

Financial Results Briefing

FY2025/5 Second Quarter (Interim results)



OHBA & CO.

URBAN DEVELOPMENT &
CIVIL ENGINEERING, CONSULTANTS

Translation

Notice: This document is an excerpt translation of the original Japanese document and is for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

February 5, 2025

Today's Agenda

Summary of Financial Results (FY2025/5 Second Quarter (Interim results))

- Consolidated Income Statements
- Orders Received for Each Business
- Order-Related Topics
- Consolidated Balance Sheets
- Cash Flows
- FY2025/5 Earnings Plan
- Shareholder Returns

Growth Strategy

- Environment Surrounding OHBA
- OHBA's Strengths [1. Overall]
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- OHBA's Strengths [3. Finance, Valuation]
- Implement Management that is Conscious of Cost of Capital and Stock Price
- Medium-Term Management Plan: Quantitative Targets
- Resolving Social Issues
- Investment in Human Capital
- M&A, Business Alliances
- Towards the Next 100 years

Appendix: Our Businesses

Summary of Financial Results

Consolidated Income Statement

(JPY mn)

¥ mn	FY24/5 Q2	FY25/5 Q2	YoY
Order book	10,133	9,975	-1.6%
Net sales	7,089	8,377	18.2%
Gross profit	2,214	2,389	7.9%
SG&A expenses	1,649	1,597	-3.2%
Operating profit	564	792	40.3%
Ordinary profit	598	828	38.3%
Extraordinary gains/losses	-21	1	-
Profit before income taxes	577	829	43.6%
Profit attributable to owners of parent	387	565	45.9%
Operating profit margin	8.0%	9.5%	

■ Overview

Positive results showing increased revenue, profit and improved profit margins, with contribution from business outsourcing from rezoning.

■ Net sales

Net sales increased JPY 1,288 mn (+18.2% YoY) to JPY 8,377 mn.

■ Operating profit

Operating profit was JPY 792 mn, up JPY 228 mn (+40.3% YoY). Striving to achieve our fourteenth consecutive year of profit growth. Operating profit margin improved from 8.0% to 9.5% (+1.5%).

■ Net profit

Net profit was JPY 565 mn, an increase of JPY 178 mn (+45.9% YoY).

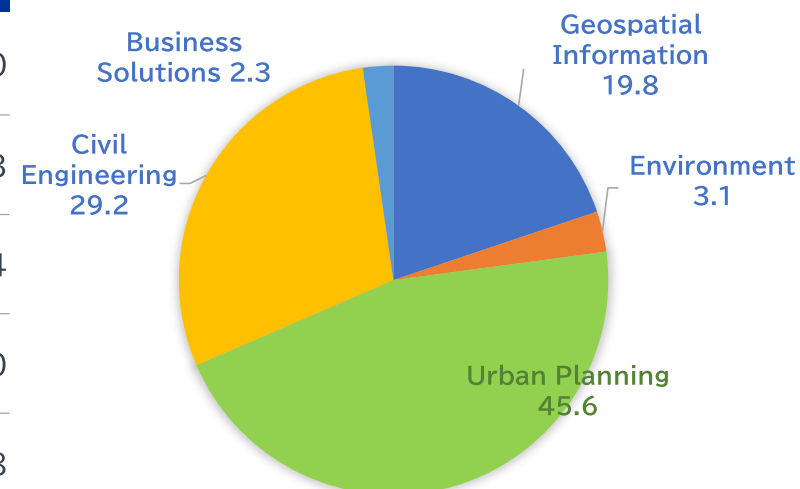
Orders Received for Each Business

- Urban planning business, one of the Company's strong points, was JPY 4,551 mn, up 6.4% YoY.
- Civil engineering was solid at JPY 2,913 mn, following urban planning.
- Orders received totaled JPY 9,975 mn, almost on par with the same period last year.

(JPY thousand)

Each business	Orders received (Unit: thousand yen)		Composition ratio (%)	YoY(%)
	FY24/5 H1	FY25/5 H1		Compared to the previous year set as 100
Geospatial Information	2,037,848	1,976,797	19.8	97.0
Environment	516,282	306,017	3.1	59.3
Urban Planning	4,278,839	4,551,300	45.6	106.4
Civil Engineering	2,913,043	2,913,492	29.2	100.0
Business Solutions	387,685	228,058	2.3	58.8
Total	10,133,697	9,975,666	100.0	98.4

Percentage of orders received for each business



Order-Related Topics

[Overview] The government agencies business performed well, with firm order intake and backlog.

- Order intake: JPY 9,975 mn (the same period of the previous year: JPY 10,133 mn)
- Backlog: JPY 11,808 mn (the same period of the previous year: JPY 12,478 mn)

[Government Agencies] JPY 4,865 mn (compared to JPY 4,658mn 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)
- Comprehensive facility optimization plan for Sapporo (6) (Hokkaido Defense Bureau)
- Comprehensive facility optimization plan for Hyakuri (6) (North Kanto Defense Bureau)

[Private Sector] JPY 4,289 mn (compared to JPY 4,602 mn in the previous year)

The return of production bases (manufacturing) to the domestic market and the entry of foreign capital into the market led to growth in industrial and logistics land development-related work, backed by an increase in private-sector demand.

