



Translation

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July 31, 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)

Progress Under the Plan for Compliance with the Listing Maintenance Standards

On December 9, 2021, we initially submitted a plan for compliance with the prime market listing maintenance standards and subsequently disclosed the progress of the plan and other information on August 4, 2022 and August 2, 2023.

As of the end of May 2024, we have complied with the listing maintenance standards and are pleased to announce the progress of the plan as follows.

○ Trends in Compliance with Our Listing Maintenance Standards

As of the end of May 2024, our status of complying with the standards for maintaining listing on the prime market was as follows, including the changes in such compliance. All the standards have been met and the standards for maintaining listing have also therefore been met.

[Compliance with listing maintenance standards as of the record date (May 31, 2024)]

		Number of Shareholders (People)	Outstanding Shares (1 unit: 100 shares)	Outstanding Shares Market Value (Billions of yen)	Outstanding Equity Ratio (%)	Daily Average Trading Value (Billions of yen)
Our compliance status and changes therein (*1)	As of the end of May 2020	7,841	117,838	9.54	64.5	0.03
	As of the end of May 2022	7,763	113,687	8.44	64.9	0.027
	As of the end of May 2023	8,406	112,788	8.60	65.3	0.05 (*2)
	As of the end of May 2024	10,067	101,675 (*3)	10.73 (*4)	59.8 (*3)	-

Listing maintenance standards	800	20,000	10.00	35	0.02	
Planning period	-	-	In 2025 End of May	-	-	-

*1 Our calculation of conformity is based on the distribution status table of our stock certificates, etc. as of the record date of the Tokyo Stock Exchange (TSE).

*2 The average daily transaction value (January to December 2023) is based on a notification received from the TSE.

*3 After deducting the number of shares held for the purpose of “Net investment” (7 companies), which was added to the number of shares previously held, the number of shares and the ratio of shares have both seen a decrease.

*4 $10,167,557.51 \text{ shares} \times @ 1,055.46 \text{ yen} \doteq 10,731,528,966 \text{ yen} \geq 10 \text{ billion yen}$
(Number of Shares Outstanding) (Average Stock Price on 2024/3/1 to 5/31) (Market Capitalization of Outstanding Shares) (Based on Prime Market Listing Maintenance)

○ Implementation Status and Evaluation of Initiatives for Compliance with Listing Maintenance Standards (June 2023 to May 2024)

We have clarified OHBA’s strengths and growth strategy in order to communicate our basic policy to shareholders and investors in an easy-to-understand manner and gain a better understanding of the market. We are working to improve stock prices in line with the expansion of business performance, increase the number of shares in circulation, and strengthen shareholder returns.

1. OHBA’s Strengths

- (1) 100 Years of Corporate History, Tradition, and Achievements: Established October 1, 1922
- (2) Intangible assets of trust based on the spirit of “Sincerity, Positivity, and Harmony.”
- (3) Has accumulated know-how, knowledge, and experience centered on urban development. Entered into residential land construction area in the early Showa period.
- (4) 1-stop solutions through comprehensive construction consultants: wide-ranging business development
- (5) Strong in the private sector : Government Agency to Private Sector ratio = 6:4, mutually complementary, less susceptible to economic fluctuations
- (6) Improve profitability: Increased operating income for 13 consecutive years and improved gross profit margin
- (7) Improvement of technological capabilities: Establishment of a system with 500 qualified personnel and promotion of multi-skilled workers
- (8) Strengthen financial conditions: Establish a debt-free structure and increase shareholders’ equity
- (9) Improve capital efficiency: Return on equity (ROE) > Cost of equity. Securing excess returns
Higher in both PBR and PER than others in the industry

(NOTE) Return on equity (ROE) = Net income / Shareholders’ equity = 11.8% (FYE May 2024)
Cost of equity = Risk free rate + beta value × Market risk premium = Ranging from 7% to 10%

