The value provided by the Tanseisha Group is supported by our network of suppliers and strong relationships with them in diverse areas, including production and construction. It is crucial that we strengthen that network and relationships. By building a sustainable supply chain, we will establish a production structure that is both flexible and robust, one that is able to accommodate changes in the economic environment. By working together with our suppliers in quality and safety management, sustainability responses, and other matters, we will be able to continue creating a wide range of value to our stakeholders over the medium to long term.</p>
<b>Financial foundation</b> <ul style="list-style-type: none"> <li>Consolidated net sales: ¥91.8 billion</li> <li>Consolidated operating income ratio: 5.6%</li> <li>Consolidated ROE: 11.9%</li> <li>Cash flow: ¥17.2 billion (End-of-fiscal year balance of cash and cash equivalents)</li> </ul> <small>*Fiscal 2024 results</small>	<p>We are working to improve capital efficiency with the goals of sound business continuity, continued improvement of profitability, and ROE of 10% or more, building a stable financial foundation and generating steady cash flow. Our abundant cash flow provides the foundation for developing new solutions and creating new businesses, greatly supporting the growth of our business and the creation of value for stakeholders. Moving forward, we will continue to maintain a healthy financial foundation and generate cash flow to fund growth investment and profit returns, ensuring sustainable growth.</p>

#### Six business segments

Space creation in a wide range of fields

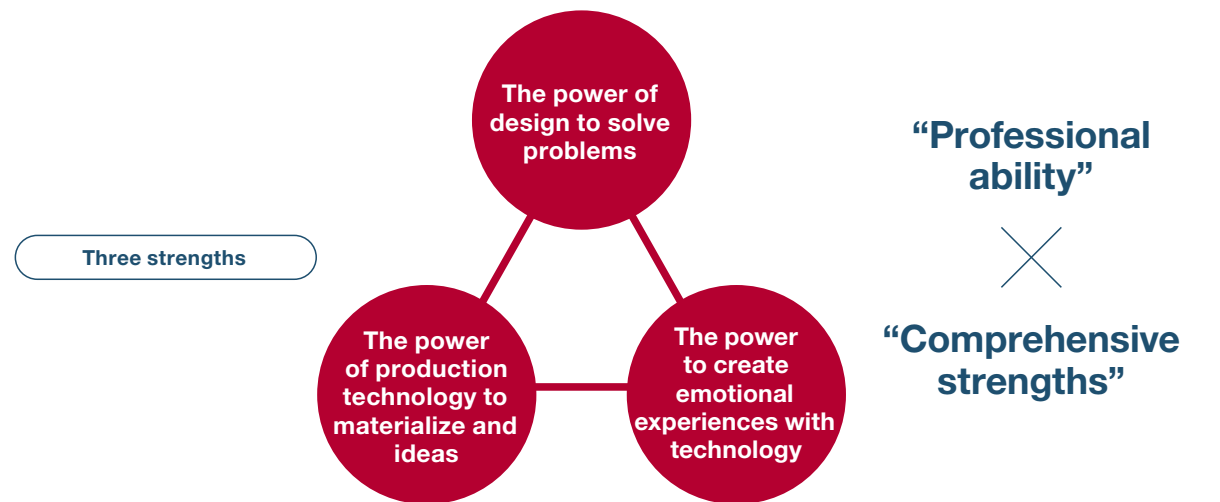
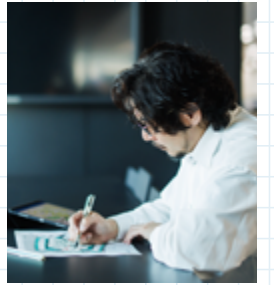
COMMERCIAL SPACES	CULTURAL SPACES	BUSINESS SPACES
HOSPITALITY SPACES	PUBLIC SPACES	EVENT SPACES

#### The power of design to solve problems

Our highly knowledgeable design teams that specialize in various spatial fields allow us to deliver high-quality solutions. We enhance our specialist strengths by accurately grasping market trends and customer needs, and continuously building up our skills and expertise. At the same time, we leverage our distinctive strengths as a comprehensive display design business by utilizing our talent, expertise, and ideas in a borderless manner across different fields. Teams formed flexibly to meet the needs of the project create collaboratively, leading to the maximization of provided value through new concepts and ideas. Viewing our creative talent as the engine behind our spatial design, we aspire to be an organization whose people are constantly growing. We engage systematically in honing and passing on of skills and the enhancement of creativity, with the Design Center playing a central role, in our ongoing efforts to develop and evolve talent with rich individuality and outstanding specialization.

#### Design Center

The Design Center is a platform that brings together diverse creators with rich sensibilities, ideas, and insights, uniting their creativity as one. It works closely with the sales division to identify the needs of customers and the company and works to solve business issues with the power of design.



#### The power of production technology to materialize and ideas

Designers work closely with clients to develop plans, which are interpreted based on the four elements of safety, process, quality, and budget. We bring these plans to life with the knowledge, skills, and production technology accumulated in over 6,000 projects a year. Because we offer a one-stop service enabling us to execute projects tailored to customer needs, we have built a solid production base that covers the whole of Japan through our network of around 1,000 continuing supplier companies, as well as our 531-strong force of nationally certified engineers, which is one of the largest in the industry. We also focus efforts on improving overall layout and construction quality, constantly implementing training for engineers, including efforts to promote the use of BIM\*, and supporting engineers in improving their specialist skills. In this way, we emphasize the development of engineers who can address the evolving market needs.

#### The power to create emotional experiences with technology

Combining our many years of space creation insights with the latest technologies, we plan and direct exhibitions, experiences, and spatial production incorporating ICT and presentation technology. By optimizing them to suit the customer’s needs, we provide total direction that maximizes the value of the space. To elevate the value of spaces and experiences even further, we constantly gather and consolidate information about the latest ICT and presentation technologies, including VR (virtual reality) and AR (augmented reality), and actively put those technologies to use. We have also built up a network of creators, manufacturers, and partner companies that own cutting-edge technologies in areas such as video and sound, and we are engaged in R&D activities in a wide range of fields connected to space. By blending space—the media of “experience”—with diverse digital technologies, we create “exciting experiences” that allow imaginations to grow.

#### Value Production Headquarters

We support safe and high-quality project execution with staff specializing in areas such as safety management, legal and regulatory issues, structural systems, and equipment. We also improve our employees’ skills and build our external network to strengthen our production systems across the entire supply chain and maximize the spatial design value that we provide.



#### Cross Media Innovation (CMI) Headquarters

The CMI Headquarters uses combinations of technologies and ideas, diverse individuality and specializations, and a variety of presentation techniques to incorporate “exciting experiences” into spaces. It also engages in the research and development of new solutions to explore the possibilities of spaces and experiences.



\*BIM (Building Information Modelling): A technology that enables the efficient use of information and streamlines operations across all phases from design and construction to maintenance management by adding attribute data such as material and component specifications, functions, finishing and other physical details as well as management information to 3D models created on a computer.





### CEO Message

**We will deepen the specialist strengths and our comprehensive strengths in spatial design that we have honed continuously over the years to remain a presence that delivers value to people and society through spaces.**

President and Chief Executive Officer  
**KOBAYASHI Osamu**

that would lead to our future growth. I firmly believe that the innovation in spatial design and significant social impact brought by the Expo will serve as a major foundation for realizing “Tanseisha Group: Vision 2046.”

### Tanseisha’s new challenges for achieving “Our Purpose” and “Tanseisha Group: Vision 2046”

Last year, in preparation for our 100th anniversary in 2046, we formulated “Our Purpose”, “Our Values”, and “Tanseisha Group: Vision 2046” as we reflected on our journey so far and envisioned the future of society. In doing so, we formed a taskforce led primarily by our younger employees. Through ongoing dialogue about how to envisage and shape the “future of Tanseisha”, the taskforce came up with the following Purpose “Drawing the future from space, adding new colors to people and society.” This statement clearly indicates our aspiration to transcend conventional boundaries and be a presence that brings color to society by creating opportunities for imaginations to grow. Alongside this, we defined five Values: “Facing people”, “Putting our hearts and souls into our work”, “Challenging beyond the present”, “Combining colorful personalities”, and “Enjoying our work.” These Values honor the spirit of our founding while being practical and applicable in daily work and communication for each employee. Eighteen months have passed since their formulation, and I feel that they are steadily becoming embedded in our culture. In addition, based on Our Purpose and Our Values, we reviewed our material issues (materiality) to be addressed through our business activities. They are “Respect for humanity” to encourage collaboration and growth among our diverse employees in addition to moving the hearts of the “people” behind our customers and delivering new experiences and values to society through the creation of spaces, “Coexistence with the environment” to promote environmental protection for a sustainable society, “Contribution to regional and social development” to revitalize regional industries and economies by pursuing the value of spaces, “Promotion of innovation” and “Development of a responsible supply chain” to build the foundations for the advancement of business, and “Enhancement of corporate governance” to maintain broad trust from society.

To coincide with the formulation of Our Purpose and Our Values, we also developed “Tanseisha Group: Vision 2046”, which outlines the ideal future state of our company by the year 2046. This vision is grounded in our extensive experience in creating diverse spatial designs over many years and is designed with a long-term perspective. This future vision encompasses four key directions. First, as initiatives from a spatial design perspective, we will **1** address environmental and social challenges such as climate change and make spatial design process sustainable, and **2** expand our business domains with our clients, transcending all manner of boundaries, both physical and virtual, including national borders. Also, to respond to changes in the market and our customers and provide solutions that allow imaginations to grow, we will **3** flexibly incorporate cutting-edge technologies and new values to strengthen our problem-solving capabilities and reach further

The 1970 Japan World Exposition in Osaka was a historical event that brought a turning point to the display and interior design industries in Japan. Amid the succession of internationally diverse pavilions showcasing cutting-edge technologies and staging, the companies in those industries experienced the potential of spatial design, and this created the foundation for their future business development. Tanseisha was one of those companies, leveraging the expertise and comprehensive strengths of its people cultivated through Expo 1970 to engage in value creation through spatial design for more than 50 years since.

Now, half a century later, Expo 2025 Osaka, Kansai is taking place. While there were many challenges in the preparatory stages, diverse pavilions that combine technology with creativity are attracting many visitors from around the world. We were blessed with opportunities to win orders beyond our expectations, as well as accumulating staging technology and operational know-how, and I feel that we achieved outcomes

heights as professionals, and 4 provide diverse spatial solutions for imaginations to grow without being confined by conventional frameworks. This vision define a path and clearly expresses our commitment to achieving both social and economic value through spatial design, without being driven by short-term outcomes alone. By articulating this long-term path, we aim to cultivate a strong sense of unity within our organization and move forward with shared purpose.

While it is essential to consider the directions for the company to pursue from long-term perspective, I also believe it is equally important to identify the current situation appropriately and drive steady growth. Something that I particularly emphasize as a leader is taking every opportunity to visit our front lines and directly listening to the voices of each employee. I believe that the true nature of the organization is often revealed not in meeting rooms, but in the atmosphere of the workplace and in casual conversations. Tanseisha is built on the “power of its people.” This value has been passed down unbroken over the generations and remain at the core of our company today. In our business model, which relies on co-creation of value through collaboration with our suppliers instead of owning our own manufacturing facilities, the success of our business is greatly influenced by the “passion and dedication that each employee brings to their work.” This is why it is so important that we embed “Our Purpose” and “Our Values” as a shared language across our organization— in other words, integrate them deeply in our own thoughts and conduct, so that they are naturally embodied in our actions. I believe that by continuously encouraging understanding and practical action through our projects, we can nurture a truly living corporate culture and enhance our collective strengths as an organization. I am confident that nurturing this cultural foundation is the most certain starting point for realizing “Tanseisha Group: Vision 2046.” The first key step toward that achievement is our current medium-term management plan.

Outcomes and challenges of the first year of the medium-term management plan

Fiscal 2024, ended January 31, 2025, was a year that brought powerful tailwinds to our business environment, as demand for commercial facilities, events, and theme parks, which had been suppressed by the pandemic, rapidly rebounded. As a result, orders accepted reached ¥111,152 million (up 35.0% year on year), and net sales amounted to ¥91,858 million (up 13.1% year on year), both recording the highest figures in our history. This achievement is the result of the collective efforts of our employees and suppliers who responded with perseverance on our work sites, and I would like to take this opportunity to express my deepest gratitude.

However, amid this sharp increase in orders, we faced challenges in scaling our resources and organizational structure quickly enough to fully capitalize on the business opportunities. Structural issues also came to light, such as the concentration of workload on our suppliers and the long working hours of our employees. These are critical areas that we must address to ensure sustainable growth moving

forward. Fiscal 2024 was the first year of the medium-term management plan, and we made a very good start. However, precisely for that reason, investors have pointed out that “we need to make forecasts from an earlier stage and invest resources more flexibly.” I have taken those valuable feedback sincerely and am committed to making management decisions promptly with greater emphasis on strategically strengthening our foundations. This fiscal year marks the second year of the medium-term management plan, and we are working toward the major goal to achieve record-high “operating income of 7.5 billion yen”, while stabilizing the scale of net sales.

Outlook on financial strategies and capital policy

As I mentioned above, our business results in fiscal 2024 were beyond our expectations, and we achieved ROE (return on equity) of 11.9%, exceeding the initial target of 8.7% set in the medium-term management plan. As we expect to continue recording large-scale projects, including projects related to Expo 2025 Osaka, Kansai, we have upgraded our targets for fiscal 2026, the final year of the plan, to “¥95.0 billion in net sales, ¥5.5 billion in operating income, and 11.0% ROE”, and we intend to promote management that is conscious of capital efficiency.

In addition, while we have previously adopted a basic policy for shareholder returns of maintaining “a dividend payout ratio of 50%”, amid changes in market expectations and evaluation standards, we recognize that the central focus of our capital policy should be to achieve the right balance between creating corporate value and shareholder returns. The annual dividend of ¥60 per share for fiscal 2024 was determined based on comprehensive evaluation of the investment needed for further future growth and the balance between future profitability and returns. We will continue to aim to deliver high quality shareholder returns.

Our business is one in which value is generated by people. To ensure that our diverse employees can demonstrate their abilities to their full potential and deliver our desired outcomes, we believe that the ongoing training of our employees and the establishment of working environment and programs should lie at the heart of our growth strategy. Accordingly, investment in human capital will continue to be a priority. We will pursue these initiatives in parallel with operational efficiency improvements through the promotion of DX. In particular, we believe it is essential to achieve smarter operations by integrating Building Information Modeling (BIM) and future adoption of robotics, while optimally allocating limited management resources. We believe that the ability to balance capital efficiency with continuous investment in human capital is the most critical perspective in shaping our financial strategy going forward.

The five strategies outlined in the medium-term management plan and the path toward our future vision

From here on, I would like to focus on the five strategies outlined in the medium-term management plan and explain the concrete initiatives we will execute in more detail.

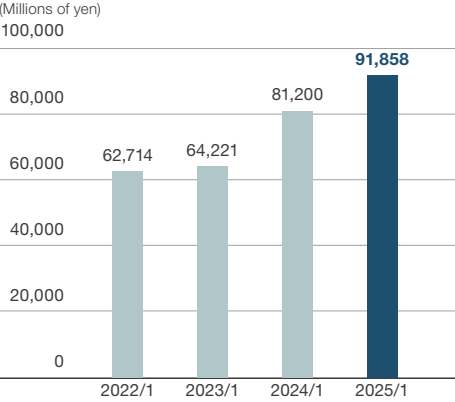
In our medium-term management plan, we are committed to realizing our Vision by “laying solid foundation” and venturing into new domains for sustainable growth. We are promoting strategies based five themes; “workstyles and human capital”, “marketing”, “supply chain” and “sustainability response” as “laying solid foundation” and “venture into new domains.” Instead of pursuing initiatives for each of these strategies independently, we are advancing them in an integrated manner, leveraging our long-standing expertise in spatial design and our collective strengths of cross-functional collaboration.

First, initiatives for “workstyles and human capital” include a review of operational process to improve long working hours, promotion of DE&I and flexible workstyles, review of our HR systems, and improvement of employee engagement. In particular, we are re-examining work practice and custom that have long been considered the “norm” to improve productivity and generate greater outcomes. We believe this shift is essential to our future growth and development. Led by the Workstyle Reform Promotion Committee, we are encouraging individual mindset shifts and behavioral changes, and are undertaking a fundamental review of how we work and improving working environment across divisions.

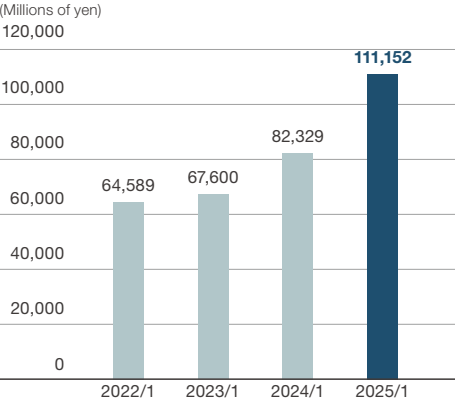
On the “marketing” front, we will strengthen the cooperative framework between the business divisions and the marketing department and build processes for collaboration. We will deepen our initiatives to accurately identify market and customer needs and address key challenges by gathering, analyzing, and sharing information about each market conditions, regional characteristics, and the latest trends among target customers.

Our spatial design business relies heavily on close collaboration with suppliers and partner companies, making the enhancement of “supply chain” a critical priority for value creation. To ensure production capabilities that will support our medium- to long-term growth, we will organize and analyze the situation of supply chain for each region, area, and operation and, based on the results of that work, strive to further expand and reinforce our network of suppliers and partner companies in the design and production areas. As an initiative to improve productivity in our supplier chain overall, we are promoting the use of digital technologies, with a focus on BIM. BIM is a technology that manages the structural and design information of businesses and spaces centrally in 3D, enabling efficient coordination among the parties involved and the improvement of quality. We are actively utilizing “Revit”, a BIM-compatible design software, and have entered into a business alliance with its developer, Autodesk of the US, to deepen our collaboration as we move on to the next stage. Revit allows us to visualize designs more swiftly and with high precision, and the integration of point cloud data and

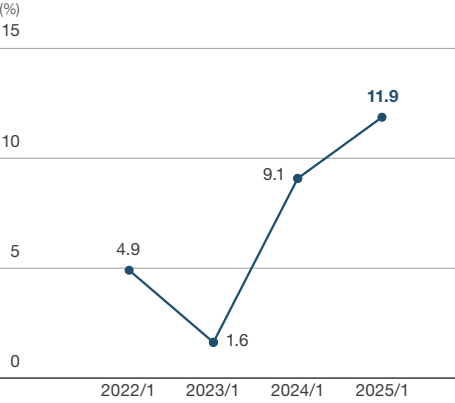
Net sales



Orders accepted



ROE





other technologies significantly improves the accuracy and efficiency of both design and construction. By introducing BIM to all processes of design, production, and construction, we will work to further streamline operations and improve quality. In addition to securing production frameworks, we will aim to contribute to building a sustainable society.

In terms of “sustainability response”, based on our approach of addressing environmental and social issues, which is one of the directions of Vision 2046, we are pursuing initiatives to make our business activities themselves more sustainable. One of those initiatives is the formulation of sustainable design guidelines. These guidelines establish a framework for integrating our material issues (materiality) to the design process from the earliest stages. We are also strengthening our value proposition using materials and construction techniques that have a lower environmental impact and pursuing initiatives aligned with circular economy perspectives.

Finally, in terms of “venture into new domains”, we are focusing our efforts on the development of businesses that transcend the boundaries of the existing interior design and display industries. One example is our new project “R2 (Real-estate Revitalization)”, which is breathing new life into old, small and medium-sized buildings in the Tokyo urban areas. This business conveys a strong social message reflecting our stance on environmental responsibility and sustainability. Going forward, we will work to further improve the precision of our plans and strengthen our frameworks for the promotion of the business. At the same time, we are developing policies and structures to ensure the successful creation and growth of new businesses. Regarding overseas business as well, we are in the process of developing policies for growth and building concrete action plans and frameworks. By venturing into these new domains, we are pursuing the creation of social value through spaces and of economic value through technological innovation.

In addition to these efforts, we are continuing to explore new possibilities for spaces and create value through our day-to-day research and development and co-creation with other companies. For example, the “CMI (Cross Media Innovation) Headquarters” is working on the development of staging techniques that use cutting-edge technologies such as AR and VR with the aim to advance expression techniques in spatial design. Not limited to a mere in-house research function, the CMI Headquarters also serves as a platform for co-creation and collaboration with diverse partners, including manufacturers and content holders, thus contributing to the creation of new spatial experiences. A particularly representative example of this is our “Ultra Culture Festival.” This is a trial project to explore the possibilities of space and experience, led by young creators. It is producing definite outcomes for the creation of inclusive spaces of the future, such as special visual guides for people with hearing difficulties and the development of interactive digital content. Also, in projects that create diverse customer contact points, such as cultural facilities and theme parks, it is important to consider how to maximize the experiential value the space provides, and we are working on special ways to incorporate

elements such as behavioral analysis using digital tools and sensing technology and visitor movement design from the designing phase.