- Development permits, civil engineering design work, etc. related to the construction of a semiconductor plant in Kumamoto

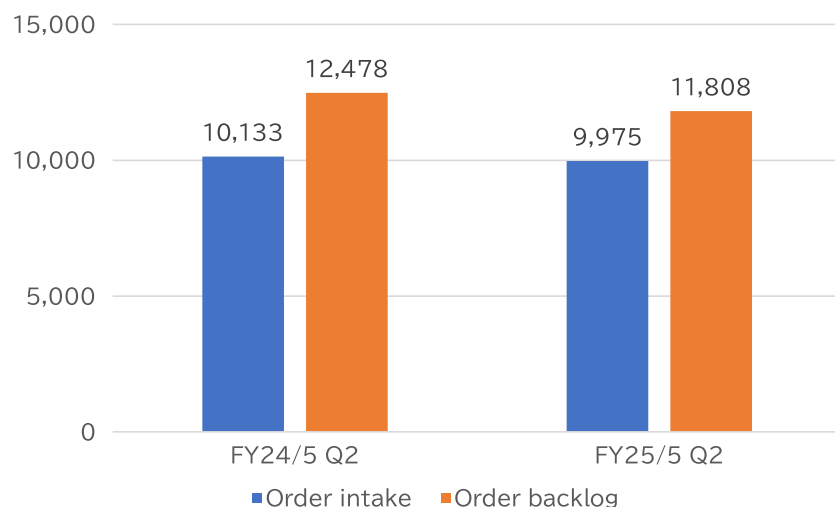
[Rezoning] Promoted the Miyagi Prefecture, Senen City plan, new urban land readjustment and rezoning project as a business agency project, in conjunction with a transfer to a new urbanized area.

[Earthquake Reconstruction] Established the Earthquake Disaster Reconstruction Management Office in the Head Office's Engineering Division to conduct a survey of the current status of damage in Wajima City, Ishikawa Prefecture, and to study reconstruction measures for the urban area.

[Consolidated Subsidiaries] JPY 821 mn (compared to JPY 873 mn in the previous year)

Contribution from Japan Urban Planning Co., Ltd. and OHBA Research and Land Surveys Co., Ltd.

(JPY mn) Order Intake and Backlog



Consolidated Balance Sheets

(JPY mn)

	As of May 31, 2024	As of November 30, 2024	Amount of change	% change
Current assets	9,972	10,181	209	2.1
Non-current assets	7,994	8,108	114	1.4
Total assets	17,966	18,290	323	1.8
Current liabilities	4,021	4,250	228	5.7
Non-current assets	1,320	1,288	-31	-2.4
Total liabilities	5,342	5,539	197	3.7
Shareholders' equity	10,662	10,819	156	1.5
Other net assets	1,962	1,931	-30	-1.6
Total net assets	12,624	12,750	126	1.0
Total liabilities and net assets	17,966	18,290	323	1.8
Interest-bearing debt	0	1,800	1,800	-
Cash and deposits	3,115	1,323	-1,792	-57.5
Equity ratio	68.0%	67.2%		

■ Assets

- The first half showed a decrease in cash and cash equivalents compared to the end of the previous financial year due to seasonal factors causing expenses to increase.
- With the increase in sales, accounts receivable (contract assets, etc.) increased compared to the end of the previous period.

■ Liabilities

- Borrowings increased compared to the end of the previous year as usual for working capital but are scheduled to be fully repaid by the end of this financial year.

■ Net Assets

- Net assets increased from the end of the previous financial year.
- Equity ratio was almost unchanged from the previous financial year.

Cash Flow

(JPY mn)

	FY2024/5 Q2	FY2025/5 Q2
Cash flow from operating activities	-3,036	-3,115
Cash flow from investing activities	-112	-56
Cash flow from financing activities	339	1,379
Net increase (decrease) in cash and cash equivalents	-2,809	-1,792
Cash and cash equivalents at the end of period	1,395	1,323

■ Operating Cash Flow

- Expenses proceeded as per usual
- Due to the increase in accounts receivable and other factors, the operating cash flow was negative.

■ Cash and Cash Equivalents

- Due to the negative operating cash flow, cash and cash equivalents decreased, but the balance at the end of the first half was almost the same as the same period of the previous year.
- The collection of accounts receivable has been progressing from the later part of the second half of the year, and the cash flow is expected to improve.

FY2025/5 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.
- **Rezoning:** Focusing on the continued receipt of orders for large-scale rezoning projects in both the public and private sectors including the establishment of new districts, promoting new urban land readjustment projects and business agency projects triggered by the incorporation of urbanization zones.

