



Translation

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April 11, 2024

Company Name: OHBA CO., LTD.
Representative: Shigeru Tsujimoto, Representative Director & President
(Code: 9765, Prime Market of the Tokyo Stock Exchange)
Contact: Hirofumi Katayama, Managing Executive Officer,
General Manager of Planning Division (Tel. 03-5931-5888)

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

We are constantly striving to manage our business with an awareness of capital costs and stock prices in order to achieve sustainable growth and increase corporate value over the medium to long term.

In this regard, we are pleased to summarize [Action to Implement Management that is Conscious of Cost of Capital and Stock Price] as follows.

1. OHBA's Strengths

- (1) Over 100 Years of Corporate History, Tradition, and Achievements: Established October 1, 1922
- (2) Trustworthiness based on the spirit of our company motto [Sincerity] [Positivity] [Harmony] ... Intangible assets of credit
- (3) Accumulating know-how, knowledge, and experience centered on urban development: first advance into the residential land construction area in the early Showa period
- (4) One-stop solutions through to comprehensive construction consultancies: wide-ranging business development
- (5) Strong in both the public and private sectors: public sector : private sector ratio = 6:4, mutually complementary, less susceptible to economic fluctuations
- (6) Improving profitability: Increased operating income for 12 consecutive years and improved gross profit margin
- (7) Improving technological capabilities: Established a system with 500 qualified personnel and promoted multi-skilled workers
- (8) Strengthening financial conditions: Established a debt-free structure, and enhanced equity capital
- (9) Improving capital efficiency...Return on invested capital (ROIC)>Cost of capital (WACC). Securing excess returns
PBR: Approx. 1.5 times, PER: Approx. 14 times (2024/3/29). High reputation in the industry
* Return on invested capital (ROIC) = Operating profit after tax / Invested capital. Approximately 11%
Cost of capital (WACC) = weighted average cost of equity capital + weighted average cost of debt. Approximately 6%
Return on Invested Capital (ROIC) - Cost of Capital (WACC) = Excess Return

2. Growth strategy

- (1) OHBA formulated a medium-term management plan and announced it on July 13, 2023, in order to realize sustainable growth and increase our corporate value over the medium to long

term. Based on our achievements and trust as a company with over 100 years of history, we will identify areas to protect and those which require change, and steadily expand our core operations centered on OHBA's strengths, namely [Urban Development]. We will also take on the challenge of developing new markets and new businesses to help to resolve social issues, such as (1) disaster prevention and mitigation, national resilience, (2) defense civil engineering, (3) urban development, (4) urban reconstruction, (5) environmental and decarbonization society building, (6) smart cities and urban development DX, and (7) solutions business and civil engineering management (such as proxy operations and reconstruction of aging condominiums) with the aim of achieving a further leap forward.

(2) For example, in order to resolve social issues, the government and municipal offices have strengthened their defense civil engineering efforts and received the following orders from joint ventures.

- Formulation of basic policies associated with optimization of SDF (self-defense force) facilities

- Preparation of master plan for optimization of SDF facilities (Part1 Hokkaido)

- Preparation of master plan for optimization of SDF facilities (Part6 Northern Kanto)

In addition, in the private sector, we received orders for development permits and civil engineering designs related to the construction of a first-term plant for Kumamoto JASM/TSMC (Taiwan Semiconductor Manufacturing Company) and an adjacent Sony Semiconductor Plant, against the backdrop of increased private-sector demand, including the return of production bases (manufacturing) to the domestic market and support services for the development of industrial sites and land for logistics due to the entry of foreign capital.

(3) The medium-term management plan covers the five-year period from the fiscal year ending May 31, 2024 to the fiscal year ending May 31, 2028. The plan is positioned as the first stage of [Challenge] and [Leap Forward] by vigorously cultivating a new 100-year period [Next Century], and will work to achieve the quantitative targets of consolidated net sales of ¥20 billion, consolidated operating income of ¥2.4 billion, consolidated operating income margin of 12%, ROE of 12% and ROIC of 12%.

[Medium-Term Management Plan Quantitative Targets]

	Fiscal Year ended May 31, 2023 (Actual)	Fiscal Year ended May 31, 2024 (Forecast)	Fiscal Year ended May 31, 2028 (Medium-Term Management Plan)
Consolidated net sales	15.647 billion yen	17 billion yen	20 billion yen
Consolidated operating income	1.714 billion yen	1.8 billion yen	2.4 billion yen
Consolidated operating income margin	11.0%	-	12%
ROE	10.6%	-	12%
ROIC	11.1%	-	12%

* ROE: Net income/Shareholders' equity, ROIC: Operating income after tax/Invested capital

3. Strengthen shareholder returns

(1) Change in shareholder return policy

On July 13, 2023, we decided to change our policy to aim for a total return ratio of around 60% and a dividend payout ratio of around 50% (from the fiscal year ended May 31, 2024) by further reinforcing shareholder returns, as our profitability and technological capabilities have steadily improved along with our growth and our financial position has been further enhanced.

[Shareholder return policy]

The Company's basic policy is to pay stable dividends from the perspective of emphasizing shareholder returns. In this regard, the Company will set a total return ratio (*) of around 60% for the foreseeable future, and determine the details of returns for each fiscal year by comprehensively considering economic conditions, financial conditions, business results outlook, and other factors at the time.

The amount of treasury stock held is limited to 10% of the total number of outstanding shares, and any excess of such amount is, in principle, retired every fiscal year. Approximately 50% of consolidated net income is used as the source of dividends.

* Total return ratio (%) = (Dividend amount + Share buyback amount) / Consolidated net income x 100

(2) Change in shareholder benefit program

Since individuals account for approximately 50% of our shareholder composition, we have implemented the following shareholder benefit programs: (1) QUO Cards; and (2) CHOCOLABO chocolate confectionery.

CHOCOLABO (AOH) is the nation's first welfare chocolate workshop and was established in 2012 with the aim of creating workplaces and raising wages for people with disabilities. We endorse the CHOCOLABO program, and as part of our [Social Contribution Activities], we offer chocolate confectionery to shareholders who own [5,000 shares or more], regardless of the number of years for which they have held the shares.

In order to contribute to strengthening our [Social Contribution Activities], and in light of requests therefor from our shareholders, we have decided to expand the scope of these activities to include shareholders who hold [2,500 shares or more] (from the record date as of the interim period-end of November 2023).

[Shareholder Return Results and Forecasts] * 2

	FY5/2020 (Actual)	FY5/2021 (Actual)	FY5/2022 (Actual)	FY5/2023 (Actual)	FY5/2024 (Forecast)
Dividend per share (yen)	14	15	23	24	37
Dividend payout ratio (%)	28.4	28.8	34.3	36.0	
Share buyback (Millions of yen)	207	190	162	199	*1
Total return ratio (%)	53.5	51.0	49.2	54.5	

* 1. 89 million yen acquired by November 2023

* 2. Special shareholder benefit program (1) QUO cards; (2) CHOCOLABO chocolate confectionery

4. Strengthening IR and SR Activities

In order to promote awareness in the stock market and communication with investors, and to deepen investors' understanding of OHBA, we are actively working to strengthen our IR/SR activities by enhancing timely disclosures (including PR disclosures), actively making disclosures in English, holding online briefings (financial results and medium-term management plans), holding IR seminars, and utilizing various media.