Our initiatives are powerfully driven by collective strength of our diverse employees who bring together a wealth of expertise, advanced technological skills, and deep expertise. Our integrated structure that unites expertise across design, production, construction, and staging domains allows us to respond to complex projects. Moreover, by individuals staying closely engaged on the ground and demonstrating the human qualities needed to proactively identify and solve issues, we are delivering project outcomes of higher quality. This is further reinforced by our co-creation framework with suppliers, which maintain a unique competitive edge. Even in times of rapid change, we will keep offering spaces of value to society.

The realization of “Tanseisha Group: Vision 2046” is not something that can be achieved with a single initiative. For that very reason, we are steadily treading the path toward that goal through our day-to-day practices. By organically linking these multiple measures and promoting them as a united force across the entire company, we hope to further expand the possibilities of spatial design and continue to be an essential presence for society.

### **Leveraging the outcomes of the Expo for our next challenge**

Fiscal 2024 is substantively the final year for the recognition of sales related to Expo 2025 Osaka, Kansai. Ultimately, we forecast net sales totaling over ¥18.0 billion, which is one of the largest results of any past Expo-related operations for Tanseisha. As I mentioned at the beginning, through the Expo projects, we have achieved to accumulate a great deal of cutting-edge know-how, such as space staging and digital technology responses. Ideas, expression technologies, and implementation capabilities will be an immense asset for future business development. One area in which we will capitalize on these strengths in particular is the integrated resort (IR) business.

Regarding IR, while conducting lobbying activities and exchanging opinions with overseas operators, we have studied and researched facilities in various parts of the world, including Las Vegas, Macau, Singapore, Europe, and Australia. In Japan, the Act on Development of Specified Integrated Resort Districts (IR Development Act) stipulates that the gaming zone of IRs accounts for no more than 3% of the total area, with the majority of the district occupied by luxury shopping zones, restaurants, MICE facilities (international convention halls), and art and entertainment areas. We believe that Tanseisha will be able to offer diverse spatial value in this vast domain. Our next challenge will be to contribute to the maximization of experiential value at IRs by combining the staging know-how cultivated through our work on the Expo with our DX knowledge. The IR business is not a one-off project, but rather a part of social infrastructure that demands long-term value creation. Leveraging the outcomes gained through the Expo for our next challenge, we will steadily promote initiatives in IR and


other new fields to create sustainable spaces that continue to deliver value into the future.

Since its foundation, Tanseisha has continued to refine its expertise and collective strengths in spatial design. “Our Purpose” and “Our Values” that each one of our employees has embodied through their practice have been recognized as a shared language across our entire organization and are becoming deeply rooted in our corporate culture. Our efforts at the Expo and the knowledge we gained there are an extension of the activities we have continued to accumulate over the years, and I am confident that they will lead us into new challenges such as IRs and beyond.

Now, we are ready to take even bolder steps toward realizing “Tanseisha Group: Vision 2046.” In an era where social issues are becoming increasingly complex and the very roles of spaces are being redefined, the mission that Tanseisha is to fulfill has taken on even more significance. So that we may remain a presence that delivers value to people and society through spaces, we will keep deepening our own strengths and embrace our challenge to building a sustainable future.

July 2025

President and Chief Executive Officer  
**KOBAYASHI Osamu**



**Each of us will embody  
“Our Purpose” and “Our Values”  
and continue the challenge of  
creating spaces for the future.**

## Tanseisha Group: Vision 2046

We continuously strive to be not only  
a group of professionals creating space  
for imaginations to grow,  
  
but a group of challengers to open up  
the possibilities of space and ourselves.

### Doing what we can with spatial design for a changing society.

#### Sustainability

We will address environmental and social issues, including climate change, and approach their solutions with sincerity. By transforming the spatial design process into something sustainable and creating spaces of valuable spaces, we will contribute to the realization of a sustainable society that abounds in color.

#### Borderless

We will run our business seamlessly, transcending all kinds of boundaries—between Japan and other countries, between cities and regions, between the physical and the virtual— to co-create unprecedented experience value with clients and partners all over the world. Furthermore, through spatial design, we will enhance the appeal of the valuable culture, nature, and technologies of Japan's different regions and communicate them to the world.

### Providing changing markets and customers with solutions that allow imaginations to grow.

#### Enhancing our foundations

By actively incorporating cutting-edge technologies and new values, and by constantly honing our core problem-solving capabilities, we will achieve greater heights as professionals in the “creation of spaces for imaginations to grow.”

#### Expanding into new domains

Unconfined by conventional frameworks, we will face the complex, diverse issues of the market and our clients and, expanding our business into new fields and business models. Our aim is to be the best partner in providing spatial solutions for “imaginations to grow.”

### We will continue to evolve to achieve these aims.

#### People-centered organization and work-styles

By encouraging our diverse team to work and create together, we will grow into a more flexible and highly innovative group. And by ensuring a diversity of work-styles and respecting the way of life and happiness of each person, we will enhance our creativity as a group composed of strong individuals.

#### Creating spaces with people in mind

In a future society that calls for a reconnection with a richness of emotions and humanity, we will continue to pursue our own potential to create even more inspiration in spaces that connect people.

### Reasons and purpose behind the formulation of the Vision

The Tanseisha Group operates in a business environment characterized by unprecedented change, and the change is expected to continue. To remain a company that, unswayed by short-term change, is essential to society over the long term, we formulated “Tanseisha Group: Vision 2046” that looks toward 2046, the Company's 100th anniversary and clarifies the image that we want to portray in the years ahead.

While Japan is expected to experience continued population decline and ageing by 2046, interest in globalization, local economies, and environmental and social issues is also expected to rise. Additionally, the diversification of customer needs, labor

shortages, and evolving technology will likely bring about the further transformation of business models and work-styles.

Through our business of creating spaces of value, we color the lives of people gathering in those spaces with rich emotion. By doing so, we will contribute to the growth of our customers' businesses and to the realization of a sustainable society. To this end, we will accurately identify changing societal issues and needs and constantly pursue the creation of better spaces to provide the market and customers with solutions that allow imaginations to grow. We will also continue to evolve with the aim of sustainable enhancement of corporate value.

### The aspirations behind Vision 2046

For the formulation of Vision 2046, we established a project team primarily led by young employees. The project team met multiple times, with members of the management team in attendance to discuss and articulate the “characteristics that make Tanseisha exceptional”, as well as the “image we want to portray in 2046.” They also confirmed the various forecasts and analyses of the economic environment in 2046.

The team held in-house workshops and events attended by all employees to listen to the opinions of employees of various ages in different positions. They also sought the candid opinions of our outside directors and other external stakeholders, including customers and partner companies.

### Toward the achievement of Vision 2046

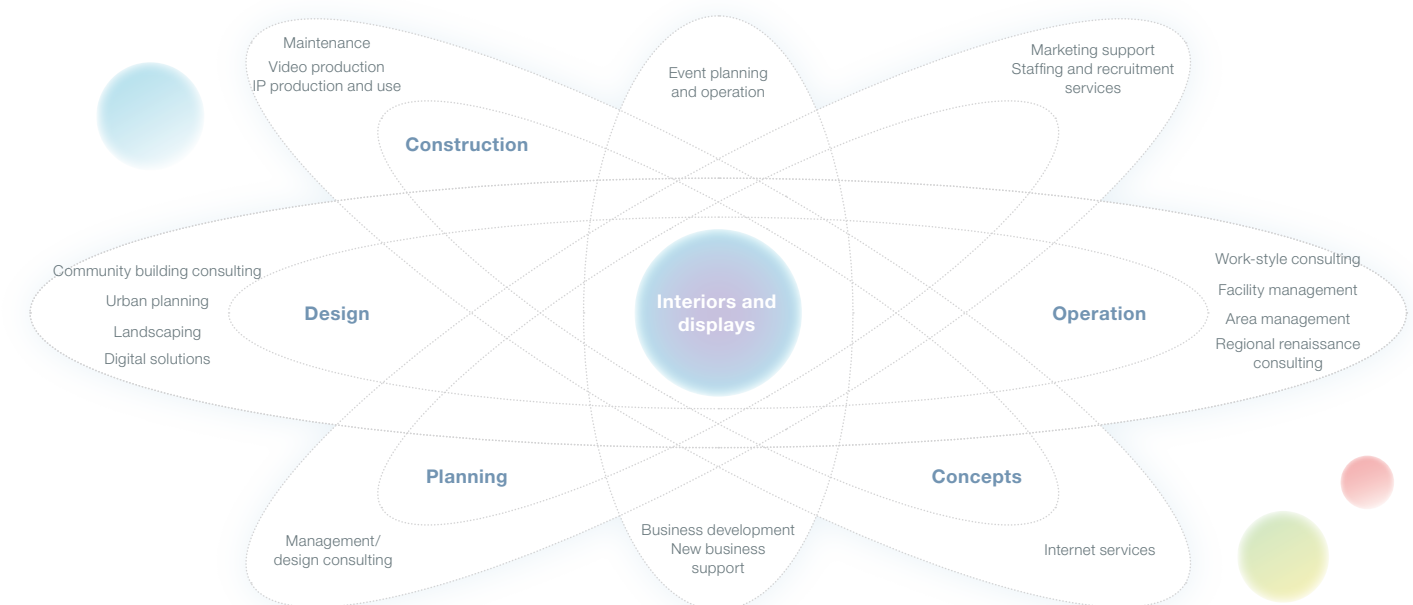
With the aims of realizing Vision 2046 and solving the materiality issues, the Medium-Term Management Plan clearly outlines our policies, goals, and strategies. We are focusing our efforts on laying the foundations in each domain and venturing into new domains [P.21](#). For example, broadly defining our core business of spatial design as the “creation of experiences and opportunities for imaginations to grow”, we are working on the development of new services and the expansion of new business domains. Not stopping at our traditional work of design and construction

Many commenters expressed their pride in and trust in the technologies, know-how, and achievements that Tanseisha has cultivated as spatial design professionals to date, as well as their expectations of Tanseisha as a company. They told us that they wanted us to continue the challenge of creating new value, adapting flexibly to changes in the environment and taking the lead in effecting change, rather than standing still.

Following this careful process of management and employees talking together to clarify the ideal state of the company, Vision 2046 was completed as something that reflects the thoughts, expectations, and aspirations treasured not only by management but also by employees.

of interiors and displays, while maintaining that work as the core, we are advancing into staging that takes full advantage of ICT and digital technologies and the utilization of data, including BIM and AI. In addition, we are expanding into new business domains, such as facility management, PFI and revitalizing old small- and medium-sized buildings in the Tokyo urban core.

Believing in the potential of our business domain of space and our ongoing involvement in it, we will continue our challenge of the creation of new value.





# Medium-Term Management Plan

## Medium-Term Management Plan for Vision 2046

With Vision 2046 and the materiality issues as our underlying premise, Tanseisha has formulated and begun working toward concrete goals, targets, and strategies in its Medium-term Management Plan (Fiscal 2024 - 2026) to realize this vision. Based on the medium-term management plan thus established, we will steadily implement various initiatives and connect them to outcomes to make the business and society envisaged in Vision 2046 a reality.



Our two concrete goals are to “lay the foundation to move on to a growth trajectory” and “venture into new domains.” In addition to undertaking the necessary reforms, we will build strong foundations and expand the possibilities of “spatial design” to ensure our sustainable growth. To achieve our targets, we have identified five strategies [P.21](#) for laying of foundations in each domain and expanding new ones and are working on those strategies.

## Achievements in fiscal 2024, management targets and the status of their achievement

### Status of achievement of financial/non-financial targets

We achieved all our financial targets for the fiscal year by responding appropriately to the favorable market environment. In doing so, we succeeded in reaching the final fiscal year targets of the Medium-Term Management Plan in its first year. On that basis, the decision was made to upgrade the various targets for the final year of the plan. Looking ahead, in addition to working to further strengthen our earnings structure in anticipation of potential downside risks such as labor shortages and cost increases, we recognize the need to further enhance our capital efficiency and market valuation.

The “laying of foundations” for non-financial targets is currently in progress. For the “pleasure of working”, eliminating long working hours remains an issue, but for “establishing production system”, we have made progress in expanding our network of suppliers. In “sustainability”, the percentage of female managers reached 9.4% (fiscal 2024), and in “climate change”, the rate of reduction of greenhouse gas emissions against fiscal 2021 reached 11% (fiscal 2024). We will accelerate the pace of the various initiatives and aim to achieve our targets by strengthening internal collaboration further.

	KPI	Fiscal 2024 results* *Numbers in parentheses represented planned figures.
Financial	Consolidated net sales	Achieved ¥91.8 billion (¥83.0 billion)
	Consolidated operating income ratio	Achieved 5.6% (4.8%)
	Consolidated ROE	Achieved 11.9% (8.7%)
	Consolidated dividend payout ratio	Achieved 54.8% (50% or more)
Non-financial	Engagement score (Overall evaluation through employee awareness survey)	△ Progress made but issues remain
	Number of employees complying with specified internal working hours	△ Progress made but issues remain
	New developments achieved by partner companies	△ Progress made but issues remain
	Evaluation by EcoVadis (French provider of sustainability assessments)	△ Progress made but issues remain
	Percentage of female managers	△ Progress made but issues remain
	Amount of Scope 1 and 2 greenhouse gas emissions	○ Steady progress

### Status of achievement of segment targets

Steady sales and income growth have been experienced in the Commercial and Other Facility Business, due to our success in capturing recovered demand to win more new renovation projects, as well as the recording of projects related to Expo 2025 Osaka, Kansai in this segment. Steady sales and income growth was also recorded in the Chain Store Business, due to our success in capturing the recovery in demand to win more new and renovation projects. While the Cultural Facility Business saw steady sales growth, challenges remained on the profit front.

Segment targets	Net sales (Millions of yen)		Operating income ratio	
	FY2026 target	FY2024 results	FY2026 target	FY2024 results
Commercial and Other Facility Business	62,000	54,395	6.5%	6.1%
Chain Store Business	22,000	27,074	3.6%	6.8%
Cultural Facility Business	10,500	9,925	5.7%	-1.0%
Other	500	462	20.0%	24.1%
Total	95,000	91,858	5.8%	5.6%

## Issues and future responses

Regarding financial targets, although we achieved those for the final fiscal year of the Medium-Term Management Plan ahead of time, we have revised them upward to strengthen our earnings structure and further improve our capital efficiency and market valuation. Looking ahead, we will aim to achieve steady business growth in a strong economic environment, based on the revised plan targets.

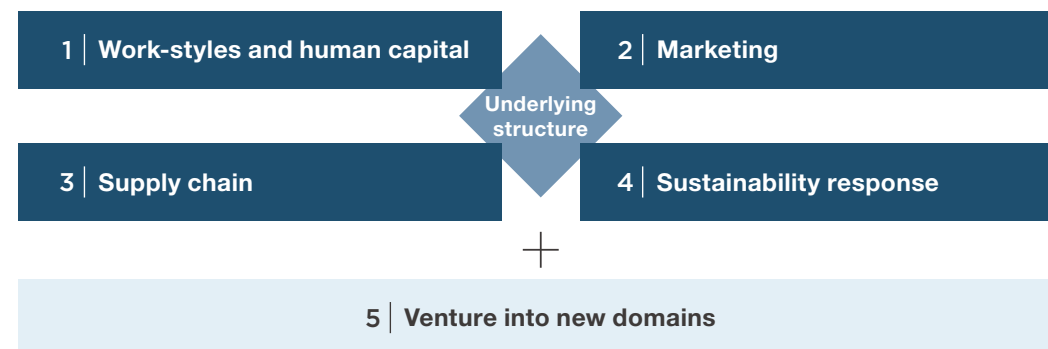
As for non-financial targets, we are steadily advancing the various strategies and measures toward the achievement of the targets for the final fiscal year. While we are seeing tangible

progress and improvements across the board, the laying of the foundations for the individual domains is still a work in progress. Regarding Develop “work-style and human capital infrastructure” in particular, to eliminate long working hours, we will further accelerate the pace of our work-style reforms, including the review of operational processes. We will also increase our capacity to implement the measures for establishing the foundations in other domains as well. We will also venture into new businesses and overseas businesses to expand the potential of “spatial design.”

# Management Strategy

To achieve the targets of the current medium-term management plan for the realization of Vision 2046, we have established and are advancing five strategies based on the two policies of “lay the foundation to move on to a growth trajectory” and “venture into new domains.” For “laying the foundation”, we will address problems and issues in the four areas of work-styles and human capital, marketing, supply chain, and sustainability responses with the aim of building a robust foundation for the future. For “venturing into new domains”, we will advance initiatives that will drive growth by expanding the possibilities of spatial design.

## Five Strategies in the Medium-Term Management Plan



## 1 Develop work-style and human capital infrastructure

### Strategy Overview

We are working to develop an environment that will support sustainable growth by positioning “develop work-style and human capital infrastructure” as one of our top priority strategies. Alongside conducting a review of work-styles to correct long working hours, promoting DE&I and flexible work-styles, and conducting a review of our personnel systems, we will also work on the improvement of employee engagement. We will continue to invest in human resources and develop the work environment to maximize the potential of each employee and link their capabilities to achieving our goals, with the aim of sustainably enhancing our corporate value.

### Initiatives

Led by the Work-style Reform Promotion Committee, we are currently working to reform employees' mindset and strengthen management through initiatives such as information campaigns and education and training aimed at the correction of long working hours. We have also developed information system for the expansion of external partners and strengthening of collaboration with them, and we are promoting the outsourcing of operations. To secure our planned workforce and ensure the appropriate personnel allocations that are essential for correcting the issue of long working hours, we are stepping up our recruitment efforts and working to improve the way we communicate information to applicants. This includes enhancing job-specific company information sessions and posting employee interview videos.

Other examples of our approaches to diverse work-styles include the introduction of new flextime system and attendance management system in fiscal 2024.



Scene from a job-specific company information session

### Issues and response policies for the following fiscal year and beyond

Progress has been made in our various initiatives to correct the issue of long working hours, and while the situation has improved, fundamental reform has yet to be achieved. Our work-style reform efforts remain a work in progress, requiring swifter implementation of the various measures.

In terms of operational improvements, we have achieved a certain level of success in outsourcing operations. Regarding recruitment activities, we have met our company-wide recruitment targets, although some divisions have fallen.

Going forward, we will make further efforts in the review of operational processes and the optimization of personnel allocations to speed up the work-style reform and implement further measures to correct long working hours.

## 2 Develop marketing infrastructure

### Strategy Overview

We strive to enhance our competitiveness and profitability by accurately identifying the needs of customers and the market and implementing solutions to issues. As well as increasing our knowledge of each market through the optimal organization of our divisions, we will build the foundations for the development and provision of optimal solutions after clarifying the processes and actions required to create high-value, high-quality services. We will also develop and establish structures and systems, including digital marketing, in our efforts to enhance and deepen our marketing activities.

### Initiatives

By focusing on the processes in the pre-sale stage, including acquiring prospective customers, we are working to enhance and reinforce collaboration and information sharing between marketing and sales activities. For example, we are stepping up collaboration in the digital marketing area using websites and e-newsletters and promoting the communication of information and proposals to customers.

We have also formed a cross-organizational structure between the marketing and business divisions, and market-based subcommittees are collecting and analyzing information about developments in individual markets, based on which they are formulating targets, strategies, and measures. Through these subcommittee activities, we are promoting concrete initiatives, including the development of solutions, and linking them to new inquiries and contracts.



Workshops for considering measures (market-based subcommittee activities)

### Issues and response policies for the following fiscal year and beyond

The organization and sharing of marketing processes has deepened overall collaboration, and initiatives directly linked to sales activities have made headway. These efforts have strengthened our responses to individual markets. However, as there is still room for expansion and reinforcement in some of the collaboration processes and systems, such as digital marketing using websites and e-newsletters, we will continue in our efforts to further strengthen collaboration, including the unification of employees' mindset, and focus on the further penetration and spread of relevant initiatives through the development of collaboration processes that encompass both of the marketing and business divisions and the promotion of data utilization.

## 3 Develop supply chain infrastructure

### Strategy Overview

On both design and production fronts, we will further expand our supplier and partner company structures and secure the production capacity to support medium- to long-term growth. In addition to organizing the supply chain situation from multiple perspectives and systematically developing and reinforcing any deficiencies, we are also working on the review of development goals and methods to suit the market environment and on the organization of data. We will also establish a structure to facilitate joint efforts between the Tanseisha Group and its suppliers to address common issues to increase the sustainability of the supply chain.

### Initiatives

We will analyze the supply chain situation in the design and production areas by each region, area, and operation and, based on the results of that work, strive to further expand and reinforce our suppliers and partner companies to strengthen our production capacity. We will establish and pursue targets for the number of development companies and value of orders based on each year's production plans, and we will build production systems that have both the flexibility and robustness to accommodate market and economic trends.

Also, for the further enhancement of collaboration with suppliers and partner companies, we will promote the improvement of the direction capabilities of design and production staff through in-house education and other means. Furthermore, regarding temporary staff who work together with Group employees in the design and production areas, we will set targets for the number of new contracts signed with staffing agencies and the number of temporary staff engaged. In doing so, we will strive to secure outstanding talent and collaborate with the staffing agencies on skills improvement.