Return on equity (ROE) – Cost of equity = Excess returns = Ranging from 2% to 5%
Price Book Value Ratio (PBR) = Stock Price / Book Value per Share (BPS) = 1.34 times
(May 31, 2024)

Net assets per share (BPS) = Net assets / Total shares issued and outstanding = 763.36 yen (May 31, 2024)

Price earnings ratio (PER) = Stock price / Net income per share (EPS) = 12.27 times
(May 31, 2024)

Net income per share (EPS)= Net income / Total shares outstanding = 83.70 yen (FYE May 2024)

2. Growth Strategy

- (1) We formulated a medium-term management plan and announced it on July 13, 2023, in order to realize our sustainable growth and increase our corporate value over the medium to long term. Based on our achievements and credibility as a century old company, we will identify what we should protect and what we need to change. In addition to steadily expanding our core operations centered on “community development,” which is one of OHBA’s key strengths, we will take on the challenge of developing new markets and businesses to help to resolve social issues such as: (i) disaster prevention, disaster reduction, and national resilience; (ii) defense civil engineering; (iii) urban development; (iv) urban reconstruction; (v) building an environmentally-friendly and decarbonized society; (vi) smart cities and urban development DX; (vii) solutions business and civil engineering management (such as agency services and reconstruction of aging condominiums).
- (2) Specific examples are given below.
- (i) The government and municipal offices throughout Japan have strengthened their defense civil engineering efforts and received the following orders from joint ventures:
- Formulation of basic policies associated with the optimization of SDF facilities
 - Preparation of a master plan for optimization of SDF facilities (1 Hokkaido)
 - Preparation of a master plan for optimization of SDF facilities (6 Northern Kanto)
 - Hyakuri (6) Facility Optimization Comprehensive Design (Kita-Kanto Defense Bureau)
 - Sapporo (6) Facility Optimization Comprehensive Design (Hokkaido Defense Bureau)
- (ii) In the private sector, we received orders for development permits and civil engineering design work related to the construction of a semiconductor plant in Kumamoto, against the backdrop of a return to domestic production bases (manufacturing) and an increase in private-sector demand, such as for the development of industrial sites and land for distribution due to the entry of overseas capital.
- (iii) We are working to continue receiving orders for large-scale land readjustment projects in both the government and private sectors, and to launch new districts. We are promoting the Senen Urban Plan in Miyagi Prefecture as a new urban land readjustment project and business agency business, which was triggered by the incorporation of urbanization areas.
- (iv) The Head Office for Earthquake Recovery has been newly established within the Technical Headquarters to carry out investigations into the current situation of the earthquake in Wajima City, Ishikawa Prefecture, as well as investigations into urban reconstruction measures, with the aim of recovering and reconstructing the areas affected by the Noto Peninsula earthquake as soon as possible.
- (3) The medium-term management plan covers the 5-year period from the fiscal year ending May 31, 2024 to the fiscal year ending May 31, 2028. We have positioned this as the first stage of “Challenge” and “Leap Forward” that will vigorously cultivate the new 100-year “Next Century” plan and pioneer the future. We will work to achieve our quantitative targets of consolidated net sales of 20 billion yen, consolidated operating income of 2.4 billion yen, consolidated operating income margin of 12%, and ROE 12%, ROIC 12%.

[Medium-Term Management Plan Quantitative Targets]

	Year ended May 31, 2023 (Actual)	Year ended May 31, 2024 (Actual)	Year ended May 31, 2025 (Forecast)	Year ended May 31, 2028 (Medium- Term Management Plan)
Net Sales (Millions of yen)	15,647	16,485	17,500	20,000
Operating Income (Millions of yen)	1,714	1,842	1,950	2,400
Operating Income Ratio (%)	11.0	11.2	11.1	12%
ROE (%)	10.6	11.8	-	12%
ROIC (%)	11.1	11.0	-	12%