(1) Enhancing timely disclosures (including PR disclosures), and actively making disclosures in English

- Enhancing disclosure content and website
- Making positively disclosures in English of content that may affect investment decisions

(2) Publishing Analyst Reports (in Japanese and English)

- Commissioned SESSA Partners Co., Ltd. to issue sponsored research reports.
- Distributed and posted the reports to domestic and overseas institutional investors by the Company (copyright holder) and ourselves.

(3) Publishing in Sumitomo Mitsui Trust Bank [Engagement Square] (English)

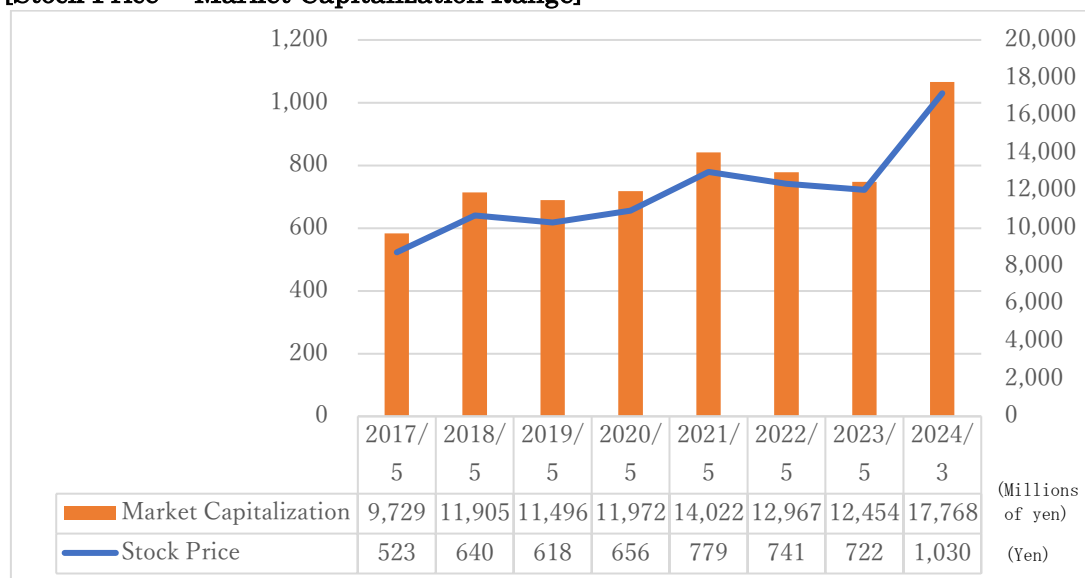
- SuMi TRUST Engagement Square is an information website that disseminates English-language corporate information to foreign institutional investors.
- Helping to make OHBA attractive to overseas institutional investors by posting

- disclosure materials on the site
- (4) Holding online briefings
[Financial Results for the Fiscal Year Ended May 31, 2023, and Briefing on the Medium-Term Management Plan]
• Date and time: Wednesday, August 9, 2023, 13:00 to 13:45
• Hosts: Shigeru Tsujimoto, Representative Director & President
Hirofumi Katayama, Managing Executive Officer,
General Manager of Planning Division
[Financial Results for the Second Quarter of the Fiscal Year Ending May 31, 2024]
• Date and time: Friday, January 26, 2024, 13:00 to 13:40
• Hosts: Shigeru Tsujimoto, Representative Director & President
Hirofumi Katayama, Managing Executive Officer,
General Manager of Planning Division
- (5) Holding IR seminars
[IR seminar for individual investors sponsored by Nihon Securities Journal]
• Date and time: Wednesday, February 21, 2024, 13:00 to 13:50
• Hosts: Shigeru Tsujimoto, Representative Director & President
Hirofumi Katayama, Managing Executive Officer,
General Manager of Planning Division
• Participants: 141
- (6) Conducting individual IR meetings
• Individual IR meetings held as needed either directly or by introducing securities companies
- (7) Utilization of various media
• On September 12, 2022, an interview with the President of OHBA was posted on [Toyo Keizai] [Business ASPECT]
• On October 20, 2023, we included an interview with the President of OHBA in [Diamond Zai] [IR Report]
• On April 5, 2024, [Nihon Securities Journal] [Corporate Research] posted IR seminar points
• In addition, several articles were published in Nikkei Construction, Daily Engineering & Construction News, and Kensetsu Tsushin Shimbun.
- (8) Distribution of videos of general meetings of shareholders
• Distribution of videos of the General Meeting of Shareholders in a two-part structure of proceedings and business reports (available on demand after the meeting)
- (9) Video distribution of the 100th anniversary commemorative ceremony
• The President's greetings for the 100th anniversary ceremony have been distributed as a video (with an English-language ticker)

5. OHBA's Stock Price

Our share price has seen a significant increase since the July 13, 2023 announcement of our full-year results, medium-term management plan, changes in shareholder return policy, etc., and we believe that OHBA is gaining the understanding of investors and shareholders and is beginning to be better valued by the market.

[Stock Price • Market Capitalization Range]



[Market capitalization of outstanding shares]

Based on our share price (closing price) as of March 29, 2024 @ 1,030 yen
 $11,646,137 \text{ shares} \times @ 1,030 \text{ yen} \doteq \mathbf{11,995,521,110 \text{ yen}} \geq 10,000,000,000 \text{ yen}$
 (2024.2.29 Number of Shares Outstanding) (2024.3.29 Stock Price) (Market Capitalization of Outstanding Shares) (Standards for Maintaining Listing on the Prime Market)

[Reference]

- [Notice of Formulation of Medium-Term Management Plan] [with English disclosure]:
http://www.k-ohba.co.jp/pdf/about/plan_90th~94th_j.pdf
[http://www.k-ohba.co.jp/pdf/english/about/plan_%20\(90th~94th\).pdf](http://www.k-ohba.co.jp/pdf/english/about/plan_%20(90th~94th).pdf)
- [Notice of Changes in Shareholder Return Policy and Shareholder Benefit Plan] [with English disclosure]:
<https://ssl4.eir-parts.net/doc/9765/tdnet/2311617/00.pdf>
<http://www.k-ohba.co.jp/ohba/wp-content/uploads/2023/07/Notice-of-Change-to-Shareholder-Return-Policy-and-Change-to-Shareholder-Benefits-Program-.pdf>
- [Status of Progress Based on Plan for Compliance with Listing Maintenance Standards] [with English disclosure]
<https://ssl4.eir-parts.net/doc/9765/tdnet/2319540/00.pdf>
<http://www.k-ohba.co.jp/ohba/wp-content/uploads/2023/08/Progress-under-the-Plan-for-Compliance-with-the-Listing-Maintenance-Standards.pdf>
- [Analyst Report] [with English disclosure]
<http://www.k-ohba.co.jp/information/ir/analyst-report/>
<http://www.k-ohba.co.jp/global/english/ir/news/>
- OHBA's official YouTube channel: [with some English-language "telops"]
<https://www.youtube.com/channel/UCx-D36Mn5l7GRwa4yyrX7Ew>

Action to Implement Management that is Conscious of Cost of Capital and Stock Price



OHBA & CO.