On-site briefings for conducting safety patrols (cooperation activities with suppliers)

### Issues and response policies for the following fiscal year and beyond

The number of suppliers has increased, and we have achieved our targets, with some exceptions, so significant progress is being made in strengthening our production systems. Recognizing the challenges such as the difficulties of development in regional areas, we will continue to verify and revise our development plans and goal-setting processes and work on our data infrastructure.

Our targets for the number of new contracts and staff employed were mostly achieved, and progress was made in the enhancement of collaboration with staffing agencies, resulting in improved personnel matching. We will work on work-style reform, education, and the improvement of collaboration with employees to increase the rate of retention of temporary staff and improve their skills.



## 4 Establish sustainability response structure

### Strategy Overview

Through the development of activity policies and expansion of information disclosures related to sustainability, we will enhance and strengthen our sustainability responses to satisfy society's demands, presenting our policies as a company both internally and externally. To increase our ability to respond to the needs of customers and society, we will refine our original solutions to practice and embody sustainability. Regarding responses to climate change, we will establish methods for calculating greenhouse gas emissions and work to reduce actual emissions. In addition to the establishment of internal systems to achieve this, we will continue to engage in activities to increase the sustainability of our entire supply chain.

### Initiatives

Starting with the "Tanseisha Group Sustainability Policy", we have progressively established and announced policies and guidelines on various themes, including human rights and procurement. We continue to share our know-how and achievements in the relevant social circumstances and solutions to issues, connecting them to the development and provision of services and solutions that will contribute to solutions to environmental and social issues. We revamped "Environmentally Conscious Design", the Group's original design standards, and formulated new "Sustainable Design Guidelines."

In climate change response, we included the reduction of greenhouse gas emissions as one of our non-financial targets in the medium-term management plan, and we are working to achieve that target.

## 5 Venture into new domains

### Strategy Overview

In our medium-term management plan, we will leverage the resources of our spatial design business to develop and nurture new businesses that will become the next "pillar" of the Group. To this end, we have set "venture into new domains" as one of the pillars of our growth strategy, and we are promoting the development of strategies and systems aimed at growth. While establishing business plans and promotion systems for new businesses that are already in place, we will consider and establish concrete methods for developing and nurturing future new businesses. We will also actively consider overseas endeavors and establish necessary systems.

### Initiatives

For new businesses, we will leverage the experience and resources accumulated in our spatial design business to develop and nurture businesses that will become the next "pillar" of the Group for the next stage of our growth. While improving the precision of plans and strengthening business promotion systems for new businesses that are already in place, we will consider and develop policies and systems for the steady development and nurturing of future new businesses.

Positioning overseas endeavors as key opportunities for medium- to long-term growth for the realization of Vision 2046, we have verified their potential from the dual perspectives of businesses in Japan and business support for foreign companies venturing into Japan, which is expected to expand, and are working to rebuild our policies.



Tanseisha Sustainability Action (communication of sustainability-related solutions information, etc.)

### Issues and response policies for the following fiscal year and beyond

In addition to instilling the "Tanseisha Group Sustainability Policy", "Human Rights Policy", "Sustainable Procurement Policy", and "Sustainable Procurement Guidelines" in employees and partner companies, and strengthening their implementation, we will continue to establish policies on other themes. In response to the progress made in the gathering and sharing of information on sustainability-related projects and the consequent increase in related contracts won, we will develop personnel to be in responsible for further penetration and promotion of sustainability within the Group.

We will strive for the practice and establishment of "sustainable design" through its adoption in actual projects, the establishment of operational systems and education.

While steady progress is being made in the reduction of greenhouse gas emissions, we will also concentrate our efforts on the enhancement of information disclosure going forward.



Provision of "THE TOKYO PASS-Culture", a service for overseas visitors to tour cultural facilities in Tokyo

### Issues and response policies for the following fiscal year and beyond

A certain level of progress has been made in deliberations for pursuing the development of new businesses. Going forward, we will formulate concrete plans to ensure faster implementation and results. We will also carefully examine the current situation and growth expectations of new businesses that we are currently working on and optimize the distribution of resources.

In overseas business, we are considering the direction of initiatives and will clarify our policies for sustainable growth to formulate a concrete, medium- to long-term roadmap. We are going to commit to developing the potential of business support for foreign companies in Japan and will therefore strengthen the relevant systems.

## TOPICS 1

### Activities for Penetration of Our Purpose and Values

Regarding our Purpose, Values, and Vision 2046, which were formulated in February 2024, we are promoting activities to instill them across the entire Group, including at executive management level, to foster empathy among our employees and link it to their awareness and action in day-to-day operations.

In August 2024, we held an in-house talk show featuring the members of the project team that led the formulation process, in which they shared the deliberation process, the thoughts of the individual members, and other behind-the-scenes anecdotes. This was an excellent opportunity to further deepen employees' understanding. Additionally, since November 2024, we have held in-house workshops for all employees to attend and have also rolled out a program across the Group, in which employees engage in both individual and group work to confront the company's and their own individual purposes squarely and discover their own answers.

The aim of this activity is to encourage employees to think about the impact of their work on society and to embody their ambitions and aspirations with an even greater sense of reward and pride in their work. Through the attitudes and services of employees embodying those ambitions and aspirations, we aim to communicate our intentions to external stakeholders and realize a society that abounds in "color."



Scene from an in-house workshop



Venue of the in-house talk show event

## TOPICS 2

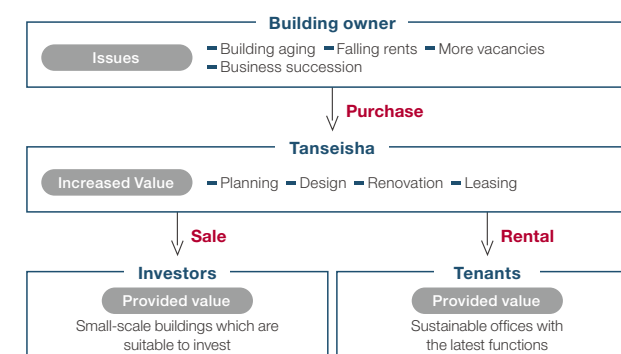
### Expanding into new business domains "R2 (Real-estate Revitalization)"

We are currently engaging in a new business called "R2 (Real-estate Revitalization)", that involves renovating aging real estate, including old, small and medium-sized buildings in the Tokyo urban core, to breathe new life into them.

Japan's reinforced concrete office buildings could be used for 100 years if the reinforcement of their earthquake resistance and the updating of finishes and equipment are executed properly. In the R2 business, with this concept of "using buildings for 100 years", by promoting "stock use", that is the use of existing buildings for as long as possible, we aim to reduce CO<sub>2</sub> emissions from buildings to contribute to the curbing of climate change. In a reversal from the "scrap-and-build" approach of dismantling buildings that have grown old and building new ones in their place, by leveraging our know-how and networks in spatial design, we are now able to give these older buildings functions that are equivalent to or better than those of new builds and offer them up as sustainable offices and for other purposes.

In 2024, we took a building that was over 50 years old and met only the old earthquake-resistance standards, fully renovated into offices with a more comfortable working environment and opened it. Using the original "structure (building frame)" and undertaking earthquake-resistance reinforcement work to ensure its safety, we replaced the "equipment" such as electrical wiring, plumbing, air-conditioning, as well as interior and exterior "finishes", breathing new life into this building with which to greet its next 50 years.

### Business model of R2 business



Over-50-year-old building fully renovated by Tanseisha



CFO Message

We will enhance our ability to respond to the rapid recovery of demand in our aim of the further improvement of capital efficiency and profitability

Director TSUKUI Tetsuo

I am responsible for business administration overall, with a particular focus on financial matters. From that standpoint, I feel strongly the need to keep striving for the Company's growth and the enhancement of corporate value. Fiscal 2024, ended January 31, 2025, brought a rapid recovery of demand, which had slumped during the pandemic, and we received many more orders from customers than anticipated. As a result, while growth in net sales exceeded expectations, there were also times when we struggled to keep up with the allocation of human resources and scheduling within the company, and we recognize that some challenges remain.

Thanks to this rapid recovery, our business results have drawn close to pre-COVID levels. While net profit did not reach our previous record high in fiscal 2024, we did achieve favorable figures for orders accepted and net sales, which amounted to ¥111,152 million (up 35.0% year on year) and ¥91,858 million (up 13.1% year on year) respectively, and we feel very encouraged by these results.

Even with such positive results, our share price has still not reached the pre-COVID level of around ¥1,300, so I believe there is room for improvement in this regard. Although our PBR is above 1, we recognize that it compares unfavorably with that of our competitors. For this reason, we will work to further improve ROE and PBR by avoiding excessive accumulation of equity capital and pursuing management that emphasizes capital efficiency.

The Board of Directors is currently discussing how best to allocate internal funds between growth investments and shareholder returns. We will provide more information once the details have been finalized.

In terms of shareholder returns, we have a payout ratio target of 50% or more, and are conscious of stable returns, maintained shareholder returns that exceeded that target even during the pandemic. For fiscal 2025, ending January 31, 2026, we are projecting record-high profit. In our dividend plans, we have demonstrated our proactive stance toward shareholder returns by planning for an annual dividend of 60 yen per share.

Share buybacks are also an option, but from the perspective of the number of shares in circulation, our current policy is to

enhance shareholder value by balancing growth investments with dividends.

While there is some uncertainty about economic conditions, inflation, and the impact of soaring prices of raw materials in the fiscal year ending January 2026, we intend to leverage digital technologies, such as BIM (Building Information Modeling), a technology for the centralized management of building design, construction, and maintenance using 3D data, to increase productivity and continue to enhance our earnings capacity. The use of BIM allows individual departments to coordinate and share information at every stage, from design to construction, agreement with the customer. As such, it will be able to contribute to the reduction of working hours and the improvement of customer satisfaction. Going forward, we plan to be even more proactive in implementing this technology.

Given that our gross profit margin once exceeded 20%, our view is that the fiscal 2024 result of 18.6% still leaves room for improvement of profitability. Capital investment against the backdrop of increased inbound tourism is expected to continue, and with large-scale projects such as urban redevelopment and integrated resorts (IR) on the horizon, the market is thriving. By combining solid technological capabilities and new added value, we will leverage the opportunity presented by that thriving market to improve our profit margin and further expand our corporate value. However, to prepare for demand that exceeds expectations, as we experienced in fiscal 2024, instead of increasing personnel without limits, we will need to allocate resources appropriately by market and operate efficiently. We will move forward in a well-balanced manner with a long-term perspective, including investments to nurture the seeds of new businesses.

Through such initiatives, we aim to deliver stability of dividends and a higher share price to our shareholders, a comfortable working environment to our employees, and services of higher quality and added value to our customers.

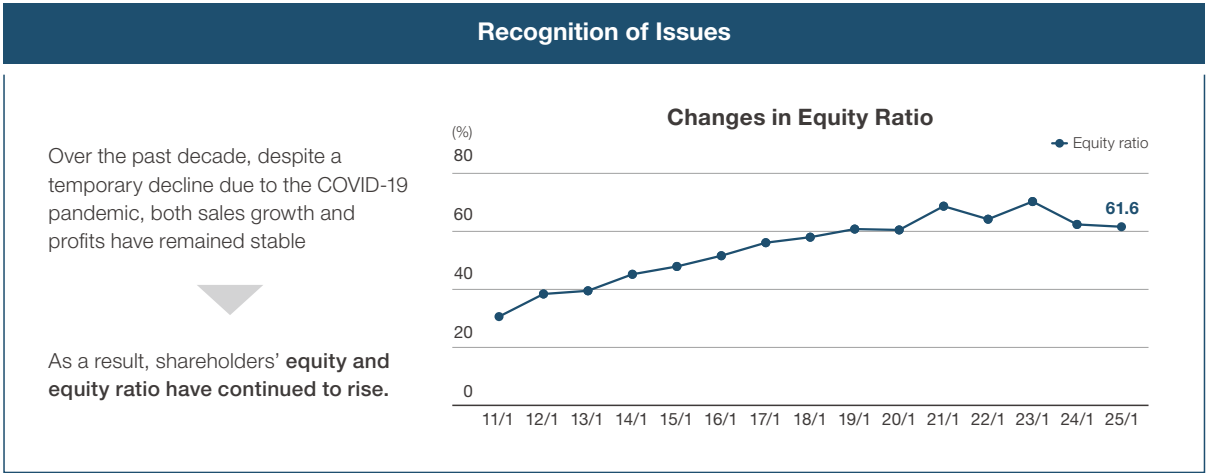
So that we can meet the expectations of our shareholders into the future, those of us who are responsible for business administration will face challenges head-on and strive for the continuous enhancement of corporate value.

# Financial Strategy

## Cash Allocation and Shareholder Return Policy

Over the past 10 years, the Company has established a framework for generating stable profits by implementing measures and developing systems that are focused on profitability. As a result of these efforts, shareholders' equity on the balance sheet has been increasing every year and our cash reserves have accumulated. We recognize, however, as an issue the fact that investment activities in areas such as new business have remained limited. In considering this situation, discussions

are underway in the Management Meeting and the Board of Directors on methods for making active use of those cash reserves, including investments for future business growth and shareholder returns. We have also set an optimal equity ratio for the Company, and we are also considering metrics and methods related to shareholder returns to improve capital efficiency and share price.



- Matters for Consideration
- Cash allocation (clarification of specific amounts and timing of investments in accordance with the investment policies outlined in the Medium-Term Management Plan)
  - Consider the optimal equity ratio and actively return profits to shareholders with the aim of improving capital efficiency and share price (reconsideration of target metrics, methods, etc.)

## Investments to Establish Corporate Structure Primed for Growth

In the deliberation of our cash allocation and shareholder return policy, we are also discussing investments to establish corporate structure primed for growth. Our policy is to invest cash reserves, less the required working capital, in the establishment of the corporate structure primed for future growth. Specific investment options that we envisage include business and product development (e.g., new business development and product development related to digital initiatives), human capital (e.g., employee education, compensation improvement), capital and business alliances (e.g., capital and business alliances with companies that will contribute to business and product development), building of systems infrastructure (e.g., infrastructure for BIM utilization, data maintenance, replacement of core systems), and investment in the development of supply chain infrastructure (e.g., improvement of business terms with partner companies).

Investment options
1 In business and product development
2 In human capital
3 In capital and business alliances, etc.
4 In building of systems infrastructure
5 Investments in the development of supply chain infrastructure



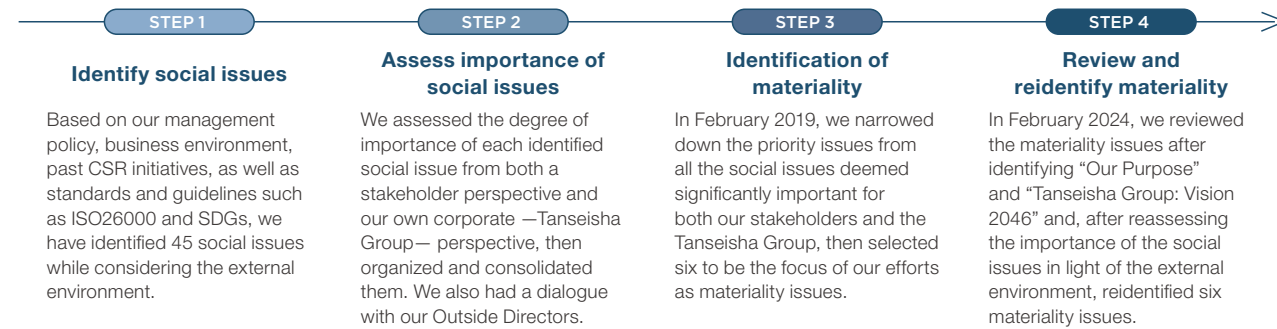
## Six Materiality Issues

We have identified six materiality issues and are working to address them throughout our business activities. We review these materiality issues regularly in line with changes in the company and social situation.

### Identification and review of materiality issues

The materiality issues were first identified by the CSR Committee, which is chaired by the President in 2019, after which they were formally resolved in the Management Meeting and Board of Directors. With the formulation of “Our Purpose” and “Tanseisha

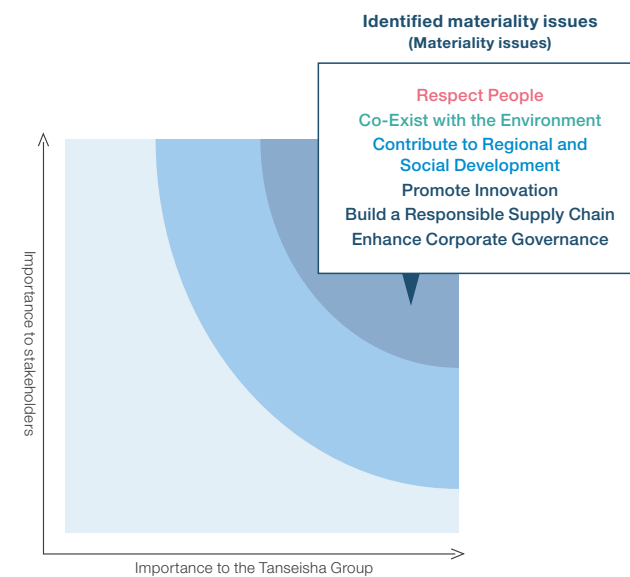
Group: Vision 2046” in February 2024, we reviewed in light of our recognition of the most recent external environment, and identified our materiality issues.



### Align materiality assessment criteria with medium-term management plan

For the identification of materiality issues, we prioritized issues that are particularly important to both Tanseisha and our stakeholders from among the 45 social issues extracted in Step 1. In assessing importance, we considered the relevance to our spatial design business based on our characteristics, as well as the social situation. In addition, since the main stakeholders differ for each issue, we took care to ensure that all stakeholders were covered and ultimately identified six materiality issues.

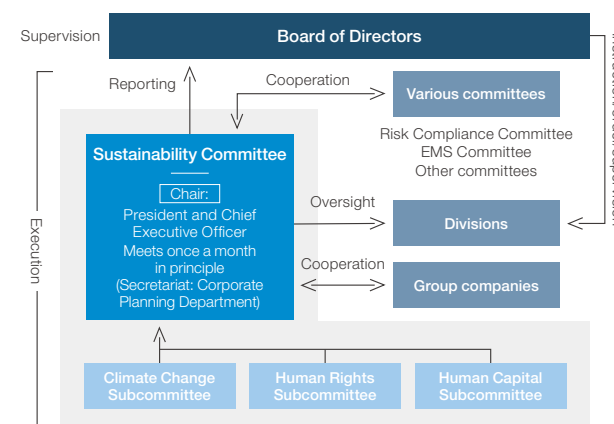
Our materiality issues are based on the Tanseisha Group Philosophy (Our Purpose and Values), Sustainability Policy, and various other policies (policies based on ESG-related themes). The management plans that we will promote to solve those materiality issues are “Tanseisha Group: Vision 2046” and the “Medium-Term Management Plan.” In line with the formulation of the Group Philosophy in 2024, we have formulated a Medium-Term Management Plan to reidentify materiality and address those material issues.



### Sustainability management promotion system

Tanseisha maintains a Sustainability Committee chaired by the President. The committee formulates and examines key sustainability policies and regularly reviews sustainability activities, working to enhance sustainability initiatives in each business unit and business area. The content and status of the committee’s discussions are reported regularly to the Board of Directors, and key policies and other measures concerning sustainability are first considered by the committee before being presented to the Board of Directors for deliberation and resolution. We have also established subcommittees specializing in “responses to climate change”, “human capital management”, and “responses to human rights”, under the Sustainability Committee and these subcommittees conduct various activities in line with those themes.