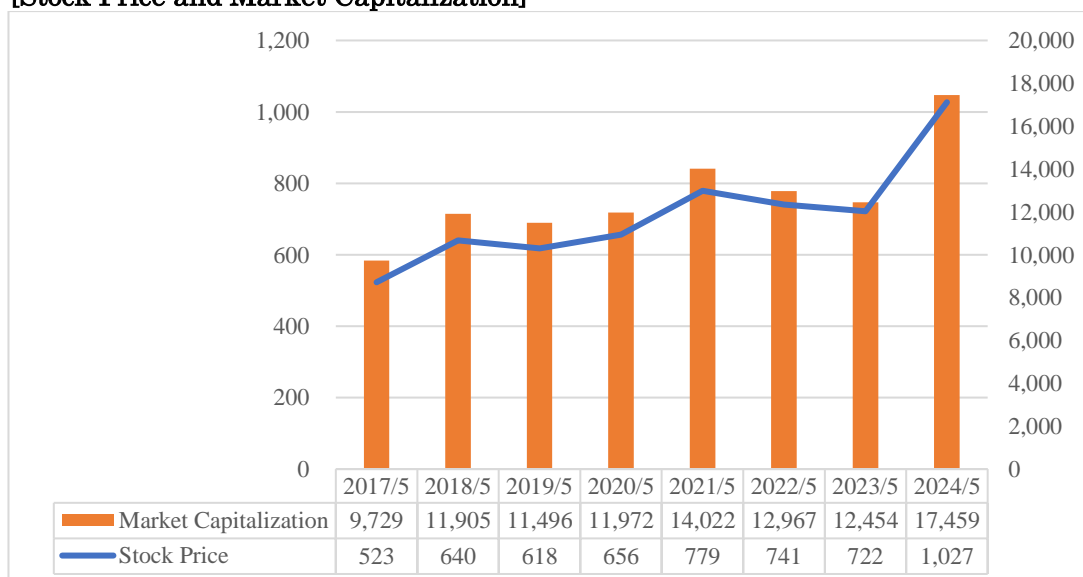
*ROE: Net income / Shareholders' equity, ROIC: Operating income after tax / Invested capital

3. Increase in stock price due to business expansion

- (1) Based on the Medium-Term Management Plan (Fiscal Year 5/2024 to Fiscal Year 5/2028) announced in July 2023, we steadily expanded our core business, centered on “community development,” which is one of OHBA’s strengths. At the same time, we worked to improve profitability by taking on the challenge of developing new markets and new businesses to help to resolve social issues.
- (2) Operating income surpassed the 1.8 billion yen forecast for the previous fiscal year (ending May 31, 2024), reaching 1.842 billion yen, marking the 13th consecutive year of growth. At the same time, operating income margin improved 0.2% from 11.0% to 11.2%.
- (3) Net income (EPS) per share improved by ¥16.96 from 66.74 yen to 83.70 yen, and net assets (BPS) per share improved by ¥105.43 from 657.93 yen to 763.36 yen. ROE improved 1.2%, from 10.6% to 11.8%, approaching 12% of the medium-term management plan.
- (4) We worked to further improve our technological capabilities by increasing the number of people with technical qualifications and utilizing new technologies, and strengthened our efforts in consulting services such as business agency and civil engineering management with the aim of expanding profit opportunities. The essence of our sustained growth lies in the improvement of our technological capabilities. The number of engineers with technical qualifications (professional engineers, RCCM (civil consulting managers), first-class architects, and APEC engineers) who form the foundation of our efforts, has been steadily increasing every fiscal year, reaching 509 in the previous fiscal year (ended May 31, 2024), and we have been able to build a system of 500 technicians with technical qualifications.
- (5) We believe that the Company has been well recognized in the market since the announcement of the change in the Company’s policy in the fiscal year ended May 2023, as well as the medium-term management plan and the shareholder return on July 13, 2023, and has achieved the understanding of investors and shareholders.

Our ROE · ROIC is higher than our cost-of-capital, ensuring excess returns, and both our PBR · PER are highly regarded within the industry. Stock prices have remained firm, and the market capitalization of outstanding stocks exceeded the prime market listing maintenance standard of 10 billion yen.