URBAN DEVELOPMENT &
CIVIL ENGINEERING, CONSULTANTS

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OHBA' s Strengths

- OHBA' s Strengths [Overall]
- OHBA' s Strengths [Town Development]
- OHBA' s Strengths [Finance, Valuation]

Current Business Performance

- Orders
- FY2024/5 Earnings Plan
- Shareholder Returns

Growth Strategy

- Mid-Term Plan Quantitative Targets
- Environment Surrounding OHBA
- Resolving Social Issues
- Investment in Human Capital
- M&A, Business Alliances

Appendix

OHBA's Strengths

OHBA's Strengths (1) [Overall]

- History, tradition and achievement as a 100-year-old company, trust built on the spirit of our company motto: Sincerity, Positivity, Harmony
- Urban development at the core (expertise, knowledge, accumulated experience). One-stop solutions through comprehensive construction consulting
- Operating profit expected to increase for 12th consecutive period, improved gross profit margin, organization with 500 qualified personnel, and debt-free foundation



History, tradition and achievement as a 100-year-old company



Trust built on the spirit of our company motto: Sincerity, Positivity, Harmony



Urban development at the core (expertise, knowledge, accumulated know-how)



One-stop solutions through comprehensive construction consulting



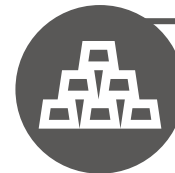
Excellence in the private sector
(Government: Private Sector ratio of 6:4)



Improved profitability (operating profit to increase for 12th consecutive period, improved gross profit margin)



Improved technological capabilities
(built an organization of 500 qualified personnel)



Strengthened financial position (debt-free, strong capital structure)

OHBA 's Strengths (2) [Urban Development]

OHBA' s unique strengths in urban development



- ① Urban Development Technological Capabilities
- ② One-Stop Support Capabilities
- ③ Consensus Building Capabilities
- ④ Comprehensive Capabilities

OHBA' s unique strengths in urban development

Urban Development Technological Capabilities

Covering town planning, landscaping, large-scale development, rezoning, disaster prevention and mitigation, etc.

One-Stop Support Capabilities

Providing total support for client urban development needs, from upstream processes (survey and planning) to downstream processes (design, construction management and project completion)

Consensus Building Capabilities

Bringing together local residents, government, business owners and other stakeholders to drive urban development

Comprehensive Capabilities

Building on OHBA' s four segments, including urban development, design, geospatial and environment

OHBA's Strengths (3) [Finance, Valuation]

- ROE, ROIC, and ROA reflect high profitability among listed companies
- Share price valuations are among the highest in the industry
- Shareholder returns remain high among listed companies
- Financial strength is advantageous for securing orders, recruiting human resources, also expanding options for management strategies, such as M&A

< Performance >

- Sales growth is modest, but profit margins are high

< Valuation >

- ROE, ROIC, and ROA reflect high profitability among listed companies
- Share price valuations are among the highest in the industry

< Productivity >

- Industry-leading sales per employee and operating profit per employee

< Shareholder returns >

- Shareholder returns remain high among listed companies

(unit: %)	OHBA	Industry Avg.
OP Margin	11.0	9.6

(unit: %)	OHBA	Industry Avg.	TSE Prime Avg.
ROE	10.6	10.9	9.2
ROIC	11.1	8.4	5.4

(unit: ¥ mn)	OHBA	Industry Avg.
Sales per employee	28.1	22.2
OP per employee	3.1	2.1

(unit: %)	OHBA	Industry Avg.	Listed company Avg.
Dividend payout ratio	36.0	25.3	34.6
Total return ratio	54.5	34.9	60.3

* Calculated based on various disclosure materials for the most recent fiscal year



- Financial strength is advantageous for securing orders, recruiting human resources, also expanding options for management strategies, such as M&A.
- Need a strategy that ensures further growth and engages in constructive dialogue with investors to gain further market recognition

Current Business Performance

Orders

【Overview】

The private sector continues to perform well, with YoY increases in both order intake and backlog. The order intake reached ¥10,133 mn (¥9,843 mn in the previous year), while the backlog stood at ¥12,478 mn (¥12,083 million in the previous year).

【Government Agencies】 ¥4,658 million (compared to ¥5,297 mn in the previous year)

In efforts to address social issues, emphasis was placed on strengthening defense civil engineering, and the following tasks were awarded to a joint consortium,

- Basic policy formulation for optimizing Self-Defense Force facilities
- Master plan development for optimizing Self-Defense Force facilities (Part 1: Hokkaido)
- Master plan development for optimizing Self-Defense Force facilities (Part 6: North Kanto)

【Private Sector】 ¥4,602 million (compared to ¥3,878 mn in the previous year).

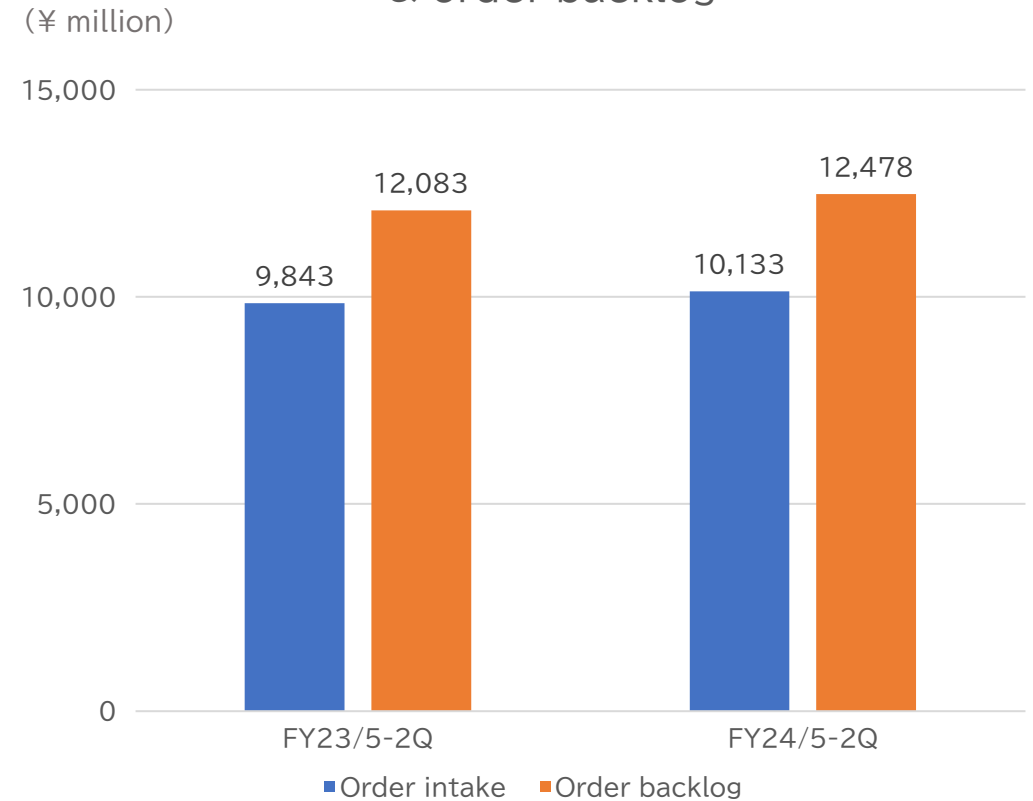
Activities related to land readjustment, development, and general consulting all showed robust performance:

- Land readjustment: Land readjustment associations (including the Tohoku region), general contractors, developers, etc.
- Development: General contractors, developers, design firms, corporations, etc.
- General consulting: Kawasaki Todoroki Park, general contractors, etc.