### Sustainability Management Promotion System Diagram (as of April 2025)



Materiality	Rationale for importance	Main initiatives
<p><b>Respect for humanity</b></p>	<p>The “joy of working” for employees is one of the non-financial targets of the Medium-Term Management Plan. We aim to grow as an organization that is more flexible and innovative through the collaboration and co-creation of diverse human resources, and to enrich “people’s hearts” and create further excitement in spaces that connect people through the creation of spaces by diverse human resources.</p>	<ul style="list-style-type: none"> <li>Initiatives for respecting human rights (establishment of human rights policy, etc.)</li> <li>Employee training to improve technical expertise</li> <li>Efforts to create spaces with enhanced safety and quality features</li> <li>Promoting universal design in space creation</li> <li>Cultivating DE&amp;I culture</li> <li>Career development and qualification support</li> <li>Training for new employees (Human Resources Development Project)</li> <li>Promoting work-life balance</li> <li>Childcare and nursing care support Etc.</li> </ul>
<p><b>Coexistence with the environment</b></p>	<p>Co-existence with the environment is essential to the realization of a sustainable society. As a company that designs and constructs a variety of spaces, we believe that this is an issue where we can make a significant contribution by reducing the environmental impacts of our business operations and making effective use of resources. In our Medium-Term Management Plan, we have set specific targets for the reduction of CO<sub>2</sub> emissions as one of our non-financial targets, and we will focus on responding to climate change.</p>	<ul style="list-style-type: none"> <li>Implementing and promoting Environmental Management System</li> <li>Promoting environmentally friendly design</li> <li>Reducing industrial waste</li> <li>Measures to prevent health problems from sick building syndrome</li> <li>Development of sustainable products and utilization of sustainable materials</li> <li>Efficient use of building material samples</li> <li>Acquisition of Forest Stewardship Council® Chain of Custody (FSC®-CoC) Certification</li> <li>Initiatives to reduce CO<sub>2</sub> emissions in the office</li> </ul>
<p><b>Contribution to regional and social development</b></p>	<p>In the Medium-Term Management Plan, in our aim to enhance our overall sustainability initiatives, we are working on the creation of spaces that will contribute to regional revitalization and to solutions to issues faced by local communities and society. We believe that our creation of spaces that encourage interaction among people and revitalize industrial and economic activities will contribute to the development of local community and society, and to the realization of a sustainable society.</p>	<ul style="list-style-type: none"> <li>Contribution local communities and society at large through the creation of spaces</li> <li>Initiatives in regional renaissance</li> <li>Regional contribution through facility management</li> <li>Participation/cooperation in area management activities in Shinagawa</li> <li>Sending lecturers to educational sites, making presentations at seminars</li> <li>Participation/cooperation in activities of various industry groups</li> <li>Sports promotion activities</li> <li>Reconstruction support activities Etc.</li> </ul>
<p><b>Promotion of innovation</b></p>	<p>To respond swiftly to social changes and the evolution of technology and continue to be professionals in spatial design, we will aim to create new value in spaces and peripheral domains, such as the use of digital technologies, collaboration and cooperation, and new businesses. In our Medium-Term Management Plan, we are working to build a system for developing and nurturing new businesses that will become the next pillars of our business by leveraging the resources of our spatial design business.</p>	<ul style="list-style-type: none"> <li>“B-OWND” platform for artworks</li> <li>“4earth” e-commerce site specializing in discontinued products</li> <li>Promoting “R2” to revitalize building stock</li> <li>Initiatives to strengthen ICT and presentation technologies</li> <li>Creating a virtual space</li> <li>Development of digital tools</li> <li>Promoting use of BIM</li> <li>Participation in the creation of spatial value through the promotion of DX, etc.</li> </ul>
<p><b>Development of a responsible supply chain</b></p>	<p>We believe that through appropriate supply chain management, we can reduce business risks, strengthen the quality and safety capabilities on which value creation is founded and increase the sustainability of our overall business activities. We will respond to sustainability issues such as legal compliance, respect for human rights, and co-existence with the environment across the entire supply chain, and aim for the long-term growth of our business.</p>	<ul style="list-style-type: none"> <li>Establishment and dissemination of sustainable procurement policy and guidelines</li> <li>Health and Safety Committee meetings</li> <li>Initiatives to reduce industrial waste</li> <li>Education and awareness raising activities to enhance safety and improve quality</li> <li>Corporate cooperation</li> <li>Maintenance and repair initiatives</li> <li>Enhancing production base, Etc.</li> </ul>
<p><b>Enhancement of corporate governance</b></p>	<p>We believe that we can realize sustainable growth by establishing highly transparent organizational management and sound decision-making processes based on high ethical standards. We will also work to enhance appropriate risk management and internal control and build appropriate corporate governance systems for contributing to society through corporate activities, in our aim of sustainable growth of corporate value.</p>	<ul style="list-style-type: none"> <li>Communication with stakeholders</li> <li>Initiatives for business continuity plan (BCP)</li> <li>Compliance training</li> <li>Information security measures</li> <li>Initiatives for protecting intellectual property rights</li> <li>Anti-harassment measures</li> <li>Establishment of compliance hotline (Internal reporting hotline), etc.</li> </ul>



## Respect for humanity

MATERIALITY

### CHRO Message

## “We will spread new colors throughout society while valuing our spirit of facing people with empathy and thoughtfulness.”

Director **NOMURA Eiji**

Our Purpose of “Drawing the future from space, adding new colors to people and society” was born from our desire to “create value that allows people’s imaginations to grow through space.” “Adding color” encapsulates the very value that we provide as a company, and it is for that reason that we place great importance on a mindset of “independence, self-discipline, and self-motivation”, where each employee takes initiative to learn and act on their own.

This kind of mindset has been passed down as our corporate culture, giving us a reputation among our customers as “a company with strong teamwork” for many years. We are often told by customers how grateful they are that ‘Tanseisha handled everything through to the end,’ even in situations such as the final phases of large-scale construction projects or events that involved a repeated cycle of set-up and taking down in a matter of days, where we must deal with tight schedules. I believe that this because we have corporate culture where people naturally show a spirit of empathy and thoughtfulness toward others, regardless of their job or position.

On the other hand, our work also demands creativity, so the specialist expertise and independence of each individual are also crucial. The job of creating spaces involves many occasions when individuals must make their own decisions and act on their own initiative, which is precisely why we need to establish “mechanisms for extending the strengths of individuals.”

Our industry is often responsible for the post-construction phase at construction sites, which means working late at night and in intense burst with short deadlines. In the past, there was an attitude that, in such situations, it did not matter if people had to work long hours, as long as the desired results were ultimately achieved. Today, however, the health and wellbeing of our employees are our top priority, and I believe that it is essential that we change to a mindset of reducing working hours while also achieving results.

### Systems for nurturing individual strengths and work-style reform

#### 1 Aim to maximize delivered value by combining the strengths of individuals

One of the strategies set forth in the medium-term management plan formulated last year is “Develop work-style and human capital infrastructure.” Based on this strategy, we are working to build “mechanisms for extending the strengths of individuals.” To date, we have grown our business through the contributions of employees with diverse personalities demonstrating their respective skills and expertise. Looking ahead, I believe that

we will need to combine those skills, expertise, creativity, and values even further to deliver even more innovative value to our customers. To make that happen, it is important to first visualize the value that our employees possess. One measure we have taken to this end is the introduction of a talent management system (TMS). This TMS has enabled us to identify the skills, experience, and strengths of each employee and to build systems that allow the optimal allocation of personnel. Personnel data that had previously been scattered among different departments has been consolidated, allowing us to identify with a high degree of precision which employees will be able to demonstrate their capabilities on which projects. This will make it easier for us to venture flexibly into new domains, which is one of the policies of the medium-term management plan. In addition, by leveraging this TMS to accumulate “on-site evaluations” and “firsthand insights gained through OJT”, we aim to enable more precise talent matching when transferring personnel across departments and launching new businesses. We will proceed further with the visualization of skills and careers and continue to develop systems that will facilitate the design of learning opportunities for individual employees.

As one hint from the perspective of “developing individual strengths”, the human resources policy states that “opportunities for growth will be provided.” I believe that one example of this is the rapid growth of new employees assigned to branch offices. My view is that this is because they are able to deepen their understanding of other jobs in the small organizations that are unique to each branch and experience many different types of work.

When we work on projects, the design, production, and sales departments each fulfill their respective roles. At our branches, however, it is common to see experienced sales or design staff support the work of younger production team members, or vice versa. It is precisely this demonstration of the spirit of empathy and thoughtfulness, transcending job boundaries, that is contributing to the growth of our younger employees.

It is my belief that deepening and understanding the relationships between employees and experiencing a wide variety of jobs form the basis of our human resources development.

#### 2 Promote the reduction of long working hours through the realization of independent (self-disciplined) work styles and workload distribution

Because many of our construction projects involve intensive work in short timeframes, centering on creative work, we are promoting work-style reform that will balance “flexibility” and



“responsibility” to maximize the added value of each individual employee. Last fiscal year, we introduced a “super flextime system” that has no core working times. We also expanded our work-from-home scheme. In addition, we deregulated our dress code. There has been no major confusion on site, and my sense is that allowing employees to decide on their own hours and styles has given them a stronger sense of ownership of outcomes. Of course, we still face many difficulties in completely eradicating structural burdens such as nighttime work. Nevertheless, we are continuing with initiatives to reduce the risk of long working hours, including strengthening recruitment and promoting outsourcing. While appreciating the fact that such initiatives are reflected in our low turnover rate (approximately 3%), I also recognize that there are issues that require improvement. They include creating an environment in which our female employees can continue their careers without having to give them up, even after giving birth and while raising children.

Further, to advance the display industry from long-term perspectives, it is essential that we engage with both internal and external stakeholders to advocate for structural changes within the industry and address the normalization of long working hours. Just as the general construction industry has made progress in encouraging the taking of holidays, we will also need to engage with stakeholders to work on the reduction of nighttime work and the improvement of productivity. We are currently exploring solutions to these issues. I am confident that giving top priority to the health and wellbeing of our employees and establishing this kind of corporate culture will ultimately lead to the enhancement of our performance as a company. To take it one step further, in the era of sustainability, there is no doubt that the use of space that leverages existing buildings will increase their value. I believe that we need to make the effort to elevate the recognition of spatial designers and production staff

to at least the same, if not higher, status as architects enjoy in the construction industry.

### Penetration of Our Values and New “Colors”

For our own company to grow sustainably and, by extension, the industry as a whole to advance, we must continue to emphasize our five Values: “Facing people”, “Putting our hearts and souls into our work”, “Challenging beyond the present”, “Combining colorful personalities”, and “Enjoying our work.” To firmly instill Our Purpose, which we formulated in 2024, we held in-house workshops and provided opportunities for individuals to announce their own, individual purpose (“My Purpose”). This year, we also launched full-scale initiatives to link these five Values to personnel evaluations. We are working to build systems that encourage employees to act with an awareness of our five Values on the ground. One example is choosing those employees who best embody Our Values to receive the President’s Award.

Ultimately, having built our reputation over the years on our team-based strengths, as we seek to enhance the strengths of individuals, we will work to make health and productivity management and flexible work styles the norm. In doing so, we hope to achieve the medium-term management plan and realize our Vision 2046 beyond that. Going forward, safeguarding the systems that allow all our employees to work for many years with peace of mind, we will continue to invest in our people and reform our work styles. By deeply instilling a corporate culture in which everyone works with independence, self-discipline, and self-motivation, helping each other when needed, we hope to spread throughout society new “colors” that transcend the boundaries of space creation.



## Respect for humanity

MATERIALITY

Basic approach (medium- to long-term vision)

## Creating spaces that enrich “people’s hearts”

Viewing “spatial design” as the “creation of experiences and opportunities”, Tanseisha aims to bring new experiences and value to people’s lives. In all our spaces, we cherish the notion of allowing every single “person’s” imagination to grow, looking even beyond our customers to the “people” and “society” that they serve. This approach is also related to our materiality issue of “Respect People” and connects to our definition of enriching “people’s hearts” and creating even more inspiration with spaces that connect people through spatial design.

To realize this kind of spatial design, Tanseisha views its employees as “a group of talented individuals that abounds in color”, and we place importance on inspiring each individual. In addition to encouraging our employees’ growth, we are conducting initiatives for the improvement of engagement and proactive career development.

By enhancing our efforts toward our employees, we will be able to create better spaces that respect people, increasing our contribution to our customers and society at large.

## Respect for people in spatial design

## Promoting universal design

Based on its sustainable design guidelines, Tanseisha promotes the creation of universal design spaces that are comfortable and accessible to diverse user groups. In addition to universal design of both a hard (tangible) and soft (intangible) nature, we are striving to practice “universal design of the heart.”

We have formed a business partnership with Mirairo Inc., a specialist in universal design consulting, to produce facilities that incorporate universal design. We have also developed a multilingual app capable of providing information translated into various languages in text and audio formats, even in non-network environments, and are working to introduce it into facilities.

We are continuously gathering information about universal design and posting it on our intranet. This is just one of the initiatives we are pursuing to foster awareness and share information within the company.

## Efforts to create spaces with enhanced safety and quality features

We are working as an entire organization to achieve better spatial design, to realize safe, secure spaces that are comfortable and accessible to all. In addition to conducting a technical education program as part of our new employee education, we offer junior employees construction advice and on-site guidance opportunities in practical operations. Further, for production staff, designers and planners, we create opportunities and conduct seminars related to their respective specializations.

We conduct “construction technology study meetings” prior to starting work to ensure that construction progresses smoothly. We also share technical knowledge and information about safety and quality through the monthly “Safety and Health Committee meetings”, the intranet, and other means. Another initiative is the learning opportunities that we offer to our technical partners and suppliers in our efforts to enhance safety and quality technology across the entire supply chain.

## Initiatives for human capital management

## Human resources strategies in the Medium-Term Management Plan

“Develop work-style and human capital infrastructure” is one of the strategies set forth in the medium-term management plan. Our concrete measures for achieving this strategy are the “correction of long working hours” and “investment in people.” For the correction of long working hours, in addition to active recruitment efforts, we are aiming to review and rebuild the operational processes of current job types to improve the efficiency of promoting operations. We are also working on a review of our personnel evaluation systems and the visualization of our talent and their skills, as well as the development of systems for appropriate investment in our people.

## Improvement of employee engagement

We are holding workshops for all employees to increase understanding of and empathy with the Tanseisha Group’s newly formulated “Group Philosophy” and “Vision 2046.” These workshops are presented as an opportunity for employees to look squarely at the company’s and their own, individual purposes, think about the connection between their day-to-day operations and the Values, and encourage self-realization, as well as deepen mutual understanding among employees. The findings of our ongoing employee awareness survey are fed back in the workshops for managers and linked to activities to improve the company-wide environment and the environments in individual divisions.

## Promoting work-life balance

We offer a remote work system, flextime system, and options with shorter working hours that are not dependent on childcare or nursing care needs, in our aim to improve the productivity and wellbeing of our employees. In addition, with the introduction of sick leave and fertility treatment leave, we offer employees the option to choose from a variety of work-styles. In these ways, we are promoting work-style reforms and the creation of workplaces in which employees with skills and ambition can balance work with their family and personal life.

We have enhanced structures to increase the rate of employees taking childcare leave and encourage employees to take annual paid leave. Other initiatives include partnering with corporate-led nursery schools. Further, we support diverse work-styles through a variety of initiatives. These include conducting surveys of employees who have taken childcare leave, help desks that extend advice on childcare and nursing care issues, and seminars on caring for older people.

## DE&amp;I

We conduct diversity training programs for executives and employees to deepen their understanding of DE&I. We are also developing an employment environment conducive to women’s active participation in the workplace, the promotion of the senior generation’s participation, and the development of workplace environments that are more accessible for employees with disabilities.



Diversity communication

## Tanseisha personnel data

(Scope of calculation: TANSEISHA Co., Ltd. only)

<b>Percentage of female managers</b> (as of January 31, 2025) <small>*Section manager and above, excluding Director</small>	<b>9.4%</b>
<b>Average overtime work (monthly average) (fiscal 2024)</b>	<b>22.1 hours</b>
<b>Annual paid leave taken (average)</b> <small>(Taken from January 1 through December 31, 2024)</small>	<b>62.4%</b>
<b>Percentage of employees with disabilities</b> (as of June 1, 2024) <small>*As defined in the “Report on the Status of Employment of Persons with Disabilities” submitted to Hello Work</small>	<b>2.3%</b>
<b>Percentage of experienced hires</b> (fiscal 2024)	<b>69.1%</b>

## Employee’s career development

We provide education and training programs to ensure that our people acquire the required rank-specific and job-specific skills, from new employee induction education to training aimed at junior employees, mid-ranking employees, and manager-level employees. We also conduct career interviews with employees to support their growth as managers and professionals. Additionally, our in-house qualified career consultants meet regularly with junior employees as an opportunity for career development. By adding more in-house avenues for consultation outside the scope of normal operations, we are working to improve the retention rates of junior employees.

Further, we maintain a qualification support program for the development of human resources with highly specialized skills and support self-directed learning by individual employees.

## Themes of sustainable design initiatives

## Tanseisha Respects People

- 1 We offer spaces for “imaginations to grow” by deepening our understanding of diverse users.
- 2 We consider approaches to ensure that spaces can be safely and easily experienced by all users.
- 3 We strive to maximize people’s wellbeing through spatial design.

## Examples

## Hankyu Grand Building 24 Blood Donation Room



A large blood donation room is located on the upper floors of the Hankyu Grand Building, offering a panoramic view of Umeda, the center of Osaka. To ensure that people in wheelchairs can pass safely, the corridors were planned at a wider width than established in the blood donation guidelines, and design elements were implemented to soften the tension of the blood donation experience, with a concept of “Villa in the Sky.” The aim was to create a facility in which both blood donors and the operators can spend time in comfort.

<b>Project owner</b>	Japanese Red Cross Society Kinki Block Blood Center
<b>Scope of work</b>	Facility Concept Planning, Design, Layout, Production, Construction, Video Production, Project Management
<b>Photographer</b>	Yagi Noriyuki (Yagi Studio co.)

## Coexistence with the environment

MATERIALITY

### Basic approach (medium- to long-term vision)

#### Environmentally considerate space creation

The Tanseisha Group has established a five-pronged environmental policy that calls for the reduction of greenhouse gas emissions, environmentally conscious design, reduction of industrial waste, consideration for facility users, and compliance. To co-exist with the environment, we are focused on the continuous transformation of awareness and behavior.

For the implementation of “sustainable design”, our design methods for the realization of a sustainable society, we reviewed our Environmentally Conscious Design Guidelines and formulated

“Sustainable Design Guidelines” in May 2025. Three materiality issues have been selected as being directly connected to design. They are “Respect people”, “Co-exist with the environment”, and “Contribute to regional and social development.” In terms of “Co-exist with the environment”, we have set forth the reduction of CO<sub>2</sub> emissions, consideration for the regional environment, and circular design as the main themes of our efforts. Working with internal and external stakeholders, we will proceed with efforts toward sustainable design and construction.

### Circular design initiatives

#### Development of sustainable products and use of sustainable materials

For the sustainable use of resources, we were involved in the development of the noncombustible wall panel (decorative calcium silicate board) “R-Nihs”, which is environmentally considerate on both material and construction fronts. Planned and proposed by Tanseisha, R-Nihs was the result of cooperation with the manufacturing company that worked on its development, intermediate processing facilities, and resource recycling facilities. The establishment of a process that enables 100% material recycling has been well received, and it has been adopted by major restaurant chains.

The “4earth” e-commerce site for discontinued construction and decorative materials opened for business in 2021. Since then, 38 manufacturers have joined (as of March 2025) and the number of products available on the site has expanded. In addition to e-commerce sales to general users, by actively encouraging our clients to make use of these discontinued products, we are contributing to the reduction of resources consumed in space creation and CO<sub>2</sub> emitted in manufacturing.

#### Upcycling and recycling of waste products

To contribute to the realization of a circular economy, work clothes that have been rendered unusable for various reasons, such as damage, soiling, or no longer fitting the wearer, are collected in-house and upcycled into the environmentally considerate building material, PANECO®. PANECO® is used in our own company booths at events and in Tanseisha Group offices. The fact that work clothes that they had previously worn themselves have been recycled and turned into environmentally considerate building materials in a familiar, visible form helps to foster awareness about sustainability among our employees.

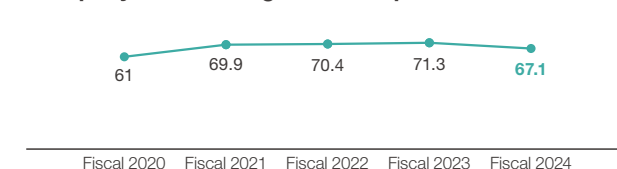


### Environmental initiatives in spatial creation

#### Initiatives to reduce industrial waste

We establish initiatives to implement based on environmental laws and regulations and follow industrial waste management plans drawn up for each construction project. Specifically, we actively work to control the output of industrial waste through such measures as the adoption of factory-produced components (precut method), adherence to the 3Rs, reduction of surplus materials and packaging, adoption of economical sizes and reduction of mixed waste. Once construction is complete, we record the details of the various measures taken, their effectiveness, the type and amount of waste generated, and the status of compliance with laws and regulations. Insights thus acquired are reflected in subsequent construction plans to better manage and continuously improve efforts to reduce industrial waste. In addition, the “Safety and Health Committee”, which is chaired by the director responsible for health and safety management, meets once a month to confirm the status of waste separation rates and provide guidance.

#### Company-wide average waste separation rates (%)



### Environmental initiatives in business promotion

#### Initiatives to achieve reduction targets and evaluation of progress

Tanseisha has set non-financial targets related to climate change in the medium-term management plan. We are working toward a goal of reducing Scope 1 and 2 greenhouse gas emissions by 40% compared with the level recorded in fiscal 2021 (February 2021 through January 2022; limited to the scope of the calculation for fiscal 2021). Also, from fiscal 2023, we have expanded the scope of calculation of CO<sub>2</sub> emissions to include the entire Tanseisha Group. Going forward, for the reduction of Group-wide CO<sub>2</sub> emissions, we will work on reducing emissions in our business activities, including a switch to renewable energy and the use of Non-Fossil Certificates for office electricity.

#### Environmental activities at our office

Measures adopted to limit electricity consumption include keeping blinds permanently closed during the summer months to improve air conditioner efficiency, reducing the use of lights after work hours by turning off all office lights at a certain time except in necessary areas, centralizing our servers at highly power-efficient data centers, and setting office equipment to energy-saving mode. In addition, the head office and some of our branches use electricity generated from renewable energy sources that have been adopted by the buildings these offices occupy.