[Stock Price and Market Capitalization]



4. Increase in number of shares in circulation

We requested the major shareholders (especially ordinary domestic banks, insurance companies, business corporations, etc.) who hold our shares to sell our shares held by each major

shareholder on the trading market, and made efforts to further improve the secondary share ratio. As a result of this reduction in the number of shares held for the purpose of “Net investment” (7 companies), which was added to the number of shares previously held, the number of shares and the ratio of shares have decreased, but when compared on a net basis, it is presumed that the number has seen a substantial increase.

5. Boost in shareholders returns

(1) Change in shareholder return policy

On July 13, 2023, as our profitability and technological capabilities have steadily improved along with our growth, and our financial position has been further enhanced, we decided to further strengthen shareholder returns and 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 2024).

[Shareholder return policy]

The Company’s basic policy is to pay stable dividends from the perspective of emphasizing shareholder returns. From this viewpoint, 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 taking into account 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 each fiscal year. Approximately 50% of consolidated net income is used as the source of dividends.

* Total return ratio (%) = (Dividend amount + Acquisition of treasury stock) / Consolidated net income × 100

(2) Change in shareholder benefit program

Since individuals account for approximately 50% of our shareholder composition, we offer (i) QUO CARD, and (ii) CHOCOLABO chocolate confectionery as a shareholder benefit program. CHOCOLABO (AOH) is the nation’s first welfare chocolate workshop and was established in 2012 with the aim of creating workplaces for and raising wages for people with disabilities. As part of our social contribution activities, we offer CHOCOLABO chocolate confectionery to shareholders who own more than 5000 shares, regardless of the number of years they have held them.

In order to contribute to the strengthening of our social contribution activities, and in light of shareholder requests, we have decided to expand the scope of these activities to include shareholders who hold more than 2500 shares (from the record date for the interim period-end of November 2023).

[Shareholder return results] *

	Fiscal Year 5/2021 (Actual)	Fiscal Year 5/2022 (Actual)	Fiscal Year 5/2023 (Actual)	Fiscal Year 5/2024 (Actual)	Fiscal Year 5/2025 (Forecast)
DPS (yen)	15	23	24	37	40
Payout ratio (%)	28.8	34.3	36.0	44.2	45.7
Share buyback (Millions of yen)	190	162	199	116	-
Total return ratio (%)	51.0	49.2	54.5	52.9	-

* Separate shareholder benefit program with ((i) QUO Card, (ii) CHOCOLABO chocolate confectionery)

(3) Returns to Shareholders for the Year Ended May 2024

In the previous period (May 2024), based on the above-mentioned shareholder return policy, we flexibly reviewed increases in distribution, share buybacks and the cancellation of treasury stock. As a result of efforts to expand the benefits of OHBA’s owners, we implemented an annual per-share dividend payout of 37 yen (ordinary dividend), repurchased 116 million yen

of treasury stock, and cancelled 250,000 shares of treasury stock (total return ratio : 52.9%; payout ratio : 44.2%).

6. Strengthening IR and SR Activities

In order to promote awareness in the stock market and communication with investors, as well as 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 forms of media.

- (1) Enhancing timely disclosures (including PR disclosures), and actively making disclosures in English
 - Enhancing our disclosure content and website
 - Proactively making disclosures in English of content that may affect investment decisions
- (2) Publishing Analyst Reports (in Japanese and English)
 - Commissioned SESSA Partners Co., Ltd. to regularly issue sponsored research reports.
 - Distributed and posted the reports to domestic and overseas institutional investors through SESSA Partners 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.
 - We are helping to make OHBA even more 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, 16:00 to 16:40
 - 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) Utilizing various forms of media
 - On September 12, 2022, an interview with the President of OHBA was posted on [Toyo Keizai] [Business ASPECT]
 - On October 20, 2023, an interview with the President of OHBA was included in [Diamond Zai] [IR Report]
 - On April 5, 2024, [Nihon Securities Journal] [Corporate Research] posted IR seminar points
 - 2024 - Published in the 500 Company Shikiho Pro Selected Stock, Spring and Summer Issue of "Notable Stocks"
 - 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)