【Consolidated Subsidiaries】 ¥873 min (compared to ¥668 million in the previous year)

A contribution from OHBA Research and Land Surveys Co., Ltd. which became a wholly-owned subsidiary in May 2023.

Change in orders intake & order backlog



FY2024/5 Earnings Plan

- **Government agencies:** Public investment continues to show robust performance, including disaster prevention and reduction, maintenance and management of aging social infrastructure, reinforcement of national land resilience, and response to defense civil engineering. The order environment is generally expected to remain at the same level as the previous year.
- **Private sector:** The increase in private demand, such as the domestic relocation of production bases (manufacturing) and support for industrial land and logistics site development due to investment from overseas, is expected to continue a favorable order environment.

(¥ million)

	FY23/5 Actual	FY24/5 Plan	Amount Change	% Change
Net sales	15,647	17,000	1,353	8.6%
Operating profit	1,714	1,800	86	5.0%
Ordinary profit	1,787	1,850	63	3.5%
Profit attributable to owners of parent	1,075	1,150	75	7.0%

Shareholder Returns

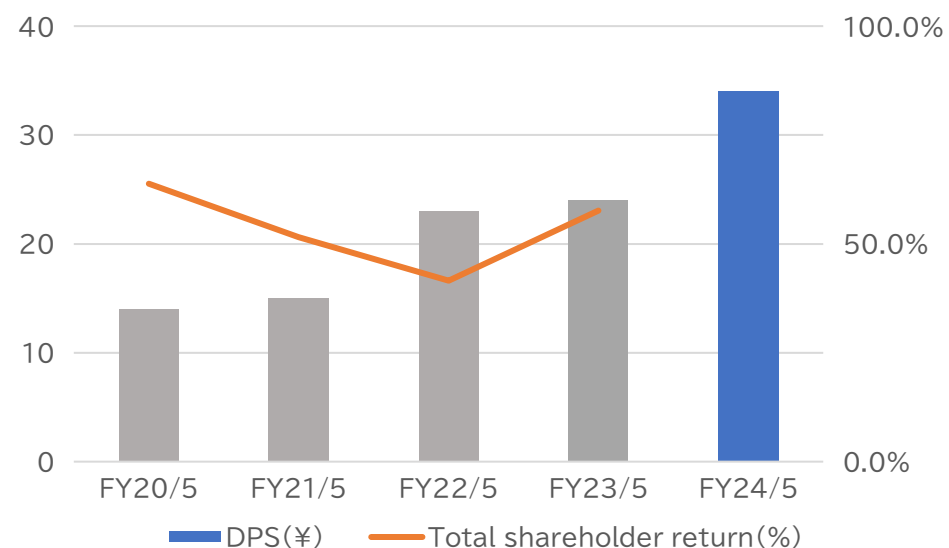
- **Shareholder returns policy:** OHBA's continued growth and the steady improvement in our profitability and technological capabilities have seen the further enhancement of our financial position. Thus, we will further strengthen shareholder returns, targeting a total return ratio and a dividend payout ratio of approx. 60% and 50% respectively.
- **Dividends:** FY2024/5 Interim DPS ¥17, Year end DPS ¥20 (expectation), Annual DPS ¥37 (expectation)
- **Share buy-back:** Already acquired shares worth ¥89 million.

Track records of shareholder returns, and forecast

	FY20/5	FY21/5	FY22/5	FY23/5	FY24/5 (F)
DPS (¥)	14	15	23	24	37
Dividend payout ratio (%)	28.4%	28.8%	34.3%	36.0%	-
Share buy-back (¥ million)	207	190	162	199	*
Total shareholder return (%)	53.5%	51.0%	49.2%	54.5%	-

* Completed purchase worth of ¥89 mn as of November 2023
 Note: There is a shareholder benefit scheme (QUO cards, Chocolabo chocolate confectionery)

Changes in DPS/total shareholder return, and DPS forecast



Growth Strategy

Quantitative Targets of Mid-Term Business Plan (1)

- Target Period: FY5/24–FY5/28 (5 years)
- Positioning: Drive forward into the Next Century; the first stage of “taking on challenges” and “making strides” into the future
- Quantitative Targets: Net sales of ¥20 billion, consolidated operating profit of ¥2.4 billion, consolidated operating margin of 12%, ROE of 12%, ROIC of 12%

Target Period

FY5/24–FY5/28 (5 years)

Positioning

- Drive forward into the Next Century
- The first stage of “taking on challenges” and “making strides” into the future

Quantitative Target

- Consolidated net sales FY5/28 (plan): ¥**20,000** million (¥ **15,647** million)*
- Consolidated operating profit FY5/28 (plan): ¥**2,400** million (¥ **1,714** million)
- Stable growth of core businesses + development of new markets and new businesses to solve social issues
⇒ (1) **Improve profitability** (promoted from the previous medium-term management plan, profit from scale, etc.) +
(2) **Improve top line** (boost number of technicians, revise technician prices, improve productivity, etc.)
- Consolidated operating margin FY5/28 (plan): **12%** (11.0%)
- ROE FY5/28 (plan): **12%** (10.6%)
- ROIC FY5/28 (plan): **12%** (11.1%)

Note: Our cost of capital is perceived to be in the 6% range.

* Figures in parentheses are FY5/23 results

Quantitative Targets of Mid-Term Business Plan (2)

- Target Period: FY5/24–FY5/28 (5 years)
- Positioning: Drive forward into the Next Century; the first stage of “taking on challenges” and “making strides” into the future
- Quantitative Targets: Net sales of ¥20 billion, consolidated operating profit of ¥2.4 billion, consolidated operating margin of 12%, ROE of 12%, ROIC of 12%

Shareholder Returns

- Total payout ratio for FY5/28 (plan): **60%** (54.5%)
- Dividend payout ratio for FY5/28 (plan): **50%** (36.0%)

As OHBA’s profitability and technological capabilities have steadily improved, and our financial position has been further enhanced, we would like to improve shareholder returns further and aim for a total shareholder return ratio of approx. 60% and a dividend payout ratio of approx. 50%.