#### Use of environmentally friendly materials

With the aim of circulation of resources and the economy, we are proceeding with “a shift to wooden materials” for non-structural interior elements, such as ceilings, floors, walls, and window frames. For this purpose, we use unutilized wood materials such as unwanted trees and cuttings generated during forest maintenance.

Further, in addition to the use of timber from forests that have been appropriately managed for the protection of biodiversity, respect for the rights of workers, and the sustainable use of forests, as well as the use of recycled materials, we conduct initiatives that will contribute to local communities, in our aims of the revitalization of the forestry and timber industries, contribution to the realization of a carbon-free society, and enhancing the comfort of spaces.

#### Measures to prevent health problems from sick building syndrome

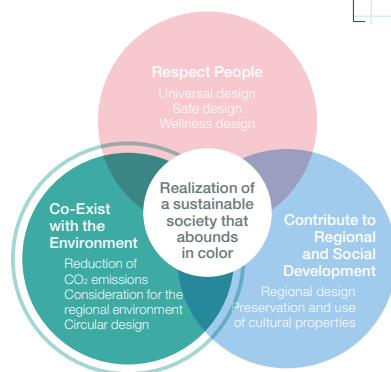
As a measure against sick building syndrome, upon the formulation of construction plans by the construction review committees, we encourage cooperation among departments in selecting certified materials and monitoring the use of certified materials at construction sites through an on-site management photo registry.

#### Initiatives to achieve CO<sub>2</sub> emissions reduction targets and evaluation of progress

	Fiscal 2021	Fiscal 2022	Fiscal 2023 (Reference)	Fiscal 2024 (Reference)
<b>Scope 1 and 2</b>	367	292	311 (2,645)	326 (2,591)
<b>Scope 3</b>	256,896	258,279	318,039 (320,798)	337,947 (342,584)
<b>Total</b>	257,263	258,571	318,350 (323,443)	338,274 (345,174)
<b>Scope 1 and 2 reduction rates</b>	-	20%	15%	11%

\*The calculation periods are February 2021 through January 2022 for fiscal 2021, February 2022 through January 2023 for fiscal 2022, February 2023 through January 2024 for fiscal 2023, and February 2024 through January 2025 for fiscal 2024.  
 \*This table covers the display business of Tanseisha Co., Ltd. only and does not include facility management or other businesses in the calculation.  
 \*The reference data for fiscal 2023 and fiscal 2024 is based on a broader range of calculation criteria, effective from that fiscal year. Scope 1 and 2 apply to Tanseisha Co., Ltd., as well as its consolidated subsidiaries in Japan, while Scope 3 is limited to all business operations (including facility management and other businesses) of Tanseisha only.  
 \*Scope 2 emissions are calculated using market standards.  
 \*Data for fiscal 2023 differs from figures stated in the securities report for fiscal 2024 due to change of calculation policy, updating of emission factors and reviewing emission intensity, etc.

#### Themes of sustainable design initiatives



#### Tanseisha aims to co-exist with the environment

- 1 For the realization of a carbon-free society, we will strive to understand and practice design methods that are conscious of reducing CO<sub>2</sub> emissions across the entire lifecycle of our spaces.
- 2 We will be considerate of the environment for the preservation of biodiversity (co-existing with nature).
- 3 For the realization of a circular society, we will consider concrete methods for the effective use of finite resources.

#### Examples NESCAFÉ Harajuku



This is a space that, as well as serving delicious coffee crafted with attention to flavor and aroma, allows visitors to experience NESCAFÉ's new “Make your world” concept, which conveys that they can help make the world a better place for themselves and others by choosing coffee that considers the environment and coffee producers. In a design modeled after the green surrounds of a coffee plantation, a giant, symbolic tree made of recyclable cardboard and countertops made from recycled NESCAFÉ packaging create a visually pleasing, photogenic atmosphere with added touches that allow visitors to engage with sustainability in a natural way.

**Project owner** Nestlé Japan Ltd.

**Scope of work** Design, Layout, Production, Construction, Project Management

**Photographer** Tsukiji D&R



## Coexistence with the environment

MATERIALITY

Based on the TCFD-recommended disclosure framework, we disclose information in line with the four disclosure items of “governance”, “risk management”, “strategies”, and “metrics and targets.”

## Governance

Tanseisha implements sustainability initiatives in line with the Tanseisha Group Sustainability Policy.

To respond to sustainability-related issues, including climate change, we have established “a Sustainability Committee” chaired by the President and Chief Executive Officer, which formulates key sustainability-related matters, monitors the status of initiatives, and promotes responses to issues. The content and status of the committee's deliberations are reported regularly to the Board of Directors, and key policies are first considered by the committee before being presented to the Board for deliberation and resolution.

We have also established a subcommittee under the committee for the issues dedicated to “climate change response”, which promotes concrete measures.

## Strategies

Viewing rising temperatures resulting from climate change and the resulting social changes and disaster risks as key issues, we are actively responding to these risks. As part of these efforts, we conducted scenario analyses to identify the short-term, medium-term, and long-term “risks” and “opportunities” related to climate change. Specifically, we analyzed the 1.5°C and 4°C scenarios. This approach is based on the international goal of limiting the global average temperature rise to within 1.5°C above pre-industrial levels, as indicated in the Sixth Assessment Report of the IPCC and COP.

Also, referring to the future projection reports published by the government and international organizations, we considered the transition risks and physical risks accompanying climate change, and the opportunities that will arise when responding to the mitigation of and adaptation to climate change.

## Risks and opportunities

Category	Risks
<b>Policy &amp; Legal</b>	Emergence of new regulations and social obligations
<b>Markets</b>	Shifts in social trends and business needs toward low-carbon society
	Soaring prices for procurement of external resources, rising costs
<b>Reputation</b>	Decline in reputation and trust due to insufficient efforts to reduce environmental impact, e.g. curbing greenhouse gas emissions, energy conservation
<b>Acute Physical</b>	Increasing severity of floods and storms, extreme weather events
<b>Chronic Physical</b>	Decline in resources due to normalization of temperature rises
	Deterioration of working conditions due to normalization of temperature rises

## Risk management

We regularly identify, evaluate and analyze the circumstances and take measures against climate-related events that could significantly affect our operating results or financial position or that could impede the smooth operation and growth of our business.

The Risk Compliance Committee (chair: President and Chief Executive Officer), which oversees and promotes company-wide risk management activities, identifies business risks, including climate change risks, based on the “Regulations on Management of Risk of Loss”, and evaluates the likelihood and degree of impact of such an event. From among the identified risks, the Committee clarifies those that management should specifically keep in mind and measures to implement against them, and monitors the implementation status of those measures. We have adopted a structure whereby any important choices, decisions, etc., made in identifying risks, assessing them and determining the countermeasures stated above are reported to the Board of Directors and linked to management judgment and decision-making.

## Metrics and targets

Tanseisha has set non-financial targets related to climate change in the medium-term management plan. Specifically, we have adopted a target of reducing Scope 1 and 2 greenhouse gas emissions by 40% compared with the level recorded in fiscal 2021 (February 2021 through January 2022.) As reference, Scope 1 and 2 greenhouse gas emissions in fiscal 2021 totaled 367 t-CO<sub>2</sub>.

Category	Opportunities
<b>Resource Efficiency</b>	Improved efficiency of materials transportation (including use of locally produced materials, etc.)
<b>Products and Services</b>	Changes and expansion of facility demand due to promotion of sustainability responses
	Use/development of materials, products, and services with low carbon emission
<b>Markets</b>	Entry into new markets
<b>Resilience</b>	Creation of new businesses that apply resources from the spatial design business



Details are presented on our website.  
<https://www.tanseisha.co.jp/en/sustainability/tcfd>

## Contribution to regional and social development

MATERIALITY

Basic approach (medium- to long-term vision)

## Space creation that contributes to local communities and society, role in regional and social development

Our spaces fulfill a role in creating, communicating and preserving the diverse and rich cultures of local communities and society at large by encouraging proactive interactions between people and revitalizing industry and the economy. For this reason, we believe that, in the creation of spaces, it is important to advance the economy and culture of local communities and build a sustainable society together with those communities, centered on reflecting local characteristics in those spaces, encouraging the participation of the local community, and revitalizing public

spaces. After gaining a good understanding of the region's characteristics, history, resources, and issues, we work not only to revitalize the region and create space-driven solutions to regional issues, but also to make effective use of local resources.

Leveraging the capabilities in research, planning, and implementation developed through community-based spatial design all over Japan, as well as the know-how of the Tanseisha Group, we continue to generate business opportunities and local vitality alongside the local communities.

## Contributions to society

We send employees to many lecture events, universities, vocational schools and other educational sites to give talks mainly on spatial design and display design as part of our contribution to the promotion of industry, culture and academia.

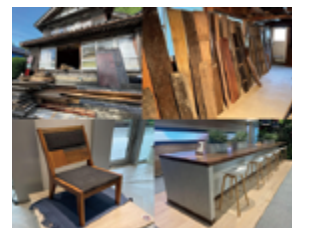
Also, through seminars and articles prepared with our in-house resources and know-how, we aim to make society better through design, including universal design and the improvement of hospitality. We also contribute to society by actively participating in events held in the Konan area of Shinagawa where our head office is located.



## Contributions to community development

Tanseisha has been involved since the planning stages in the “Noto Used Materials Rescue Project”, which is working to rescue and re-use materials and tools that have been discarded from buildings dismantled due to damage from the Noto Peninsula Earthquake of 2024. Tanseisha supports this project as its secretariat.

To enable the re-use in interiors of materials from old, traditional Japanese homes, such as pillars, beams, flooring, lintels, and other building materials, we cleaned and stored them, selling them as interior materials and furniture within and outside the region. In this way, these used materials are being deployed as low environmental-impact materials, as well as passing on the region's memories to future generations. We are also engaged in the production and sale of furniture and small items, the proceeds of which are reinvested into regional development.



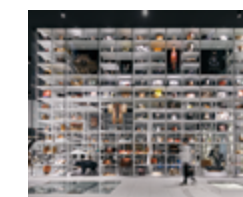
## Themes of sustainable design initiatives



## Tanseisha aims to co-exist with the environment

- 1 After gaining a good understanding of the region's characteristics, history, resources, and issues, we work to contribute to regional revitalization, resolve regional issues, and make effective use of local resources.
- 2 We consider the specifics of the preservation and use of cultural properties, which are the treasures of local communities, to pass them onto future generations.

## Examples Toyota City Museum



**Project owner** Toyota City

**Scope of work** Display Planning, Design, Layout, Production, Construction, Video Production

**Photographer** PIPS

The concept of this space is “a museum that is continuously created by everyone.” The aim is for a diverse range of people, mainly local residents, to gather, interact, and “inherit the history of the region, explore its charm, and create the future with the people of Toyota City” through various activities. We considered the most fitting methods of display to introduce Toyota City's history, culture, industry, and nature, and the lives of its people, and with the theme of presenting a vision for an open museum where residents can be actively involved, creating a system whereby residents could participate in the project from the planning and design stages through workshops. This included projects that use local resources.

## Promotion of innovation

### MATERIALITY

### Basic approach (medium- to long-term vision)

#### Focus domains

Tanseisha is actively embracing the challenge of new initiatives through various kinds of research and demonstration testing, honing its expertise and creativity in spatial design to lead to the creation of unprecedented value. We are also working to expand the possibilities of spaces for the creation of new experience value by promoting innovation through co-creation with companies in different areas and domains.

In our medium-term management plan, we have declared “Expanding into new domains” as one of our strategies, and we aim to build the framework for the development and nurturing of new businesses that will leverage the resources of our spatial design business that we have cultivated to date.

### Specific initiatives

#### Develop and promote new businesses

Centered on the Business Development Center, we are working on the development and promotion of new businesses that will solve social issues, with the aim of expanding new growth domains for Tanseisha and the creation of businesses that will be the pillar of the next generation. In 2019, we launched “B-OWND”, an online market for craftworks as art, and in 2022, we began offering “THE TOKYO PASS-Culture”, a service that makes cultural tourism in Tokyo a more enriching experience. Additionally, in “R2”, our initiative for breathing new life into old, small and medium-sized buildings in the Tokyo urban core, we renovate aging buildings and turn them into sustainable offices with the same or better functionality as those in new-build structures.

#### Initiatives for digital applications


We are combining our technologies and know-how in spatial design with the latest technologies in initiatives for the provision of “inspiring experiences.” We are engaged in services that leverage our experience and knowledge in spatial design, including the creation of new venues that incorporate characteristics of the real world as well as those from the virtual world, such as digital twins\*, the development and commercialization of our own original digital signage system, and the development of AI-driven knowledge management tools. We have adopted BIM for our design, layout, production, and construction operations since 2016, and we have been working toward the creation of new-generation proposals and value.

#### Promote corporate partnerships, alliances and research


To accelerate innovation in spatial design and create new value, we collaborate with companies in different areas, universities, research institutes, and other organizations to conduct various experiments and demonstrations, as a way of putting the latest technologies and academic insights to use in spatial design. We also host the “Tanseisha Space Awards” in the field of co-creation, where spatial design professionals who add new colors to communities are able to meet and consider together the potential of spatial design and the future vision of spaces. These awards are part of our open innovation efforts, and Tanseisha clients participate in them as judges.

#### Initiative goals

In addition to actively incorporating new technologies and value that will increase the added value of our spaces and constantly honing our problem-solving capabilities, we are working to create new business models by going beyond conventional boundaries and expanding into new domains to address the complex challenges of the market and our customers. We are pursuing collaboration with a diverse range of businesses and reflecting that collaboration into spatial design, to offer spatial solutions that allow “imaginations to grow.” In addition, by promoting innovation, as well as developing our business without borders, transcending all manner of boundaries—between Japan and other countries, between the physical and the virtual, we will build co-creative relationships with our clients and partners to offer new experience value to our customers.

Examples	Contribution through B-OWND
	Since the service was launched, B-OWND has been well received for its contribution to the nurturing of the creators of Japanese culture and the promotion of cultural development in combination with blockchain, NFTs and related technologies, and was given the “Contribution Award” at the “2024 Digital Archive Industry Awards” (organizer: Digital Archive Promotion Consortium).

Examples	“Ultra Culture Festival” event for the announcement of outcomes in space X technology research
	This is a self-initiated, practical project held every year. Led primarily by our junior employees at the CMI center, its aims are “experiments and demonstrations to digitally transform spaces”, “accelerated promotion and exploration of alliances”, and “fostering and strengthening in-house talent” through independent thinking and hands-on involvement.

Examples	Joint efforts with Mitsui Chemicals
	“posica™ kukkiri™ film”, a window film product jointly developed with Mitsui Chemicals, received the “Mirai no Tane (Seeds of the Future) Award”, which recognizes products that contribute to the creation of outstanding architecture or serve as a stepping stone toward the future. We will continue to promote sensibility-focused joint developments with the aim of offering more enriching spatial experiences.

\*1 Information collected from physical spaces is digitalized and recreated in virtual (digital) spaces.

## Development of a responsible supply chain

### MATERIALITY

### Basic approach (medium- to long-term vision)

#### Enhancing production base

“Establish production system” is one of the management targets of the medium-term management plan. By strengthening our systems for collaboration with partner companies, we are working to secure production capacity to support medium- to long-term growth, as well as responding to our industry’s common issues such as work-style reform, the use of BIM, and sustainability. With the aim of achieving the medium-term management plan and increasing our production capacity for future growth beyond that, through our partnership system and other approaches, we will reinforce our network based on strong bonds of trust with our suppliers that support space creation, and work to enhance our production base for the achievement of sustainable business growth.



#### Formulation of sustainable procurement policy

In February 2025, we established the “Tanseisha Group Sustainable Procurement Policy” and the “Tanseisha Group Sustainable Procurement Guidelines.” The “Sustainable Procurement Policy” describes the fundamental approach that the Tanseisha Group should adopt for sustainable procurement, while the “Sustainable Procurement Guidelines” encourage the Group and its suppliers to implement initiatives that are aligned with the Policy. We also ask our suppliers to encourage their associates to implement initiatives based on our Policy and Guidelines. By striving for their understanding and penetration, we aim for the realization of sustainable procurement across our entire supply chain.

### Specific initiatives

#### Safety, quality and environmental efforts

Safe construction, high quality and environmental considerations are fundamental to all of our practices. We have established various policies and priorities and are promoting a variety of efforts with Tanseisha Group companies and suppliers. We are conducting education and awareness-raising activities for the enhancement of safety and improvement of quality, in addition to our efforts to reduce the volume of waste disposed of and improve the rate of waste separation for the reduction of industrial waste emissions. We run the “Seiwakai Safety and Health Cooperation Group (Seiwakai)”, which comprises Tanseisha and our suppliers, who are our valued partners on the ground in space creation projects and that do business with Tanseisha in construction. This group engages in activities related to safety and health and quality improvement.

Examples	Safety conventions and production seminars (education and awareness raising activities)
Once a year, we hold the “Tanseisha Safety Convention” with participation by Group companies and suppliers. The convention features special lectures by in-house and outside speakers as well as presentations by employees on their safety management experiences. With this initiative, we are improving safety awareness at work sites together with our suppliers.	 

#### Corporate cooperation

Our suppliers assist us in over 6,000 spatial design projects a year across diverse fields, including high-profile facilities. They also work hard to further advance their technological capabilities through Tanseisha’s provision of education opportunities and information to support the acquisition of qualifications. We are cooperating with them in a wide range of areas, including confirming our suppliers’ situation regarding insurance coverage, education and guidance efforts for the promotion of BIM data collaboration, and enrollment in non-statutory workers’ compensation insurance that extends coverage to suppliers. In the “Seiwakai Safety and Health Cooperation Group (Seiwakai)”, which comprises Tanseisha and suppliers with which we do business in construction projects, we engage in activities related to safety and health and quality improvement.

#### Support partnership building

Tanseisha supports the spirit of the “Partnership Building Declaration”, put forward by the Cabinet Office, Small and Medium Enterprise Agency, and several other bodies, and with that declaration has affirmed that we seek co-existence and prosperity in our entire supply chain and increased mutual added value through new alliances. The declaration emphasizes our priority commitments to co-existence and prosperity across the entire supply chain, new collaborations that transcend company size and affiliation, and compliance with the “Promotion Standards.” It also declares that we will enhance our partnerships for mutual advancement and that our entire supply chain will contribute to society at large.



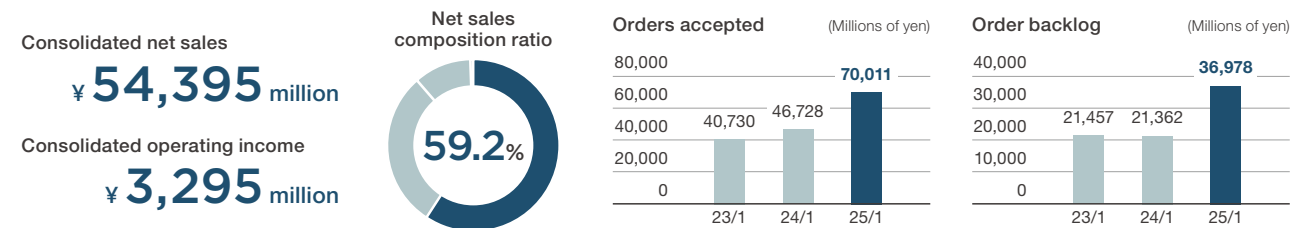
## Commercial and Other Facility Business

### Business Description

Interior design (design and construction) of all commercial facilities (excluding those related to the chain store business)

### Main facilities

Department stores, large shopping centers, various kinds of specialty stores, restaurants, event and sales promotion facilities, amusement facilities, offices, hotels, other public facilities, etc.



### Strengths

- **Solution capability that combine space with various media and techniques**
- **Creation of communication media that engage the five senses**

### Market conditions

Driven by the recovery of inbound tourism demand, investment in entertainment facilities, such as hotels and theme parks, remains brisk, and investment in IP content-related facilities is strong. The number of office relocation projects and renovation projects is also on the rise. In addition, there has been a notable recovery in demand related to exhibitions and events, with the completion and handover of projects related to Expo 2025 Osaka, Kansai now underway.

### Key measures of the medium-term management plan

Viewing the entertainment sector as a growing market, we enhance our business in this sector through various challenges. We also continue to capture growing demand resulting from the increase in inbound tourists such as hotels, and accelerate customer development in the office sector to expand the scale of our business.

### Business performance in fiscal 2024

Segment sales and income exceeded the previous fiscal year, as the recovery in demand fueled an increase in new renovation projects, including hotels, showrooms, and offices, as well as projects related to Expo 2025 Osaka, Kansai. As a result, segment sales reached ¥54,395 million (up 16.2% year on year), while segment income was ¥3,295 million (up 40.7% year on year).

### Initiatives going forward

Going forward, we expect demand to increase in other areas beyond the Tokyo metropolitan area, especially in the Kansai area. This will include redevelopment projects in the Tokyo metropolitan area and other cities, as well as integrated resort (IR) plans.