7. Other

- (1) In May 2023, we acquired all of the shares of Ohba Research and Land Surveys Co., Ltd and made it a wholly owned subsidiary with the aim of reinforcing group management. This is because of the small overlap in the customer base and operations of Ohba Research and Land Surveys Co., Ltd., which mainly engages in surveying, with our comprehensive construction consulting business based on urban development as the core, and the expectation of wide-ranging synergies to be achieved through such acquisition.
- (2) The performance of Ohba Research and Land Surveys Co., Ltd. has been firm, and synergies with the OHBA Group have been achieved.

■ Consolidated and Major Financial Indicators

	FY May 2015 (Reference)	Year ended May 31, 2022 (Actual)	Year ended May 31, 2023 (Actual)	Year ended May 31, 2024 (Actual)	Year ended May 31, 2025 (Forecast)	Year ended May 31, 2028 (Plan)
Net Sales (Millions of yen)	15,402	15,933	15,647	16,485	17,500	20,000
Operating Income (Millions of yen)	790	1,582	1,714	1,842	1,950	2,400
Interest-Bearing Debts (JPY in Million)	2,437	0	0	0	0	0
Net income per share (yen)	45.05	66.98	66.74	83.70	87.54	-
BPS (yen)	334.26	610.30	657.93	763.36	-	-
Annual dividend (yen)	12.00	23.00	24.00	37.00	40.00	-
(Commemorative dividend)	0.00	4.00	0.00	0.00	0.00	-
Technical Qualification Holder (peoples)	298	461	488	509	-	650
(Professional engineers)	(145)	(217)	(233)	(238)	(-)	(300)
Year-end stock price (yen)	520	741	722	1,027	-	-

* Certified engineers: professional engineers, RCCM (civil consulting manager), first level architects, APEC engineers

[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 the Plan for Compliance with the Listing Maintenance Criteria"

[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>

• "Measures for Realizing Management that is Conscious of the Cost of Capital and Stock Price" [With English disclosure]:

<https://ssl4.eir-parts.net/doc/9765/tdnet/2420293/00.pdf>

Action to Implement Management that is Conscious of Cost of the Capital and Stock Price (k-ohba.co.jp)([Link](#)) [With English disclosure]

• Analyst Report: [With English disclosure]

[http://www.k-ohba.co.jp/information/ir/analyst-report/\(Link\)](http://www.k-ohba.co.jp/information/ir/analyst-report/(Link))

[http://www.k-ohba.co.jp/global/english/ir/news/\(Link\)](http://www.k-ohba.co.jp/global/english/ir/news/(Link))

• Oba official YouTube account: [some English tickers]

<https://www.youtube.com/channel/UCx-D36Mn5l7GRwa4yyrX7Ew>

○ Future Challenges and Initiatives Based on Previous Situations

[Market capitalization of outstanding shares]

As described above, as a basic policy for meeting the secondary market capitalization standard, we have been steadily achieving results by clearly conveying this information to shareholders and investors and from the perspective of gaining their understanding in the market, clarifying OHBA's strengths and growth strategies, and by enhancing share prices, increasing the number of shares in circulation, and strengthening shareholder returns in line with our business expansion. We will continue to do our utmost to continue strengthening into the future.

1. Increase in stock price due to business expansion

- (1) Under the Medium-Term Management Plan, in addition to stable growth in core operations centered on "urban development," the Group will continue to strive to improve profitability by improving the top-line through an increase in the number of engineers, etc., and improving productivity, etc., in order to develop new markets and new businesses aimed at resolving social issues.
- (2) In the fiscal year ending May 31, 2025, the second year of the medium-term management plan, we are striving to achieve net sales of 17.5 billion yen and operating income of 1.95 billion yen (14 consecutive years of growth).
- (3) As part of our efforts to improve our technological capabilities, we will further increase the number of employees who have technical qualifications to 650 and strive to train polyvalent engineers (promoting multi-skilled workers).
- (4) We are confident that our strengths lie in promoting the acquisition of technical qualifications and enhancing IT skills by investing in human capital and other means, and in enhancing the technical capabilities of each and every employee.