Figures in parentheses are FY5/23 results

Other

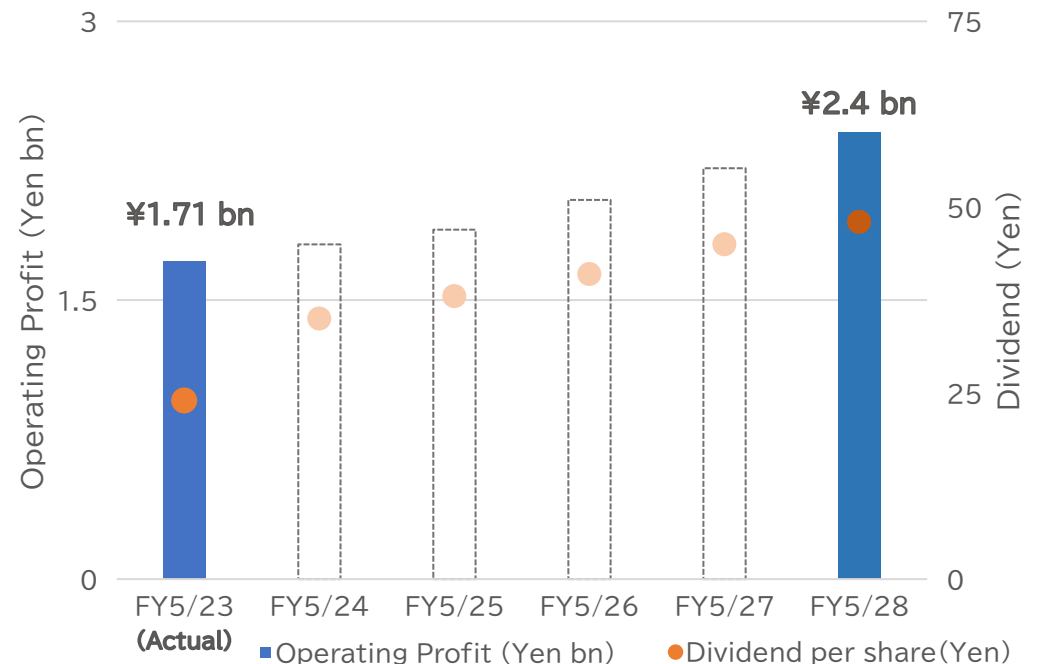
- Consolidated employee headcount in FY5/28 (plan): **650** (556)
- Consolidated qualified personnel headcount in FY5/28 (plan): **650** (488) *

Figures in parentheses are FY5/23 results

- Technicians: 430 (376), Certified Engineers: 300 (233), RCCM: 270 (205), first-class architects: 30 (22) APEC: 50 (28)

Figures in parentheses are FY5/23 results

Image of dividend increases during the medium-term management plan period



Environment Surrounding Our Company

- Operating profit has increased for 12 consecutive periods, and core business operations have shown stable growth.
- In addition, there are new fields with potential for market expansion driven by resolving social issues, etc.
- Specific examples include disaster prevention/mitigation, national land resilience, return of manufacturing to Japan, expansion of foreign companies into Japan, defense civil engineering, etc.

< Social Issues >

Disaster prevention/mitigation, national land resilience, return of manufacturing to Japan, defense reinforcement, reconstruction of aging condominiums

Sustainability management, SDGs, ESG, environment, climate change, decarbonized society, carbon neutral, renewable energy

Human capital investment, work-style reform, diversity, women's advancement, human resource development, reskilling, wage increases, benefits improvement, health management

Strengthen corporate governance, achieve sustainable growth and increase corporate value over the medium to long-term and disclose non-financial information

Digital Transformation (DX), use of AI, cybersecurity risk

Enhance job satisfaction, fulfillment, and engagement

Age of centenarians, declining birthrates, aging populations, pension issues, asset building, moving from savings to investments

< Industry Trends >

Steady public investment in disaster prevention/mitigation, national land resilience, etc

Recovery of private capital investment, inbound investment, etc.

Intensifying competition for human resources, industry restructuring, mergers and acquisitions (M&A, etc.)

Our Understanding of the Environment

- Japanese companies will return their manufacturing operations to Japan, and foreign companies will enter the Japanese market.
- Demand for defense civil engineering will increase as the defense budget increases.
- Earthquake reconstruction-related demand is decreasing, but disaster prevention/mitigation and national land resiliency-related demand will grow.

- Market for zoning and business outsourcing will be large, especially in the Tohoku region following its incorporation of urbanization zones.
- Sustainability initiatives, human capital investment, etc. are essential.
- Securing and developing human resources is essential to achieve our targets, amidst intensifying competition for human resources.

Resolving Social Issues (1)

■ Resolving social issues

- ① Disaster prevention/mitigation, national land resilience
- ② Defense civil engineering
- ③ Urban development
- ④ Urban reconstruction
- ⑤ Environment and building a decarbonized society
- ⑥ Smart city/urban development DX
- ⑦ Business solutions and civil engineering management (reconstruction of aging condominiums, etc.)

① Disaster prevention/mitigation, national land resilience

- National Land Resilience Plan
- Advanced reconstruction urban development plan (secure orders for guidelines to make advanced reconstruction preparations mainstream)
- Undergrounding-related work (secure orders for guidelines to move utility poles underground in urban development projects)
- Compensation survey for infrastructure development
- Inspection and asset management for roads, bridges, and other infrastructure facilities
- Basin flood-control related work
- Investigation and restoration work in the event of natural disasters
- Hazard investigation and analysis of foundation survey, etc. based on the Specific Fill Regulation Act.

② Defense civil engineering

- Survey and design work for optimizing bases and garrisons to strengthen Self-Defense Force facilities
- ⇒ Basic policy formulation for optimizing Self-Defense Force facilities
- Master plan development for optimizing Self-Defense Force facilities (Part 1: Hokkaido)
- Master plan development for optimizing Self-Defense Force facilities (Part 6: North Kanto)

③ Urban development

- Develop industrial and logistics sites with the return of production bases to Japan and the entry of foreign investment
- Develop land along high-standard main highways
- New town land readjustment projects resulting from the incorporation of urbanization zones
- ⇒ Miyagi Prefecture, Senen City plan
- Former US military base sites
- Conversion of land use of former large factories, etc.

④ Urban reconstruction

- Rebuilding of existing town areas using land readjustment methods such as town sponging measures and small-scale land readjustment (secure orders for guidelines for sponging measures and small-scale land readjustment)
- Enter into combined land and building projects (e.g., multilevel land conversion, town redevelopment projects, etc.)
- Compact plus network related business
(location optimization plans, regional public transportation plans, walkability, etc.)

Resolving Social Issues (2)

■ Resolving social issues

- ① Disaster prevention/mitigation, national land resilience
- ② Defense civil engineering
- ③ Urban development
- ④ Urban reconstruction
- ⑤ Environment and building a decarbonized society
- ⑥ Smart city/urban development DX
- ⑦ Business solutions and civil engineering management (reconstruction of aging condominiums, etc.)

⑤ Environment and building a decarbonized society

- Urban green infrastructure aimed at achieving carbon neutrality
⇒ Reorganization/development, and management, etc. for Kawasaki City Todoriki green space
- Survey and design work related to renewable energy (wind power generation, etc.)