In addition, various office space plans with work-style reform in mind as well as investment plans for entertainment facilities are beginning to move forward, and expectations are high that these activities will fuel demand. We will continue our efforts to capitalize on heightened interest in innovative spatial creation across various sectors to capture orders and increase market share.

For fiscal 2025, we are projecting segment sales of ¥69.0 billion and segment income of ¥6.2 billion in the Commercial and Other Facility business.

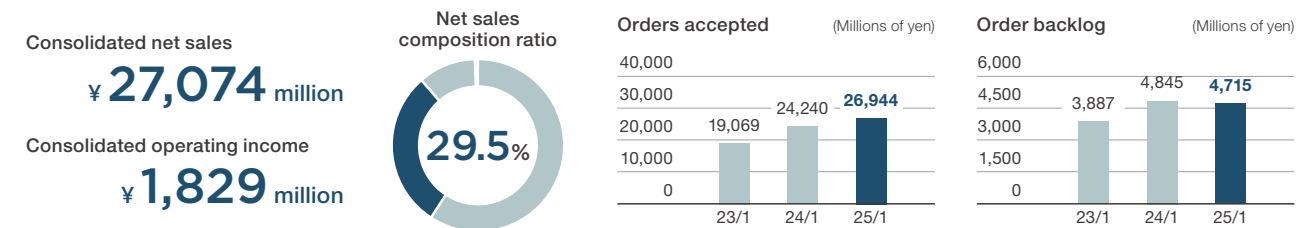
## Chain Store Business

### Business Description

Interior design (design and construction) of chain store facilities

### Main facilities

Chain-type restaurants, apparel stores, convenience stores, etc.



### Strengths

- **Planning capability tailored to business needs and creation of highly creative spatial design**
- **Competitive advantage as a pioneer in the industry, having launched our business ahead of our competitors**

### Market conditions

Store openings and capital investments are on the rise, with investment particularly accelerating in the restaurant sector, where demand is becoming increasingly robust. Demand for maintenance services is also expanding.

### Key measures of the medium-term management plan

We aim to expand market share of existing customers and develop new customers, and strengthen relationships with existing customers and improve productivity to expand market share in western Japan. In the maintenance sector, where demand is expected to increase, we target growth connecting it to orders for new renovation projects.

### Business performance in fiscal 2024

Segment sales and income rose year on year, primarily due to an increase in new renovation projects, especially in the restaurant sector and other specialty store sector, thanks to a recovery in demand. Consequently, segment sales were ¥27,074 million (up 16.3% year on year), and segment income was ¥1,829 million (up 62.4% year on year).

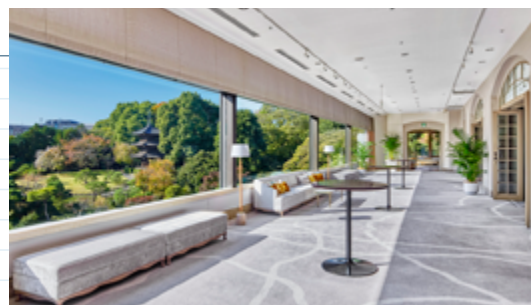
### Initiatives going forward

In the restaurant sector, although willingness in capital investment varied by business type, overall capital investment is charting upward. Investment is also on the rise at large groceries, daily goods, sports and outdoor goods stores. The maintenance sector is seeing growth in demand for maintenance and facility support in the digital domain.

We will continuously work to expand our share of existing customers and develop new customers. In addition, we will work to expand the maintenance sector, where demand is expected to increase, and develop new customers.

For fiscal 2025, we are projecting segment sales of ¥21.5 billion and segment income of ¥1.0 billion in the Chain Store Business.

### Project Achievements



**Hotel Chinzanso Tokyo**

**OPEN: October 2024**

Project owner	FUJITA KANKO INC.
Scope of work	Design, Layout, Production, Construction
Photographer	PIPS



**Keio Plaza Hotel SKY PLAZA IBASHO**

**OPEN: March 2024**

Project owner	Keio Corporation, KEIO PLAZA HOTEL CO.,LTD.
Scope of work	Design, Layout, Production, Construction: TANSEISHA Co., Ltd. / Primary contractor: KAJIMA CORPORATION / Construction, Facilities-related Design: KAJIMA DESIGN
Photographer	Kenichi Suzuki

### Project Achievements



**Kayanoya Atre Kichijoji**

**OPEN: October 2024**

Project owner	KUBARAHONKE CO.,LTD.
Scope of work	Design, Layout, Production, Construction
Photographer	Yoshiaki Ida



**Jiichiro Eato Lumine Shinjuku Store**

**OPEN: April 2024**

Project owner	Yatara Co., Ltd.
Scope of work	Design, Layout, Production, Construction
Photographer	PIPS

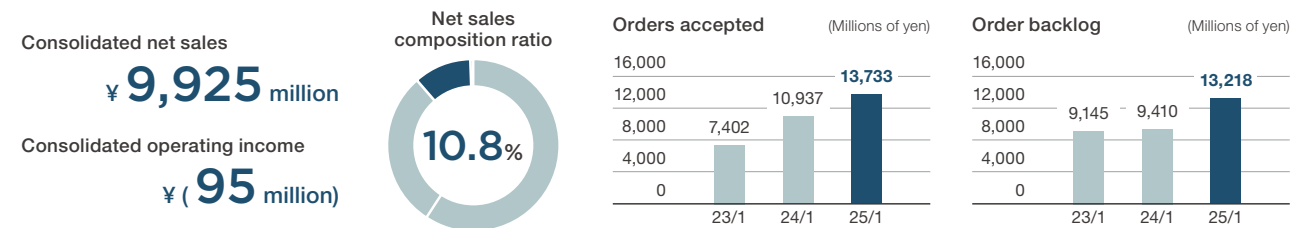
## Cultural Facility Business

### Business Description

Interior design (design and construction) of museums, art galleries, corporate museums, etc.

### Main facilities

Museums, art galleries, corporate museums, etc.



### Strengths

- Full support from protection of cultural assets to improvement of cultural resource value including planning, design, construction and operation
- Hold top-level market share in the industry, backed by a specialized think tank and accumulation of expertise on exhibition and storage

### Market conditions

Demand in the renovation sector remains firm, and plans for national facilities are also brisk. Furthermore, there is a growing trend toward the adoption of public-private partnerships (PPPs) and private-finance initiatives (PFIs) as methods of development.

### Key measures of the medium-term management plan

We target increase in orders with a focus on projects relating to regional development and public-private partnerships. By utilizing the exhibition experience we have cultivated over many years, we also capture growing demand primarily in renewal projects.

### Business performance in fiscal 2024

Net sales were generally in line with the plan, but profit was lower than the previous fiscal year as the improvement of profitability fell short of expectations. As a result, segment sales were ¥9,925 million (down 7.0% year on year), and segment loss was ¥95 million (against segment income of ¥293 million in the previous fiscal year).

### Initiatives going forward

We see continued growth in the demand for the design and construction of exhibition spaces to achieve regional development and revitalization. Although the operational productions that we handle are limited, we have an increasing number of active initiatives for public-private partnership projects.

Considering this situation, we intend to expand orders with a focus on projects relating to regional development and public-private partnerships. In addition, we will leverage the exhibition expertise we have accumulated over the years to ensure the stable growth of our cultural exhibition business.

For fiscal 2025, we are projecting segment sales of ¥9.0 billion and segment income of ¥0.1 billion in the Cultural Facility Business.

## Achievements at “Expo 2025 Osaka, Kansai”

Expo 2025 Osaka, Kansai (Expo 2025) opened.

Our achievements in building multiple pavilions at the 1970 World Expo (Osaka) provided a tremendous boost to our business, and we have since been involved in building many pavilions at other subsequent expos.

We also worked on around ten pavilions, both Japanese and overseas ones, at Expo 2025, as well as on merchandise outlets and food and beverage facilities.

**A** Japan Pavilion **B** Gas Pavilion Obake Wonderland **C** SUSHIRO To The Future: Expo Edition



Images courtesy of: Ministry of Economy, Trade and Industry

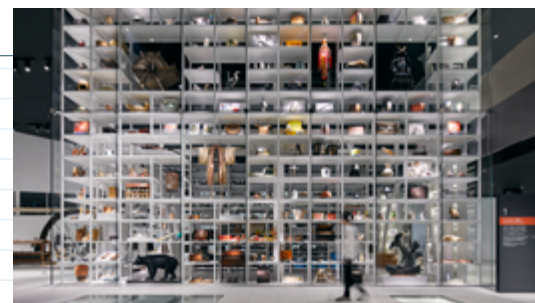
<b>A</b>	Project owner	Ministry of Economy, Trade and Industry
	Scope of work	Display Design (Basic Layout, Implementation Layout), Construction, Operation: Japan Pavilion Exhibition Consortium Joint Venture (TANSEISHA Co., Ltd., NOMURA Co., Ltd.)
<b>B</b>	Project owner	The Japan Gas Association
	Scope of work	Total Production/Exhibition Manager: DENTSU INC., Live DENTSU INC. Display Design and Layout, Display Production and Construction: TANSEISHA Co., Ltd.
<b>C</b>	Project owner	FOOD & LIFE COMPANIES LTD.
	Scope of work	Design, Layout, Production, Construction, Experience Content Planning and Production, Website Design: TANSEISHA Co., Ltd.

As a participating partner in Expo 2025's “Future Life Experience”, Tanseisha held a limited-period exhibition and communicated messages to the future.

It could be said that tea gatherings, which developed around 450 years ago, had a kind of “novelty” back then as a format that expressed the essence of Japanese aesthetic sensibilities. In this event, works of art and craft created by contemporary artists and artisans intermingled in an immersive space that stimulated all five senses, giving visible form to Japan's unique aesthetic sensibilities and spirituality. We also showcased “B-OWND”, our initiative to support artists who are the creators of “craft as art.” In addition to the works on display, we gave visitors to our booth a tea gathering experience so that they could encounter at first hand a space where various domains—craft and art rooted in Japanese aesthetic sensibilities, tradition and innovation, and man-made and nature—intertwined.



### Project Achievements



Toyota City Museum

OPEN: April 2024

Project owner	Toyota City
Scope of work	Display Planning, Design, Layout, Production, Construction, Video Production
Photographer	PIPS, Hiroyuki Hirai



Osaka Science Museum

OPEN: August 2024

Project owner	Administrative Agency for Osaka City Museum
Scope of work	Display Planning, Design, Layout, Production, Construction
Photographer	Forward Stroke





Meeting of  
Outside Directors

Tanseisha’s four Outside Directors looked back on fiscal 2024 and talked about the Purpose newly formulated as Group philosophy and the revised materiality.

ITAYA

HOSAKA

MAKIHARA

YOSHII

As an Outside Director of the Company, what is your role and what areas do you focus on?

**Itaya** Based on the knowledge I have gained as an executive of a listed company and in my research activities at universities, I engage in discussions with the management team and internal directors from the perspectives of “competitive strategy” and “advice for enhancing corporate value.” I hope to contribute to enhancing corporate value by offering appropriate advice on how the Company should identify future needs and develop strategy in the area of spatial creation where Tanseisha excels.

**Makihara** I serve concurrently as Outside Director and Audit and Supervisory Committee Member. In the Board of Directors, I am involved in the formulation of strategies from long-term perspectives and in supervising the progress of those strategies. In the Audit and Supervisory Committee, I closely examine the Company’s business activities from the aspects of risk management and compliance. Adopting a mindset of “Think globally, act locally”, I see my role as providing support for the Company to achieve sustainable growth and fulfill its social responsibility.

**Hosaka** From my position as a lawyer, I focus my efforts on a broad range of risk management, including responses to personnel-related matters and misconduct and contractual risks. At Tanseisha, I also provide legal advice on contracts related to land transactions. From a woman’s perspective, I also intend to be proactive in making recommendations on non-financial aspects such as diversity and inclusion. I aim to contribute to creating an environment where people with diverse skills and experiences, which are Tanseisha’s strengths, can fully demonstrate their potential.

**Yoshii** Based on my experience as a CPA, I strive to provide advice and recommendations in the Board of Directors from the perspectives of reliability of financial reporting and prevention of fraud. Tanseisha is currently engaged in many large-scale projects, including Expo-related projects. These projects involve risks of delays in delivery directly impacting on costs, so I propose measures for prevention and improvement from both financial and management perspectives.

What are your views on the strengths and challenges of the current management structure and the Board of Directors?

**Itaya** I believe that the Board of Directors is very well-balanced,

comprising members from the sales and creative sections, alongside members with strengths in accounting and finance. Because alternative proposals are actively presented without being biased toward any particular opinion, it enables us to engage in more in-depth discussions. As we pursue the strategy of “Venture into new domains” presented in the current medium-term management plan, I consider the strengthening of human resources possessing global sensibilities as a challenge going forward.

**Hosaka** Lively discussions take place in the Board of Directors, and President Kobayashi demonstrates the ability to listen carefully to others, as well as cross-organizational leadership. With the establishment of the new marketing and sustainability center, progress is being made in company-wide mindset reform under the center’s female leader. On the other hand, from the perspective of supervising the executive side, it is important to go beyond reviewing matters only when they are presented to the Board of Directors, and instead identify the signs of risks and their distribution at an earlier, “pre-symptomatic” stage. To this end, it is essential to have opportunities to hear feedback about actual business operations and frontline systems directly from those on site. The worksite tours and dialogues with employees that are conducted last year were very productive, and I hope to actively continue to engage in such communication going forward.

How do you evaluate the Company’s responses to investors, including “management that is conscious of cost of capital and share price?”

**Makihara** To enhance corporate value, it is essential to give our stakeholders the confidence that Tanseisha is “a company with excellent potential for growth.” The Company has established long-term strategies for achieving both profitability and sustainability, and it emphasizes sound dialogue with external stakeholders. In recent years, the details of investor relations activities are regularly reported to the Board, and there are now more opportunities to reflect the voices of investors and the market in management. There is a growing focus on “external perspectives” in our discussions, as evidenced by the initiative for dividend increases in 2025 and 2026.

Meanwhile, as the Company has grown, its investor pool has become increasingly diverse, which I feel is making it more difficult to determine which investor perspectives to prioritize. One of the major challenges is how to allocate the accumulated cash reserves, and I believe that it is important to consider a balanced

approach between dividends and growth investments.

**Yoshii** As Outside Directors, we are fully aware that we represent the perspective of shareholders. Based on the opinions voiced at IR meetings, I believe that policies on shareholder returns and cash allocation will need to be presented more clearly. Discussions in this vein are already underway in the Board of Directors, and I expect that actions will be taken in the near future to meet these expectations of investors. Another challenge that I recognize is to reexamine the level of internal reserves in light of cost of capital and capital efficiency, as well as the Company’s cash position, including the use of borrowings. These issues are directly connected to the improvement of PBR and the evaluation of share price, and it is essential that the Company refine both its metrics and policies and further strengthen its management approach that reflects the perspectives of investors.

**Itaya** While there is significance in increasing dividends from the perspectives of shareholders and investors, this has the potential to deplete the funds allocated to the Company’s growth investments, so it is critical to identify the balance between the two. The COVID-19 pandemic reaffirmed the need for sufficient cash reserves in times of crisis, and I believe that now is the time to clarify our approach to capital allocation. By organizing and clarifying these kinds of discussions, we should be able to present a clear vision for Tanseisha’s future to investors and stakeholders.

**Hosaka** Institutional investors have voiced requests regarding diversity, including improving the ratio of female directors, and the Company is making positive progress on this front. Given the Company’s relatively favorable performance, including the achievement of the medium-term management plan targets during fiscal 2024, no major concerns have been expressed on the financial front. Conversely, my sense is that there is a growing call for more ambitious non-financial targets. Although concerns have been raised about the potential for expectations toward ESG (environment, society, governance) to waver due to the shifting political landscape overseas, my view is that the importance of deepening such initiatives remains unchanged at this time.

What kind of progress is being made in the area of succession planning, including for the presidency?

**Itaya** In the Nominating and Compensation Advisory Committee, we oversee the overall mechanisms leading up to the selection of candidates. We are checking the process from an institutional perspective, including the composition of the talent pool and

plans for the development of the next generation of leaders.

“A matrix style of human resources development” has been launched to give employees experience in multiple areas, and my sense is that an awareness of nurturing leaders with diverse perspectives is starting to take root in the Company.

**Hosaka** Rather than simply focusing on personnel selection, we are pursuing cross-functional development so that people from diverse backgrounds can advance their careers. As part of these efforts, two women have been appointed as executive officers. I have personally exchanged opinions with female employees on multiple occasions, and I make sure to convey the feedback from the frontlines that I have obtained in those discussions to the Board of Directors. I have high hopes that the effectiveness of diversity and inclusion initiatives will continue to grow moving forward.

What are your personal resolutions as Outside Directors and your expectations of management toward the future growth of the Company?

**Itaya** Until now, the Company’s business has focused on designing and constructing spaces in accordance with clients’ requests, but I believe that it is now being called on to make proposals for “spaces of the future” and to take on a comprehensive role that also encompasses operation, management, and maintenance. The Company is already engaged in the operation of art museums and museums and is evolving into an entity that makes spaces work. However, I would like to see the younger generation fully embrace the challenge of exploring the possibilities of spaces, and I hope to support them in those efforts. I look forward to seeing them continue with interesting challenges toward the Company’s purpose of “drawing the future from spaces.”

**Yoshii** While Tanseisha’s strength lies in its sincere and steady management, I also feel that it needs the flexibility to identify the right timing for global expansion and bold investments. I intend to offer my full support to its efforts to engage in aggressive management strategies while managing financial risks.

**Makihara** As the Company grows in scale, its risks will inevitably become more complex. As an Audit and Supervisory Committee Member, I hope to maintain a frontline perspective on risk sensitivity, while providing flexible oversight that will not impede growth. I hope to offer advice and recommendations as an Outside Director so that Tanseisha can contribute to society through future large-scale projects and the expansion of new business, thus enhancing its corporate value.



# Corporate Governance

## Basic approach

We are committed to always pursuing the highest standards of corporate governance and working continuously to ensure its improvement.

To achieve sustainable growth and long-term enhancement of our corporate value, we believe that the keys to corporate governance are to ensure transparency and fairness in decision-making, to make full and effective use of our management resources and to increase the vitality of management through swift and accurate decision-making. We will work to enhance our corporate governance in accordance with the following basic approaches.

- We will respect the rights of our shareholders and ensure their equality.
- We will consider the interests of stakeholders and cooperate with them appropriately.
- We will appropriately disclose corporate information and ensure transparency.
- We will establish a system of self-discipline to ensure the effectiveness of the Board of Directors' function of supervising business execution.
- We will engage in constructive dialogue with shareholders who have investment policies aligned with the medium to long term interests of our shareholders.

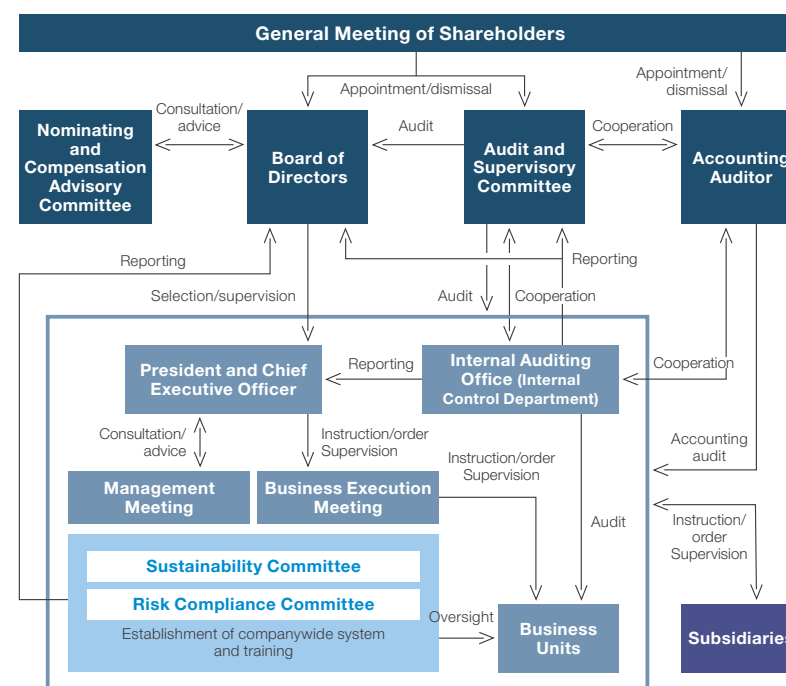
## Our progress toward strengthening corporate governance

	Corporate governance structure	Compensation system
2006	Decided the basic policy on the development of an internal control system	
2016	Transitioned to a company with an audit and supervisory committee Established the basic policy on corporate governance Reviewed the basic policy on the development of an internal control system	
2019		Introduced a performance-based stock compensation plan for Directors* *Excluding Directors who are Audit and Supervisory Committee Members
2020	Abolished takeover defense measures	
2021		Established the policy for determining the compensation, etc., of Directors
2023	Introduced an executive officer system	

## Approach to Composition of Board of Directors

We believe that in order to ensure constructive and effective discussion in the Board of Directors, it is appropriate to operate the Board with no more than 15 members (including up to 5 Directors who are Audit & Supervisory Committee Members). Efforts are made to make appointments with an appropriate balance by appointing individuals who are knowledgeable about the Company's business areas and individuals with experience as directors at other companies. For directors who serve as Audit & Supervisory Committee Members, we strive to maintain a well-balanced composition by appointing professionals with expertise in fields essential for supervision of management, such as attorneys, certified public accountants, and certified public tax accountants.