2. Increase in the number of shares in circulation

- (1) Our efforts to date have resulted in a steady improvement in the secondary share ratio.
- (2) We will continue to request the major shareholders who hold our shares to sell such shares on the trading market, and we will strive to further improve our secondary share ratio.

3. Boost shareholders returns

- (1) In July 2023, we changed our policy to aim for a total return ratio of around 60% (generally 50% of consolidated net income is used as the source of dividends) by further strengthening shareholder returns, as our profitability and technological capabilities are steadily improving and our financial position is enhanced along with our growth (total return ratio: 50%→60%, payout ratio: 35%→50%).
- (2) For the year ending May 31, 2025, we forecast an interim dividend of 20 yen, a year-end dividend of 20 yen, and an annual dividend of 40 yen (dividend payout ratio: 45.7%). In addition, the Company has continued to acquire treasury stock since June 2024.

4. Strengthening IR/SR Activities

- (1) In order to build long-term, trusting relations with our stockholders, we will continue to strengthen our IR/SR activities, including enhancing our briefings on our financial results (briefings, website, etc.), and responding to IR meetings and interviews (investors, the media, etc.).
- (2) We will make use of the information and knowledge gained through constructive dialogue in corporate management, and actively provide the information necessary for making investment decisions.

5. Other

- (1) We will maximize the synergies with Ohba Research and Land Surveys Co., Ltd., which was made a wholly-owned subsidiary in May 2023, with the aim of strengthening Group management.
- (2) In order to accelerate the pace of growth, in addition to the Company's own network, we will actively consider corporate acquisitions that contribute to the enhancement of corporate value, while utilizing transaction financial institutions and M&A intermediary companies.

■ Outline of Medium-Term Management Plan (Fiscal Year 2024-Fiscal Year 2028/5) (Announced on July 13, 2023)

[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)

1. Toward the Next 100 Years “NEXT CENTURY”

- Looking toward the next 100 years in our “NEXT CENTURY” plan, we will continue to value our employees, who are leaders of our technological capabilities, actively invest in human capital and other areas, share our aspirations with our employees, and grow together.
- Based on our history and achievements to date, we will identify what we should protect and what we need to change. We will stably grow our core business, which is centered on “community development,” while also taking on the challenge of developing new markets and new businesses to resolve social issues, and will aim to achieve further growth.

2. Period Covered

- Fiscal years ended May 31, 2024 to May 31, 2028 (5 years)
- Strong development of next 100 years “Next Century” plan
- First Stage of “Challenge” and “Leap Forward” to Cultivate the Future

3. Basic Policy

- The imperative for achieving our sustained growth and mid-to long-term improvement in company value lies in the improvement of technological power.
- Employees are the leaders of our technological capabilities, and we will actively invest in human capital and other areas and allow our company and employees to grow together.

4. Quantitative Targets

	Year ended May 31, 2023 (Actual)	Year ended May 31, 2024 (Forecast)	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
Operating income ratio	11.0%	-	12%
ROE	10.6%	-	12%
ROIC	11.1%	-	12%

5. Specific Measures

(i) Expanding orders

Expansion of construction consulting services and growth in business solution services

(ii) Further improvement of technological capabilities

Increase in the number of qualified personnel (500 → 650) and the training of polyvalent engineers (promotion of multi-skilled workers)

(iii) Aiding in resolving societal issues

Disaster prevention and mitigation, national resilience, defense civil engineering, urban development, urban reconstruction, and building an environmentally-friendly and decarbonized society,

Smart City and Urban Development DX, Solutions and Civil Engineering Property (Rebuilding of aging condominiums, etc.)