⑥ Smart city/urban development DX

- Creating new public-private model associated with the shift to open data
- Implementation of smart city planning
- Digital transformation of infrastructure deterioration diagnostics, compensation surveys, disaster assessments, etc. through 3D data measurement, analysis, and model creation

⑦ Business solutions and civil engineering management

- Business outsourcing
⇒ Miyagi Prefecture, Senen City plan
- Consulting for reconstruction of aging condominiums
- Inheritance tax, real estate utilization consulting
- Maintenance and management of public and private idle land
- Survey and measurement
- Support for sale and disposal

Investment in Human Capital (1)

- Boost headcount ⇒
 - ① Step-up recruitment of new graduates
 - ② Step-up recruitment of mid-career professionals (employee recruitment)
- Improve employee motivation ⇒
 - ① Improve treatment
 - ② Accelerate promotion to managerial positions
 - ③ Promote women's advancement
 - ④ Improve compensation for senior employees
 - ⑤ Career development
 - ⑥ Work-life balance
 - ⑦ Enhance welfare system
- Third-party certification ⇒ Eruboshi (2 levels) , Platinum Kurumin, Hataraku Yell (Welfare Promotion Organization)

Boost headcount

- **Step-up hiring of new graduates (recruitment of women)**
 - Hire approx. 30-35 people per year, actively recruit women
- **Step-up hiring of mid-career professionals (employee recruitment)**
 - Hire approx. 80 people during the medium-term management plan period (70 in engineering, 10 in sales and administrative divisions), and encourage use of human resource agencies, etc.

Improve employee motivation

- **Improve treatment**
 - Announced plans to increase wages by 3% or more YoY for the second consecutive period
 - Raise wages of young employees (Continue raising base pay consistently) →Lifted starting salaries over the three-year period from FY5/21 to FY5/23, and plan to continue from FY5/24 onward
 - Accelerate promotion for younger employees
 - Raise technological allowances in line with measures aimed at improving technological capabilities
- **Accelerate promotion to managerial positions**
 - Promote early active participation of young employees (in their 30s)

Investment in Human Capital (2)

- Boost headcount ⇒
 - ① Step-up recruitment of new graduates
 - ② Step-up recruitment of mid-career professionals (employee recruitment)
- Improve employee motivation ⇒
 - ① Improve treatment
 - ② Accelerate promotion to managerial positions
 - ③ Promote women's advancement
 - ④ Improve compensation for senior employees
 - ⑤ Career development
 - ⑥ Work-life balance
 - ⑦ Enhance welfare system
- Third-party certification⇒ Eruboshi (2 levels) , Platinum Kurumin, Hataraku Yell (Welfare Promotion Organization)

• Promote women's advancement

- Encourage promotion to management positions

• Improve compensation for senior employees

- Introduce performance bonus system for senior-employees
- Increase regular bonuses for senior-employees

• Career development

- Introduce career consultation system (understand each employee's wishes through career consultation and promote appropriate human resource allocation)

• Work-life balance

- Promote flexible workstyles that are efficient and conducive to work-life balance by utilizing remote working and flextime systems

• Enhance welfare system

- Enhance welfare system from various perspectives to help motivate employees

Third-party certification

- Eruboshi (2 levels) , Platinum Kurumin, Hataraku Yell (Welfare Promotion Corporation)



Eruboshi Level 2
2019



Platinum Kurumin
2022



Hataraku Yell
2022

M&A, Business Alliances

- ① M&A within the same industry ... Expand business through M&A deals with other companies in the same industry
 - ② Business alliances with different industries (architectural design offices, etc.) ... Expand business areas through business alliances with other industries
- ⇒ Expect further growth

M&A within the same industry

• Expand business through M&A deals with other companies in the same industry

- Increase in engineers and qualified personnel through addition of personnel
- Synergy effects from expanding business areas
 - Made OHBA Research and Land Surveys Co., Ltd. a subsidiary (in May 2023).
 - Analyze growth markets and open areas and consider expansion, etc.
- Streamline by effectively utilizing management resources within the Group



Our aim for the acquisition of OHBA Research and Land Surveys Co., Ltd. (OLS)

- ① There is little overlap in the client base and business fields of OHBA and OLS, and a wide range of synergies can be expected through horizontal expansion, such as cross-selling OHBA's consulting services to OLS's tier-one clients.
- ② By positioning OLS as the highest priority subcontractor for our geospatial information division, we will be able to improve the Group's in-house production.

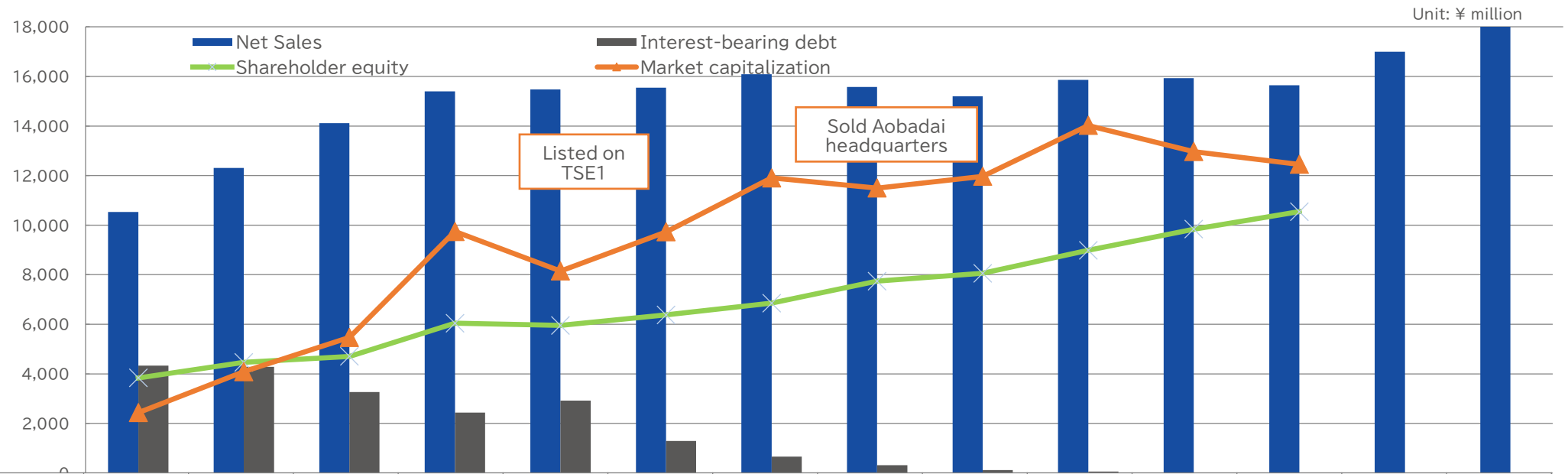
Business alliances with other industries

• Expand business areas through business alliances with other industries (architectural design offices, etc.)