Corporate Governance Structure Diagram (As of April 24, 2025)



## Board of Directors

The Board of Directors is chaired by the Chairman of the Board and consists of six internal Directors (one of whom is an Audit and Supervisory Committee Member) and four Outside Directors (three of whom are Audit and Supervisory Committee Members), and meets once a month as a rule. Internal Directors well versed in the Group's businesses and Outside Directors with broad insight and specialized knowledge make swift and accurate decisions as members of the Board of Directors. The President and Chief Executive Officer oversees the Company's business operations as the Chief Executive Officer, based on the management policies determined by the Board of Directors. Some Directors are also in charge of business execution, and information on the status of their business execution is shared, as appropriate, at the Business Execution Meeting. On the other hand, to obtain

appropriate opinions and advice on management from an objective standpoint, we have appointed four Outside Directors to enhance the transparency and objectivity of management.

Number of meetings/attendance rates in fiscal 2024	17 meetings/100%
Main agenda items/details of reports and resolutions	<ul style="list-style-type: none"> <li>■ Composition and operation of the Board of Directors</li> <li>■ Management and business strategies</li> <li>■ Corporate ethics and risk management</li> <li>■ Monitoring of business performance and evaluation/compensation of management team</li> <li>■ Dialogue and cooperation with shareholders, etc., review</li> </ul>

## Nominating and Compensation Advisory Committee

To strengthen the independence, objectivity and accountability of the functions of the Board of Directors related to the nomination and compensation of Directors, the Company has established a voluntary Nominating and Compensation Advisory Committee as an advisory body to the Board of Directors. The Nominating and Compensation Advisory Committee is chaired by a Full-Time Audit and Supervisory Committee Member and consists of five Directors, including one internal Director and four Outside Directors. The Nominating and Compensation Advisory Committee, which performs the functions of both a nominating committee and a compensation committee, examines matters related to the appointment and dismissal of Directors, as well as policies related to the compensation of Directors and details of individual compensation, and submits its opinions and advice to the Board of Directors.

Number of members/Chair	5 (4 Outside Directors, 1 internal Director)/Full-Time Audit and Supervisory Committee Member
Number of meetings/attendance rates in fiscal 2024	5 meetings/100%
Main agenda items/details of reports	<ul style="list-style-type: none"> <li>■ Level of fixed compensation of Directors (excluding Directors who are Audit and Supervisory Committee Members)</li> <li>■ Appropriateness of method for calculating bonuses for Directors (excluding Directors who are Audit and Supervisory Committee Members), appropriateness of the level of total amount of bonuses and the evaluation of the basis for individual bonus amounts allocated, and appropriateness of individual amounts allocated</li> <li>■ Appropriateness of evaluation indicators related to the performance-based co-efficient used in the stock-based compensation plan, and of the targets for those evaluation indicators</li> <li>■ Exchange of opinions about succession planning, etc.</li> </ul>

## Audit and Supervisory Committee

The Company has an Audit and Supervisory Committee, chaired by a Full-Time Audit and Supervisory Committee Member, which consists of four Directors, including one internal Director and three Outside Directors, and meets once a month as a rule.

Number of meetings/attendance rates in fiscal 2024	12 meetings/100%
Key audit items	<ol style="list-style-type: none"> <li>1 Compliance with laws and regulations</li> <li>2 Prevention of individual risks</li> <li>3 Status of development and implementation of internal control system</li> </ol>

## Evaluations of the effectiveness of the Board of Directors

### Method of evaluation

To enhance the transparency and objectivity of management, and to strengthen the Company's corporate competitiveness, the Company is promoting initiatives for the improvement of the effectiveness of the Board of Directors. As one such initiative, once a year, the Company conducts an evaluation of the effectiveness of the Board of Directors by a third-party organization.

Methodology	Named (non-anonymous) questionnaire, including open-ended responses, is completed by all Directors, and effectiveness is evaluated based on analysis by the third-party organization.
Evaluation items	<ul style="list-style-type: none"> <li>■ Composition and operation of the Board of Directors</li> <li>■ Management and business strategies</li> <li>■ Corporate ethics and risk management</li> <li>■ Monitoring of business performance and evaluation/compensation of management team</li> <li>■ Dialogue and cooperation with shareholders, etc., review, etc.</li> </ul>
Survey period	January 2025

### Results of fiscal 2024 evaluation


- Certain level of improvement was seen in evaluation due to measures such as incorporating group training.
- Setting of non-financial targets and disclosure of information progressed, and a certain level of improvement was seen in evaluation.
- A culture conducive to lively discussion, including by Outside Directors, has been fostered within the Board of Directors.
- Evaluation was conducted based on key management indicators, and a compensation plan that is balanced in the short term and in the medium to long term has been established.

### Measures in fiscal 2025

- Even earlier provision of briefing materials for Board of Directors meetings
- Further consideration regarding management that is conscious of cost of capital and share price
- Enhancement of human capital and human resources strategies
- Enhancement of effectiveness of internal reporting system
- Proceed with the concrete development of succession plans




## Board of Directors (As of April 24, 2025) \*Please refer to the Notice of Ordinary General Meeting of Shareholders for career summaries of each officer.




President and Chief Executive Officer

KOBAYASHI Osamu




Director

MORINAGA Tomoo




Director

FUKAYA Toru



Director

TSUKUI Tetsuo



Director

NOMURA Eiji

Number of Board of Directors meetings attended:

17/17

Number of shares owned

48,000

Years in office

9 years

Mr. KOBAYASHI Osamu has been engaged in sales operations since joining the Company and assumed the position of Director after serving as division general manager in the promotional area. After his appointment as a Director, he expanded his management knowledge overall and assumed the position of Representative Director and President in 2023. Leveraging his abundant experience and insight in the display industry, he is working for the advancement of the business.

Number of Board of Directors meetings attended:

17/17

Number of shares owned

20,000

Years in office

8 years

Mr. MORINAGA Tomoo has been engaged in production operations since joining the Company and assumed the position of Director after serving as division general manager in that area. Since his appointment as a Director, leveraging his abundant experience and achievements in production operations and his insights in management, he has been working to strengthen production systems (design and production), improve quality (design, production, and construction) and productivity.

Number of Board of Directors meetings attended:

17/17

Number of shares owned

5,000

Years in office

2 years

Mr. FUKAYA Toru has been engaged in sales operations since joining the Company and assumed the position of Director after serving as division general manager and business unit general manager in that area. Since his appointment as a Director, leveraging his abundant experience and achievements in sales operations and his insights in management, he has been working to strengthen sales and marketing activities.

Number of Board of Directors meetings attended:

17/17

Number of shares owned

5,000

Years in office

2 years

Mr. TSUKUI Tetsuo has been engaged in information systems and business administration operations since joining the Company and assumed the position of Director after serving as division general manager in that area. Since his appointment as a Director, leveraging his abundant experience and achievements in business administration operations and his insights in management, he has been working on the improvement of operational processes using digital technologies and on work style reforms.

Number of Board of Directors meetings attended:

-

Number of shares owned

4,000

Years in office


-


Mr. NOMURA Eiji has been engaged in sales operations since joining the Company and assumed the position of Director after serving as branch manager, business unit general manager, and general manager of the Corporate Planning Headquarters. Leveraging his abundant experience in the Company's business as branch manager and business unit general manager and his achievements as the officer responsible for personnel affairs, he has continued to work for the realization of human capital management, including work style reforms.


### Expected roles as members of the Board of Directors


	KOBAYASHI Osamu	MORINAGA Tomoo	FUKAYA Toru	TSUKUI Tetsuo	NOMURA Eiji
Corporate management	■	■	■	■	■
Finance/Accounting				■	
Human resources development					■
Risk management and compliance	■			■	
Social, environment and safety		■			■
Digital/Advanced technology		■		■	
Sales	■		■		
Creative and design		■			
Quality/Technical/Production		■			
Audit and supervision					


**Nominating** Nominating and Compensation Advisory Committee attendance **Audit** Audit and Supervisory Committee attendance

	Outside Director <b>ITAYA Toshimasa</b>	<div>Independent</div> <div>Outside</div> <div>Nominating 5/5</div>	Number of Board of Directors meetings attended: <b>17/17</b>	Number of shares owned <b>0</b>	Years in office <b>4 years</b>
Mr. ITAYA Toshimasa has abundant experience and broad insight into corporate management as Chairman of Property Data Bank, Inc., and has expertise in digital utilization, which the Company is promoting. Leveraging this experience and insights, he has been working to provide management advice and to strengthen the supervisory function of the Board of Directors.					

	Director (Full-Time Audit and Supervisory Committee Member) <b>SUGANO Atsuo</b>	<div>New</div> <div>Nominating -</div>	Number of Board of Directors meetings attended: -	Number of shares owned <b>5,000</b>	Years in office -
Mr. SUGANO Atsuo has been engaged in the Group's purchasing operations in the production division since joining the Company. After serving as general manager of the business administration division, he assumed the position of general manager overseeing presentation technology using digital technologies. He has abundant experience and broad insight into purchasing and business administration operations. Going forward, while leveraging his experience in building internal control system processes, he will participate in management as a Director who is an Audit and Supervisory Committee Member and work to strengthen the Company's corporate governance.					

	Outside Director (Audit and Supervisory Committee Member) <b>YOSHII Kiyonobu</b>	<div>Independent</div> <div>Outside</div> <div>Nominating 5/5</div> <div>Audit 12/12</div>	Number of Board of Directors meetings attended: <b>17/17</b>	Number of shares owned <b>7,000</b>	Years in office <b>5 years</b>
Mr. YOSHII Kiyonobu possesses not only abundant experience as a certified public accountant and tax accountant but also a deep insight into finance and accounting. In addition, since his appointment as an Outside Director who is an Audit and Supervisory Committee Member, he has been leveraging his own experience and insight to strengthen the supervisory and auditing functions of the Company's management and corporate governance.					

	Outside Director (Audit and Supervisory Committee Member) <b>MAKIHARA Kotaro</b>	<div>Independent</div> <div>Outside</div> <div>Nominating 5/5</div> <div>Audit 12/12</div>	Number of Board of Directors meetings attended: <b>17/17</b>	Number of shares owned <b>4,000</b>	Years in office <b>3 years</b>
Mr. MAKIHARA Kotaro has a wide range of experience in the public administration field, is qualified as a certified tax accountant, and has a deep insight into finance and accounting. In addition, since his appointment as an Outside Director who is an Audit and Supervisory Committee Member, he has been leveraging his own experience and insight to strengthen the supervisory and auditing functions of the Company's management and corporate governance.					

	Outside Director (Audit and Supervisory Committee Member) <b>HOSAKA Rie</b>	<div>Independent</div> <div>Outside</div> <div>Nominating 3/3</div> <div>Audit 10/10</div>	Number of Board of Directors meetings attended: <b>14/14</b>	Number of shares owned <b>0</b>	Years in office <b>1 year</b>
As an attorney-at-law, Ms. HOSAKA Rie has a high level of insight and experience in corporate legal affairs (especially in the intellectual property and IT technology business fields). She participates in management as an Outside Director who is an Audit and Supervisory Committee Member and is working to strengthen the supervisory and auditing functions of the Company's management and corporate governance.					

	ITAYA Toshimasa	SUGANO Atsuo	YOSHII Kiyonobu	MAKIHARA Kotaro	HOSAKA Rie
Corporate management	■				
Finance/Accounting		■	■	■	■
Human resources development					
Risk management and compliance		■	■	■	■
Social, environment and safety					
Digital/Advanced technology	■				
Sales					
Creative and design					
Quality/Technical/Production					
Audit and supervision	■	■	■	■	■

## Executive compensation

### Basic policy

The Company pays compensation to Directors in an amount commensurate with their performance, after taking the levels at other companies and other factors into consideration, with the primary aim of motivating Directors to improve the performance of the Group and increase corporate value.

The compensation of Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) consists of fixed compensation and variable

compensation (short-term incentive (bonus) and medium- to long-term incentive (stock-based compensation)), as they are responsible for improving business performance each fiscal year and increasing corporate value over the medium- to long-term.

Outside Directors and Directors who are Audit and Supervisory Committee Members are paid fixed compensation only, due to their independence from business execution.

### Policy for determining individual compensation, etc.

The amount of fixed compensation paid to each Director (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) is determined by the Board of Directors on the basis of the position of each Director (expected roles and responsibilities), after it takes the levels at other companies and other factors into consideration, the opinions and advice of the Nominating and Compensation Advisory Committee, whose majority is composed of independent Outside Directors, and the opinions of the Audit and Supervisory Committee, if any.

In addition, “a representation allowance”, “a Chairman of the Board of Directors’ allowance”, etc., are added based on the fixed compensation.

The amount of fixed compensation paid to each Outside Director (excluding Directors who are Audit and Supervisory Committee Members) is determined by the Board of Directors based on the expected roles and responsibilities, after it takes the levels at other companies and other factors into consideration, the opinions and advice of the Nominating and Compensation Advisory Committee, whose majority is composed of independent Outside Directors, and the opinions of the Audit and Supervisory Committee, if any. The total amount of fixed compensation paid to Directors who are Audit and Supervisory Committee Members is determined within the limit determined at the General Meeting of Shareholders, after the Company’s business performance and earnings status are taken into consideration.

### Composition of executive compensation (excluding Audit and Supervisory Committee Members and Outside Directors)

	Basic compensation	Performance-linked compensation	
	Fixed compensation	Short-term incentive (bonus)	Medium- to long-term incentive (stock-based compensation)
<b>Recipients</b>	Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members), Outside Directors and Directors who are Audit and Supervisory Committee Members	Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members)	Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members)
<b>Form of compensation</b>	Cash	Cash	Stock and cash
<b>Evaluation indicator</b>	-	Consolidated orders accepted, consolidated operating income, consolidated operating income ratio and net income	Linked to management indicators stressed in the medium-term management plan (fluctuates in a range from 0% to 200%, depending on the achievement of targets)
<b>Method of provision</b>	Payment in cash in monthly installments	Payment in cash after the General Meeting of Shareholders	Shares corresponding to the number of points acquired during the target period and the converted cash equivalent of Company shares

### Total amount of compensation, etc. by executive category

Category	Total amount of compensation, etc. (millions of yen)	Total amount by type of compensation, etc. (millions of yen)					Number of executives in category
		Fixed compensation	Performance-linked compensation		Retirement benefits	Of the left, non-financial compensation, etc.	
		Basic compensation	Bonus	Stock-based compensation			
Directors (excluding Audit and Supervisory Committee Members and Outside Directors)	283	147	108	28	-	28	5
Outside Directors (excluding Audit and Supervisory Committee Members)	7	7	-	-	-	-	1
Directors [Audit and Supervisory Committee Members] (excluding Outside Directors)	20	20	-	-	-	-	1
Outside Directors [Audit and Supervisory Committee Members]	23	23	-	-	-	-	4

Notes: 1. Directors who concurrently serve as employees do not receive employee salaries. 2. Stock-based compensation represents the amount recorded as expense during fiscal 2024.

## Succession Planning

### Succession planning initiatives

We recognize that succession planning is an important issue for enhancement of our corporate value. We conduct our own in-house education and external training every year to develop the next generation of managers based on Our Purpose and management strategy. The status of implementation is regularly reported to the Board of Directors.

Additionally, Nominating and Compensation Advisory Committee regularly exchanges opinions about successor planning.

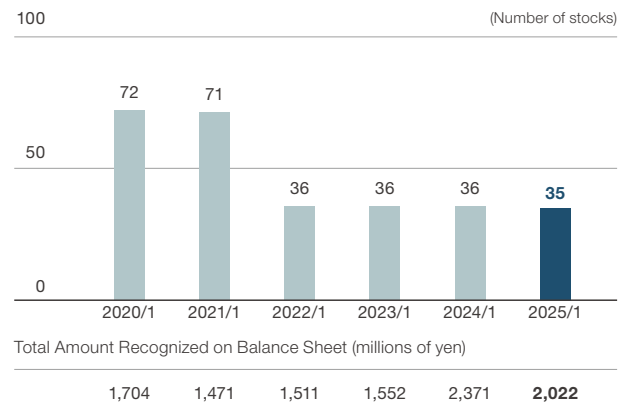


### Initiatives to reduce strategic shareholdings

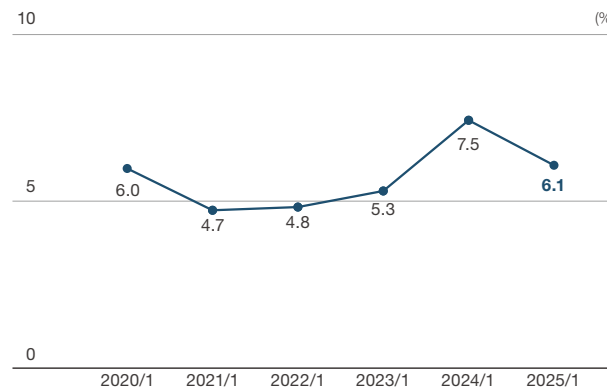
The Company has cross-shareholdings for strategic purposes with the objective of maintaining and strengthening its trading relationships. Every year, the Board of Directors conducts a verification and value-at-risk analysis of the medium- to long-term economic reasonableness of the Company’s major cross-shareholdings and determines whether to continue holding those shares. We aim to reduce those cross-shareholdings that are deemed as a result to have limited significance for continued

holding. In addition, when exercising voting rights associated with cross-shareholdings, we take into comprehensive account not only whether the proposal aligns with the Company’s holding policy, but also whether it will assist the efficient and sound development of the issuing company and whether the enhancement of corporate value can be expected. For this reason, to avoid making one-size-fits-all decisions, we do not have a single standard criterion.

### Status of Strategic Shareholdings



### Changes in Proportion of Strategic Shareholdings Relative to Net Assets





Compliance and Risk Management

Internal Control

Basic policy

The Company has established and implemented an internal control system under the “basic policy regarding the development of an internal control system” that was resolved at the Board of Directors meeting held on May 12, 2006 and later

Audit system and status

The Company has established the Auditing Office as an internal audit department under the direct control of the President. Following the internal audit plan formulated at the beginning of each fiscal year, the Auditing Office performs audits on the execution of business activities and evaluates the development and operation of internal controls pertaining to financial reporting from an independent standpoint. To ensure the effectiveness of internal audits, the Auditing Office regularly reports on its activities, including audit results, not only directly to the President but also to the Board of Directors and the Audit and Supervisory Committee. In addition, the Auditing Office strives to conduct efficient internal audits by sharing information, exchanging opinions and working closely with the Audit and



Corporate Governance Report  
[https://www.tanseisha.co.jp/resource/cg\\_250424.pdf](https://www.tanseisha.co.jp/resource/cg_250424.pdf)

reviewed at the Board of Directors meeting held on April 26, 2016. The details of the Company’s 11 basic policies, regarding the internal control system, are described in the Corporate Governance Report.

Supervisory Committee and the accounting auditor.

As well as Directors who are Audit and Supervisory Committee Members attend Board of Directors meetings to monitor the execution of duties by Directors, they also conduct audits based on audit reports from the accounting auditor and the internal audit department. Furthermore, the Director who is a Full-Time Audit and Supervisory Committee Member, given his full-time position, strives to proactively gather information and conduct efficient audits by attending important sessions such as the Management Meeting, inspecting important documents for approval among other materials, and receiving updates such as status reports from each department and Group company.

Risk management

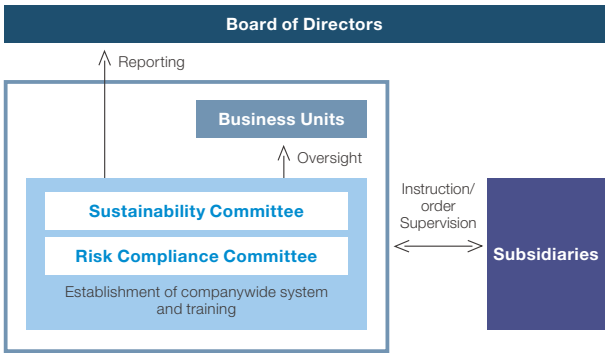
Basic policy

Under its “basic policy on risk management”, the Group constantly identifies, evaluates and analyzes risks that could significantly affect its operating results or financial position

Risk management system

Business risks are identified once a year, primarily by the Risk Compliance Committee, which is chaired by CEO, based on the “Regulations on Management of Risk of Loss.” They are then assessed by criteria such as the likelihood of an occurrence of a risk event and the degree of impact of such an event. The Committee takes the initiative in identifying risks, assessing them and setting priority countermeasures for the entire Company and all its business areas. It is also responsible for overall education and awareness, as well as for directing responses to major risk events when they occur. Business units and subsidiaries execute compliance programs in collaboration with other Group companies, including conducting Group-wide education and training, based on the policies decided by the Risk Compliance Committee. In addition, based on the assessment results, the Committee identifies risks that management should specifically keep in mind, determines risk measures to implement, and monitors the implementation status of these measures. The identification and assessment of such risks, results of monitoring, and any important choices and decisions, etc., related to countermeasures are reported to the Board of Directors on a regular basis. We have established a system that enables the Company to consult with legal counsel to obtain advice and guidance if any legal problems arise at any stage of risk management.