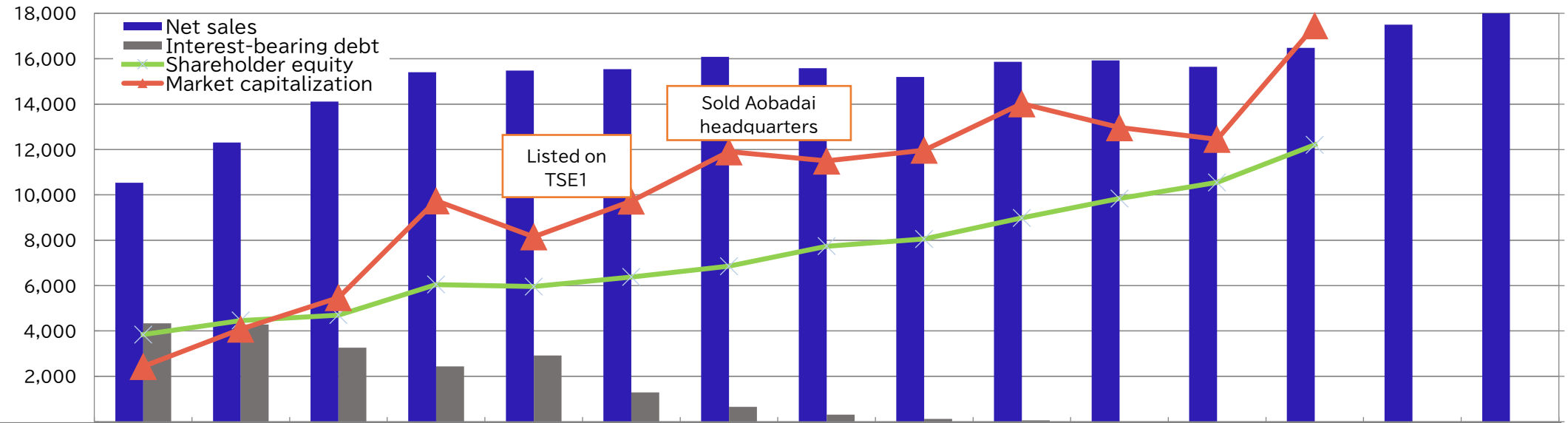
(iv) Investment in human capital, etc.

Linking management strategy to personnel strategy, increasing the number of employees,

- and improving employee motivation
- (v) DX promotion
 - Promotion of urban development DX (aggressive DX) and improvement of productivity (defensive DX)
- (vi) M&A and partnerships
 - Conducting M&A within the same industry and forming business alliances with other industries
- (vii) Boosting shareholders returns
 - Change in shareholder return policy (Total return ratio: 50% → 60%, Payout ratio: 35% → 50%)
 - Change in shareholder benefit program (eligible for CHOCOLABO chocolate confectionery gift: 5000 shares or more → 2500 shares or more)
- (viii) Enhancing corporate governance
 - Improving the effectiveness of the Board of Directors and strengthening IR/SR activities

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

Unit: ¥ million



	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	FY5/25 (Plan)	FY5/26 (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	16,485	17,500	20,000
Operating profit	171	317	583	790	915	1,045	1,073	1,104	1,144	1,334	1,582	1,714	1,842	1,950	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%	11.2%	11.1%	12.0%
Profit	39	229	512	811	746	702	744	1,715	823	852	1,085	1,075	1,339	1,400	
Interest-bearing debt	4,333	4,286	3,265	2,437	2,918	1,291	658	312	120	60	0	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	12,208		
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%	68.0%		
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%	11.8%		12.0%
Share price	130	218	292	520	435	523	640	618	656	779	741	722	1027		
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	17,459		

*Sales of real estate of ¥2,050 million (gain on sale of ¥230 million) are included for FY5/18.

*Gain on sale of commercial real estate (extraordinary income) of ¥1,409 million is included for FY5/19.

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

Number of Qualified Personnel

Number of qualified personnel
(certified engineers, RCCMs, first-class architects, APEC engineers)