- Expand from land development to redevelopment by leveraging track record and expertise in land development

Appendix

Sustainable Growth and Improving Corporate Value Over the Medium to Long-Term



	FY5/12	FY5/13	FY5/14	FY5/15	FY5/16	FY5/17	FY5/18	FY5/19	FY5/20	FY5/21	FY5/22	FY5/23	FY5/24 (Plan)	FY5/28 (Target)
Net sales	10,534	12,312	14,112	15,402	15,479	15,542	16,086	15,581	15,202	15,862	15,933	15,647	17,000	20,000
Operating profit	171	317	583	790	915	1,045	1,073	1,104	1,144	1,334	1,582	1,714	1,800	2,400
Operating margin	1.6%	2.6%	4.1%	5.1%	5.9%	6.7%	6.7%	7.1%	7.5%	8.4%	9.9%	11.0%	10.6%	12.0%
Profit	39	229	512	811	746	702	744	1,715	823	852	1,085	1,075	1,150	
Interest-bearing debt	4,333	4,286	3,265	2,437	2,918	1,291	658	312	120	60	0	0	0	0
Shareholder equity	3,838	4,462	4,702	6,044	5,955	6,378	6,852	7,738	8,055	8,984	9,839	10,545		
Equity ratio	37.7%	37.4%	39.5%	52.3%	46.9%	57.5%	60.6%	62.8%	62.1%	65.7%	68.2%	65.4%		
Return on equity (ROE)	1.0%	5.5%	11.2%	15.1%	12.4%	11.4%	11.3%	23.5%	10.4%	10.0%	11.4%	10.6%		12.0%
Share price	130	218	292	520	435	523	640	618	656	779	741	722		
Market capitalization	2,436	4,085	5,471	9,744	8,151	9,729	11,905	11,496	11,972	14,022	12,967	12,454		

*Sales of real estate of ¥2,050 million (gain on sale of ¥230 million) are included for the 84th period.

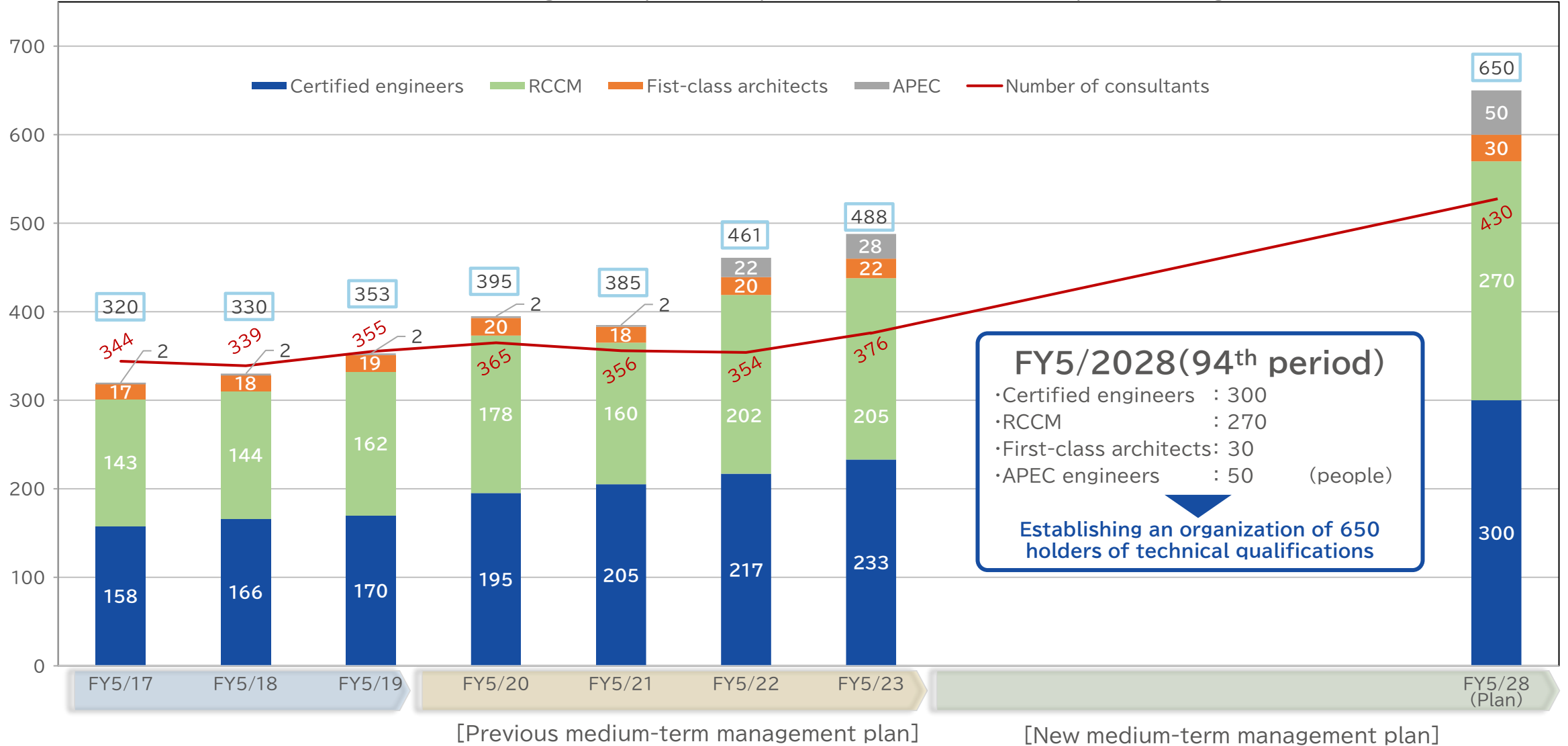
*Gain on sale of commercial real estate (extraordinary income) of ¥1,409 million is included for the 85th period.

*The share price and market capitalization are based on the closing price at the end of the respective periods.

(Reference: As of March 29, 2024, share price: ¥1,030 yen, market capitalization: ¥17,768 million)

Change in Number of Qualified Personnel

Number of qualified personnel
(Certified Engineers, RCCMs, First-Class Architects, APEC Engineers)



1. What is the unit price of engineers for design work, etc.?

- A nationwide uniform unit price used for estimating design work outsourcing, etc. (design, surveying, geology, etc.) ordered by the Ministry of Land, Infrastructure, Transport and Tourism.
- Set unit price for 20 occupations (job classification) based on the results of the annual salary survey.