Risk management system



Main risks and countermeasures

Risks	Details	Countermeasures
Uncertainty risks	The Group’s business is based on meeting the diverse requests of customers and users through “spatial design” and solving their problems. For this reason, economic trends and changes in the needs and demands of the market and society could significantly affect operating results and corporate value. The occurrence of unforeseen events such as large-scale disasters or epidemics also poses a risk to the continuity of our business.	In response to risks stemming from uncertainties in the business environment and conditions, we adapt flexibly to changes in the environment to avoid the loss of opportunities, while also continuing to take on challenges that will enhance the value offered by the Group by proactively transforming ourselves in line with demand and society’s expectations.
Safety and security damage risks	The business of the Group focuses on “spaces”, the most familiar environments that surround users and occasionally interact with them. Such spaces must never be allowed to damage the safety and security of users and other stakeholders. Ensuring safety not only in the spaces the Group has created but also during the creation of those spaces significantly affects the credibility and trust of the Group and the smooth execution of its business.	The Group pursues the creation of safe and secure spaces through initiatives at each stage, from design to production and construction. This policy is incorporated into the “environmental policy” and “procurement policy.” In addition to building awareness and education about this policy, we promote a variety of activities that also involve our partner companies and business partners.
Fairness and legal compliance risks	Various laws and regulations are applicable to the execution of business. As a sensible company group that fulfills its social responsibility, the Group is conscious that it must not only comply with such laws and regulations but also conduct fair corporate activities in conformity with various social standards. We believe that any occurrence of events that runs contrary to compliance could significantly affect the Group’s credibility and social reputation and the smooth continuation of its business.	<ul style="list-style-type: none"><li>■ Stipulating compliance with laws and regulations, upholding of social standards and conduct of business activities with sound judgment and responsibility in the “Tanseisha Group Standards of Practice, environmental policy”, and “procurement policy”, we are promoting compliance-oriented management across the entire Group.</li><li>■ Positioning the “Basic Compliance Regulations” as the code of conduct for all Group employees, we provide ongoing education and training on compliance to foster awareness.</li><li>■ To secure personnel with official qualifications, which is one of the legal requirements of our business, we encourage employees to obtain qualifications through a qualification support scheme, to help prevent instances of non-compliance.</li></ul>
Information-handling risks	The Group’s business is to provide solutions to customers’ problems. As such, it receives various types of information, including confidential information, from its customers for use in its work. The Group also holds a wide range of other important information, including business partner information, personal information, and technical information. Failure to handle this information properly could significantly affect the credibility and trust of the Group and the smooth execution of its business.	<ul style="list-style-type: none"><li>■ Stipulating the prevention of accidents and appropriate disclosure to external parties through strict management of information in the “Tanseisha Group Standards of Practice” and “procurement policy”, the Group promotes thorough awareness and conducts education accordingly.</li><li>■ Confidential information, primarily personal information, is managed appropriately and thoroughly using a personal information protection management system that has obtained the PrivacyMark, thus preventing the materialization of risks.</li><li>■ In information security measures, in addition to establishing internal rules and implementing organizational, personnel, and physical measures, the Group implements measures such as employee awareness-raising, vulnerability testing, and risk transfer through insurance.</li></ul>
Sustainability-related risks	With regard to risks from a sustainability perspective such as the global environment and social issues, the matters that companies are expected to address are becoming increasingly diverse and stringent, including the need to demonstrate responsible corporate behavior. We recognize that, as more new regulations and social obligations emerge, the Group’s failure to respond promptly and appropriately to them could lead to the deterioration of its credibility and trust as a company, or losses of opportunity and profit.	<ul style="list-style-type: none"><li>■ We have identified six materiality issues in sustainability initiatives and are promoting efforts to respond to these issues across all our business activities.</li><li>■ Viewing rising temperatures resulting from climate change and the resulting social changes and disaster risks as key issues, we are actively responding to these risks.</li></ul>

TOPICS 1

Initiatives for the protection of intellectual property rights

The Group’s business of “spatial design” relies greatly on the use of intellectual property, including image rights and publicity rights. For this reason, we are promoting various initiatives for the protection of intellectual property rights. These include educational programs for employees to acquire knowledge on intellectual property, online seminars on the revised Design Act, and encouraging employees to obtain relevant qualifications by taking the national Intellectual Property Management Skills Test.

TOPICS 2

Formulation of information security policy

We formulated an information security policy as part of policy development, one of our measures for the development of an underlying structure for sustainability. Details of each item are posted on our website.

Information security policy

- 1

Establishment of a management system
- 2

Compliance with laws and regulations
- 3

Implementation of continuous improvements
- 4

Implementation of education



Information security policy  
<https://www.tanseisha.co.jp/en/sustainability/governance>

## Initiatives for business continuity plan (BCP)

We have formulated a business continuity plan (BCP) under the following policy that aims to ensure safety and quickly restore business operations in any emergencies that impact business continuity, including natural disasters such as earthquake, tsunami, storm, and volcanic eruption, as well as fire, accident or incident, terrorist attack, or pandemic.

### Basic policy on business continuity

- 1 Give first priority to ensuring the safety of life for all people
- 2 Cooperate with the local community to ensure safety
- 3 Restore business operations at an early stage

We have prepared a BCP manual that sets forth procedures for establishing a disaster response headquarters, led by the President, with which we will decide on and communicate our policies in any disaster. We keep a full stock of emergency supplies and regularly distribute them to employees regardless of their expiration dates, to raise awareness and train employees on how to respond in the event of a disaster. We are preparing for emergencies by conducting e-learning on disaster prevention, regularly participating in and conducting disaster drills at each business location, conducting initial response drills, and pursuing other measures.

Further, in order to share information across the entire Tanseisha Group, we have also introduced a BCP safety confirmation system and are verifying the manuals and reviewing their implementation through drills for activities such as confirming the safety of employees and their families, and coordinating between locations, and checking damage at operation sites.

## Initiatives for improvement of compliance

### Basic policy

In addition to complying with laws and regulations, the Group respects social standards and endorses and respects international standards for the realization of a sustainable society. Guided by the "Tanseisha Group Standards of Practice", which outlines the conduct that officers and employees of all Tanseisha Group companies should demonstrate, we conduct corporate activities with a strong sense of ethics, sound judgment, and responsibility.

### Training and education

In light of the importance of compliance, the Group conducts annual e-learning compliance training for all officers and employees of the Tanseisha Group as well as training for managers. In addition, we hold compliance seminars for all part-time officers of subsidiaries (head office senior managers) to thoroughly raise awareness of compliance.

Program Name, etc.	Targets	Details
Compliance training	All officers and employees	<ul style="list-style-type: none"> <li>■ Basics of compliance</li> <li>■ Risk management perspectives, codes of conduct, relevant regulations</li> <li>■ Provide information about examples of misconduct and scandals to raise awareness</li> <li>■ About the internal reporting system</li> </ul>
New manager training	For new managers	<ul style="list-style-type: none"> <li>■ Roles of managers</li> </ul>

### Compliance hotline (Internal reporting hotline)

The Group has established a reporting and consultation hotline based on the Whistleblower Protection Act. The hotline is outsourced to outside lawyers and is open not only to employees but also to business partners of Group companies, allowing them to report misconduct, such as a violation of laws and regulations that has occurred or may occur in connection with the business practices of Group companies. By establishing an internal reporting system, we strive to prevent

and detect legal violations at an early stage, and to take prompt and appropriate action for any legal violation.

Internal rules have been established and implemented that safeguard the confidentiality of individuals reporting misconduct, etc. and ensure that they are not subjected to disadvantageous treatment from any Tanseisha Group company as a result of their reports.

# Dialogue with Stakeholders

## Stakeholder engagement

### Basic policy for dialogue with shareholders and investors

In addition to appointing an officer responsible for investor relations (IR), the Company has established a department responsible for IR and responds to requests for dialogue with shareholders to a reasonable extent.

The Company has established the following policies for the promotion of constructive dialogue with shareholders.

#### 1 Designation of responsible director

To achieve constructive dialogue with shareholders, a director responsible for IR will be designated (currently the director responsible for management administration) to oversee the matters described in 2 to 5 below.

#### 2 Methods of coordination with internal divisions to assist dialogue

The director responsible for IR is in charge of the departments related to IR activities, holds meetings about once a week with each division, and strives for information sharing and inter-division coordination.

### Main dialogues conducted in fiscal 2024

In the fiscal year ended January 31, 2025, two financial results presentations, one annual presentation for individual investors, and 108 individual IR meetings were held.

### Details of dialogue with shareholders and investors and status of feedback to Board of Directors

Short-term and medium-term results projections, dividend policy, and other topics were discussed, and opinions and questions, etc. received from shareholders, etc. at IR meetings were reported each quarter to the Board of Directors, and reflected in management plans, etc.

#### 3 Initiatives related to the enhancement of methods of dialogue other than individual interviews

At a minimum, financial results presentations will be held twice a year and presentations for individual investors once a year.

#### 4 Methods for feeding back opinions and other information obtained through dialogue with shareholders

The director responsible for IR will regularly compile the opinions and other information obtained through dialogue with shareholders and feed them back to senior management at the meetings of the Board of Directors and Management Meeting.

#### 5 Methods concerning management of insider information during dialogue

When engaging in dialogue with shareholders, as well as complying with relevant legislation regarding the handling of important information that has not yet been released, information will be managed pursuant to internal rules aimed at preventing insider trading.

#### Key personnel responsible for handling dialogue with shareholders

Presentations	President and Chief Executive Officer and director responsible for IR
Individual meetings	Director responsible for IR and departments responsible for IR

#### Overview of shareholders that participated in dialogue

Japanese and overseas institutional investors (mainly active)

Investment styles	Mainly small- to medium-scale, value, growth
Areas of responsibility of participants	Mainly fund managers and analysts

### Dialogue topics and details

Topics	Main opinions and questions
Medium-Term Management Plan	<ul style="list-style-type: none"> <li>■ The targets seem low?</li> <li>■ The company should aim for record-high profits as early as possible</li> <li>■ Approach to capital allocation should be presented clearly</li> <li>■ Will the favorable market environment continue even after Expo 2025 Osaka, Kansai has ended?</li> </ul>
Business results	<ul style="list-style-type: none"> <li>■ Why is the Company not able to achieve record-high gross profit margin despite the favorable market environment?</li> <li>■ How much has Expo 2025 Osaka, Kansai contributed to business results?</li> </ul>
Shareholder returns	<ul style="list-style-type: none"> <li>■ Consideration should be given to shareholder return policy other than payout ratio</li> <li>■ Do you consider stable dividends?</li> <li>■ Will share buybacks be conducted?</li> </ul>



Financial and Non-Financial Highlights

	2016/1	2017/1	2018/1	2019/1	2020/1	2021/1	2022/1	2023/1	2024/1	2025/1
Financial results (millions of yen)										
Net sales	67,612	70,781	75,156	82,677	81,678	69,225	62,714	64,221	81,200	91,858
Gross profit	11,916	12,337	13,364	14,163	15,406	14,133	11,582	10,710	14,522	17,064
Selling, general & administrative expenses	8,697	8,407	8,777	9,138	9,729	9,084	9,557	10,093	10,639	11,917
Operating income	3,218	3,929	4,587	5,025	5,677	5,049	2,024	616	3,883	5,147
Net income	4,379	2,626	3,221	4,206	4,074	3,437	1,434	459	2,771	3,875
Orders accepted	67,139	72,883	80,490	83,173	85,639	64,615	64,589	67,600	82,329	111,152
Total assets	41,550	41,205	43,968	43,622	46,761	42,557	45,244	41,858	50,651	54,195
Net assets	21,422	23,110	25,510	26,922	28,276	29,248	29,059	29,414	31,626	33,370
Depreciation and amortization	468	318	301	218	185	266	171	169	166	184
Free cash flow	9,163	5,275	263	4,929	(500)	6,209	(171)	735	2,402	2,013
Financial indicators (%)										
Gross profit margin	17.6	17.4	17.8	17.1	18.9	20.4	18.5	16.7	17.9	18.6
Operating income ratio	4.8	5.6	6.1	6.1	7.0	7.3	3.2	1.0	4.8	5.6
Net income ratio	6.5	3.7	4.3	5.1	5.0	5.0	2.3	0.7	3.4	4.2
SG&A ratio	12.9	11.9	11.7	11.1	11.9	13.1	15.2	15.7	13.1	13.0
ROA	8.5	9.9	11.1	11.9	13.0	11.8	5.0	1.8	8.6	10.1
ROE	22.5	11.8	13.3	16.0	14.8	12.0	4.9	1.6	9.1	11.9
Equity ratio	51.6	56.1	58.0	61.7	60.5	68.7	64.2	70.3	62.4	61.6
Dividend payout ratio	16.8	40.3	53.8	43.4	49.1	55.4	86.3	309.9	51.7	54.8
Per share data* (yen)										
Net income (EPS)	91.03	54.58	66.96	87.63	85.53	72.19	30.13	9.68	58.06	82.16
Net assets	445.28	480.37	530.28	562.70	594.83	613.53	613.11	617.96	661.00	708.00
Annual dividend	18.00	22.00	36.00	38.00	42.00	40.00	26.00	30.00	30.00	45.00

\* The Company conducted a 1.5-for-1 share split of common stock effective August 1, 2015. Net assets per share and net income per share are calculated based on the assumption that the share split dividend paid before the share split and ¥10 per share of the year-end dividend paid after the share split.

	2022/1	2023/1	2024/1	2025/1
Non-financial data				
Number of employees	1,040	1,045	1,071	1,113
Male	781	782	794	803
Female	259	263	277	310
Percentage of women (%)	24.9	25.2	25.9	27.9
Number of new graduates hired (potential hiring)	24	17	25	21
Number of experienced hires (mid-career hiring)	19	23	42	47
Average length of service (years)	15.8	16.2	16.1	15.7
Turnover rate (%)	3.0	3.1	3.7	3.4
Average age	43.1	43.5	43.5	43.3
Gender wage gap (%)	-	-	73.9	75.7
Regular employees	-	-	75.0	77.1
Part-time and fixed-term employees	-	-	60.0	63.0

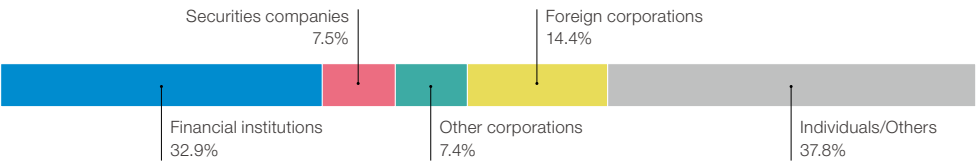
was carried out at the beginning of the fiscal year ended January 31, 2015. Furthermore, the annual dividend per share for the fiscal year ended January 31, 2016 is the sum of ¥8 per share of the interim

	2022/1	2023/1	2024/1	2025/1
Non-financial data				
Percentage of female officers (%)	-	-	10.0	10.0
Rate of childcare leave taken (%)	-	-	56.4	60.0
Male	-	-	34.8	50.0
Female	100	100	100	100
Post-childbirth return-to-work rate (%)	100	100	100	100
Employee union membership rate*1 (%)	-	-	79.4	74.6
Number of lost-time injury cases*2	-	6	5	2
Number of fatal workplace accidents	0	0	0	0
Anti-harassment training participation rate (%)	-	-	90.0	93.8
Engagement score*3	-	51.0	-	49.6

[Scope of Reporting] TANSEISHA Co., Ltd. only  
 [Calculation period for each fiscal year] From February 1 of the current year through January 31 of the following year (\*except where otherwise noted)  
 \*1 The Company has adopted a union shop system, under which 100% of employees covered by a labor agreement are union members. \*2 Number of cases reported to Labor Standards Inspection Office (involving 4 or more days of work absence) \*3 Conducted once every two years

Corporate Information/Investor Information (As of January 31, 2025)

Company name	TANSEISHA Co., Ltd.																							
Founded	October 1946																							
Established	October 14, 1949   Incorporated: December 25, 1959 (Reestablished under the current effective name)																							
Capital	¥4,026,750,657 (as of January 31, 2025)																							
Number of employees	Consolidated: 1,484 Non-consolidated: 1,113																							
Description of business	Research, planning, design, layout, production, construction and operation of commercial, hospitality, public, event, business and cultural spaces																							
Head office address	Shinagawa Season Terrace 19F, 1-2-70 Konan, Minato-ku, Tokyo 108-8220, Japan Tel +81-3-6455-8100																							
Major group companies	<table><tr><th>Name</th><th>Capital or equity capital</th><th>Main businesses</th></tr><tr><td>Tansei TDC Co., Ltd.</td><td>¥100 million</td><td>Building, carpentry and interior-finishing work</td></tr><tr><td>Tansei Display Co., Ltd.</td><td>¥50 million</td><td>Display design business</td></tr><tr><td>Tansei Business Co., Ltd.</td><td>¥40 million</td><td>Extensive services business including sale and rental of office supplies and equipment, insurance agency and factoring transactions</td></tr><tr><td>Tansei Institute Co., Ltd.</td><td>¥50 million</td><td>Information collection, research and study of cultural facilities</td></tr><tr><td>JDN Inc.</td><td>¥20 million</td><td>Information-provision services utilizing websites, advertisement sales and contest planning and operation</td></tr><tr><td>Tansei Humanet Co., Ltd.</td><td>¥70 million</td><td>Worker-dispatching business, fee-charging employment placement business and education business mainly for the construction industry</td></tr></table>			Name	Capital or equity capital	Main businesses	Tansei TDC Co., Ltd.	¥100 million	Building, carpentry and interior-finishing work	Tansei Display Co., Ltd.	¥50 million	Display design business	Tansei Business Co., Ltd.	¥40 million	Extensive services business including sale and rental of office supplies and equipment, insurance agency and factoring transactions	Tansei Institute Co., Ltd.	¥50 million	Information collection, research and study of cultural facilities	JDN Inc.	¥20 million	Information-provision services utilizing websites, advertisement sales and contest planning and operation	Tansei Humanet Co., Ltd.	¥70 million	Worker-dispatching business, fee-charging employment placement business and education business mainly for the construction industry
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Stock data	Total number of shares authorized to be issued 187,200,000 Total number of shares issued 48,424,071 Number of shareholders 16,257 Stock exchange listing The Prime Market of the Tokyo Stock Exchange Securities code 9743 Shareholder registry administrator/account management institution of special accounts Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-Chome, Chiyoda-ku, Tokyo																																		
Shareholder composition																																			
Major shareholders	<table><tr><th>Names of shareholders</th><th>Number of shares</th><th>Percentage of shares (%)</th></tr><tr><td>The Master Trust Bank of Japan, Ltd. (Trust account)</td><td>6,167,300</td><td>12.73</td></tr><tr><td>Custody Bank of Japan, Ltd. (Trust account)</td><td>2,442,700</td><td>5.04</td></tr><tr><td>Tanseisha's Client Stock Ownership</td><td>2,304,260</td><td>4.75</td></tr><tr><td>The Dai-ichi Life Insurance Company, Limited</td><td>1,907,100</td><td>3.93</td></tr><tr><td>Tanseisha's Employee Stock Ownership</td><td>1,593,546</td><td>3.29</td></tr><tr><td>Nippon Life Insurance Company</td><td>1,446,493</td><td>2.98</td></tr><tr><td>The Nomura Trust and Banking Co., Ltd. (Investment trust account)</td><td>1,045,700</td><td>2.15</td></tr><tr><td>Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</td><td>986,646</td><td>2.03</td></tr><tr><td>J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS - SETT ACCT</td><td>838,894</td><td>1.73</td></tr><tr><td>THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND</td><td>834,200</td><td>1.72</td></tr></table>		Names of shareholders	Number of shares	Percentage of shares (%)	The Master Trust Bank of Japan, Ltd. (Trust account)	6,167,300	12.73	Custody Bank of Japan, Ltd. (Trust account)	2,442,700	5.04	Tanseisha's Client Stock Ownership	2,304,260	4.75	The Dai-ichi Life Insurance Company, Limited	1,907,100	3.93	Tanseisha's Employee Stock Ownership	1,593,546	3.29	Nippon Life Insurance Company	1,446,493	2.98	The Nomura Trust and Banking Co., Ltd. (Investment trust account)	1,045,700	2.15	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	986,646	2.03	J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS - SETT ACCT	838,894	1.73	THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	834,200	1.72
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*Percentages of shareholdings are calculated by excluding 318,286 shares of treasury stock. Treasury stock (318,286 shares) does not include the Company's shares held by the Executive Compensation BIP Trust or Employee Stock Ownership Trust.																																			

Tanseisha's websites



https://www.tanseisha.co.jp/en/



https://www.tanseisha.co.jp/en/ir/investors