2. Summary of the unit price for engineers in FY2024

【Simple average of all occupations (job classifications)】 ¥46,880

YoY change (compared with FY2014)
+5.5% (+50.0%)

(Break down by occupations)

YoY change (compared with FY2014)

Design work (7)	avg. ¥56,714	+5.7% (+47/9%)
Surveying (5)	avg. ¥39,820	+5.6% (+75.6%)
Aeronautical and maritime work (5)	avg. ¥43,080	+6.2% (+42.0%)
Geological survey work (3)	avg. ¥42,033	+3.4% (+54.2%)

Note: (numbers) is a job classification

(Reference) Growth rate in the past 10 years (average of all occupations (classifications))										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	+3.2%	+4.7%	+3.8%	+3.1%	+3.0%	+3.7%	+3.1%	+1.6%	+3.2%	+5.4%

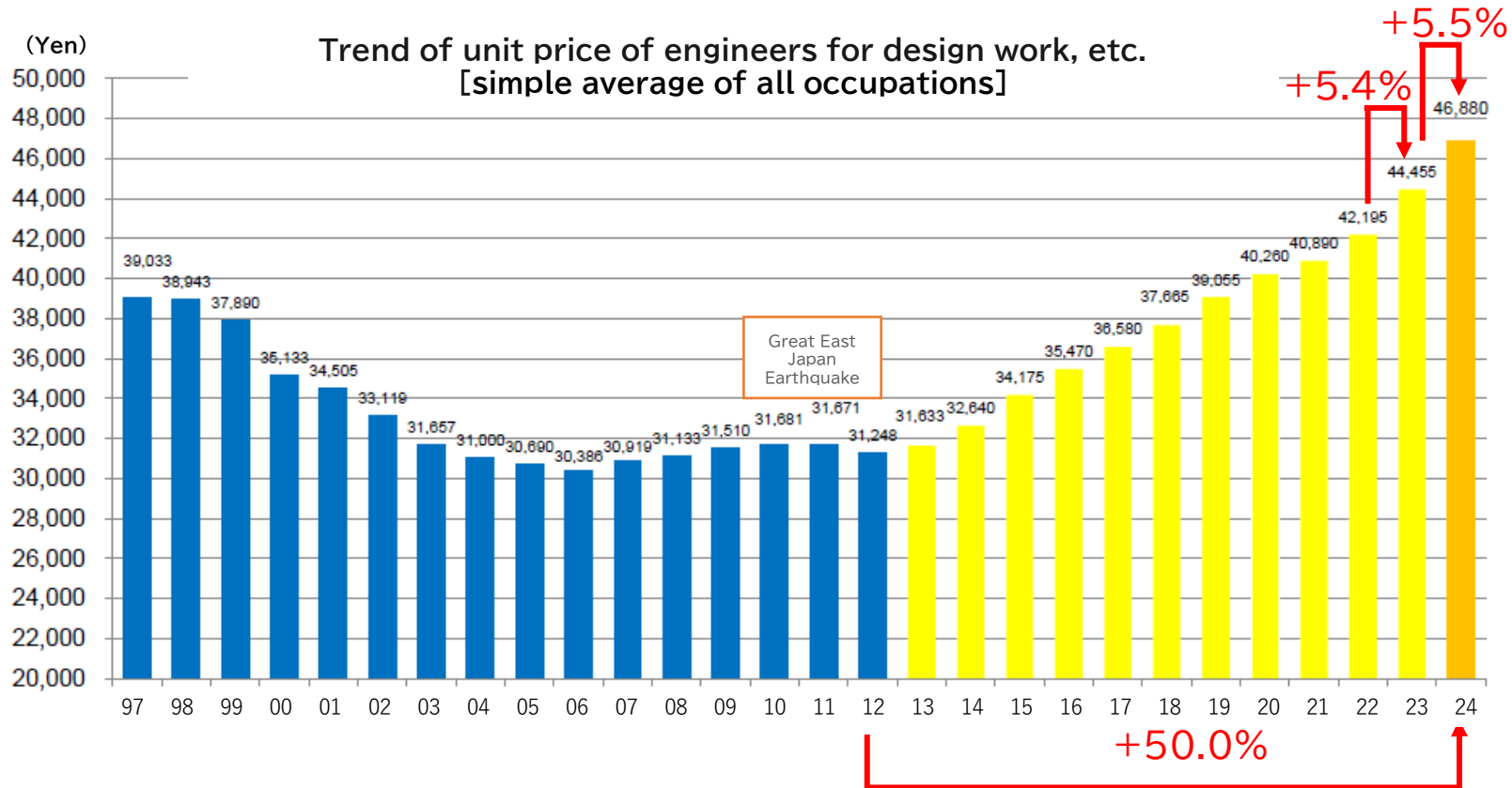
Source: Translated from MLIT website by OHBA

MLIT's Unit Price of Engineers for Design Work, etc. (2)(effective on March 2024)

Design work, etc. (design, surveying, geological survey)

◆ Properly and promptly reflected the recent labor cost situation

➔ Average of all occupations ¥46,880 Change from March 2023; +5.5%
(Change from 2012 +50.0%)



Source: Translated from MLIT web-site by OHBA

Shareholder Benefit Program ① QUO Cards [General-purpose prepaid card]

Holding Period	Number of Shares Held	Benefit Value
Less than 1 year	100 shares or more, less than 500 shares	-
Less than 1 year	500 shares or more, less than 1,000 shares	QUO Card ¥1,000
Less than 1 year	1,000 shares or more	QUO Card ¥2,000
1 year or more	100 shares or more, less than 500 shares	QUO Card ¥500
1 year or more	500 shares or more, less than 1,000 shares	QUO Card ¥3,000
1 year or more	1,000 shares or more	QUO Card ¥7,000

A “Holding Period” of “1 year or more” refers to shareholders who have held the Company’s shares for more than one year as of the last day of May each year, which is equal to or more than the base “number of shares held”. Shareholders who have continuously held the Company’s shares for “1 year or more” means shareholders who have been listed or recorded five or more consecutive times in the Company’s shareholder registry as of the last day of May of the previous year, the last day of August of the previous year, the last day of November of the previous year, the last day of February and the last day of May under the same shareholder number.

Shareholder Benefit Program ② “Chocolabo” Chocolate Confectionery

Initially, as of the record date of the end of the first half of November 2018, shareholders holding “5,000 shares or more” will receive chocolate confectionery from Chocolabo as part of our “social contribution activities”, regardless of the number of years they have held their shares.

In light of shareholder requests, we will expand the scope of this program to shareholders who hold “2,500 or more shares” from the record date of the end of the first half of November 2023, as this will contribute to strengthening our “social contribution activities”.

Chocolabo: The nation’s first welfare chocolate workshop (Tsuzuki-ku, Yokohama; Representative Director: Noriyuki Ito), was established in 2012 with the aim of creating workplaces for people with disabilities and increasing their wages.

Shipping date: Late April (from 2024)





Selected for the 'Min-Kabu Awards 2023'

The award for selected stocks chosen by the largest domestic financial media outlet

The 'Min-Kabu Awards' is hosted by Japan's largest financial and investment media outlet, 'Min-Kabu,' which annually selects and recommends stocks from over 4,000 listed companies, regardless of their size or industry, that are particularly expected to perform well in the future."

Selection Policy

- Companies that have continuously improved their capital efficiency.
- Companies that have continued to achieve steady profit growth even in the era of VUCA.

Selection Methods

- The number of financial years of ordinary profit growth and ROE of 7% or more and continuing to rise were selected from data on domestic listed companies, as of the end of November 2023.
- Stocks are classified into three categories: (1) stocks with consecutive increases in both ordinary profit growth and ROE, (2) stocks with a large number of financial years of increased ordinary profit, and (3) stocks with a large number of financial years of increased ROE.
- Stocks are selected for each of the categories (1) through (3) from a market capitalization of 100 billion yen or more and a market capitalization of less than 100 billion yen. For each category of (1) through (3), the selection was made so that 25% of the stocks were selected from the category with a market capitalization of 100 billion yen or more, and 75% were selected from the category with a market capitalization of less than 100 billion yen.