	(JPY mn)			
(¥ mn)	FY24/5	FY25/5 (Plan)	Amount of change	% Change
Net sales	16,485	17,500	1,015	6.1%
Operating profit	1,842	1,950	108	5.8%
Ordinary profit	1,929	2,000	71	3.7%
Profit attributable to owners of parent	1,339	1,400	61	4.5%

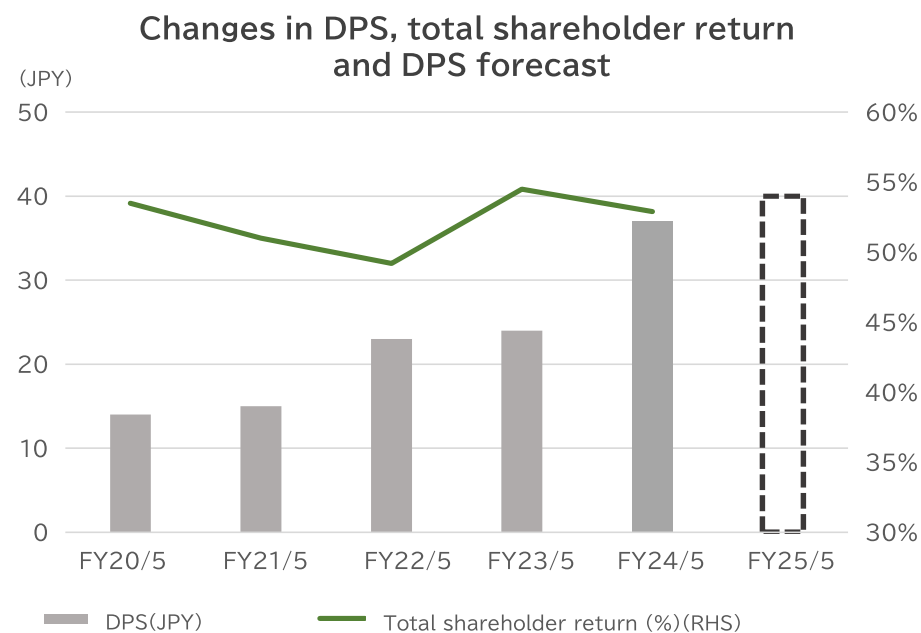
Shareholder Return

- **Shareholder Return Policy:** We aim for a total return ratio of around 60% and a dividend payout ratio of around 50%, as set forth in the medium-term management plan.
- **Dividend:** FY2025/5 Interim DPS JPY 20, year-end DPS(E) JPY 20, Annual DPS (E) JPY 40
- **Share Buy-back:** We have already purchased shares worth JPY 122 mn.

Track records and forecast of shareholder returns

	FY20/5	FY21/5	FY22/5	FY23/5	FY24/5	FY5/25 (F)
DPS(JPY)	14	15	23	24	37	40
Dividend payout ratio(%)	28.4%	28.8%	34.3%	36.0%	44.2%	45.7%
Share buy-back (JPY mn)	207	190	162	199	116	-
Total shareholder return (%)	53.5%	51.0%	49.2%	54.5%	52.9%	-

Note: Completed share buy-back worth of JPY 122 million by November 2024



Growth Strategy

Environment Surrounding Our Company

- Operating profit has increased for 13 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 rezoning 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.

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 planning at the core (expertise, knowledge, accumulated experience). One-stop solutions through comprehensive construction consulting
- Operating profit expected to increase for 13th 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 planning at the core (expertise, knowledge, accumulated experience)



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 13th 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 Planning]

OHBA's unique strengths in urban planning



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

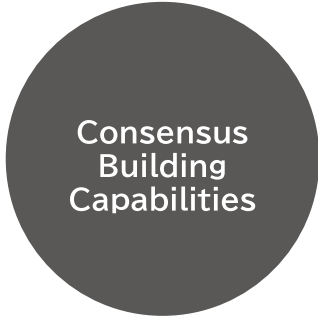
OHBA's unique strengths in urban planning



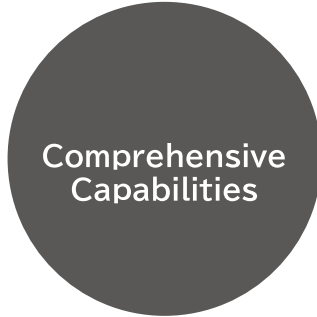
That cover town planning, landscaping, large-scale development, rezoning, disaster prevention and mitigation, etc.



To provide comprehensive support for client urban planning needs, from upstream processes (survey and planning) to downstream processes (design, construction management and project completion)



That bring together local residents, government, business owners and other stakeholders to drive urban planning



Built on OHBA's four segments, including urban planning, 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
- * ROE: Net Profit / Equity, ROIC: Profit Before Tax / Invested Capital

< Productivity >

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

< Shareholder Return >

- Shareholder returns remain high among listed companies

(unit: %)	OHBA	Industry Avg.
OP Margin	11.2	7.3

(unit: %)	OHBA	Industry Avg.	TSE Prime Avg.
ROE	11.8	10.7	9.6
ROIC	11.1	7.8	-
ROA	8.4	5.8	3.0

(unit: JPY mn)	OHBA	Industry Avg.
Sales per employee	28.1	24.1
OP per employee	3.1	1.8

(unit: %)	OHBA	Industry Avg.	Listed company Avg.
Dividend payout ratio	44.2	33.2	32.6
Total return ratio	52.9	41.6	53.7

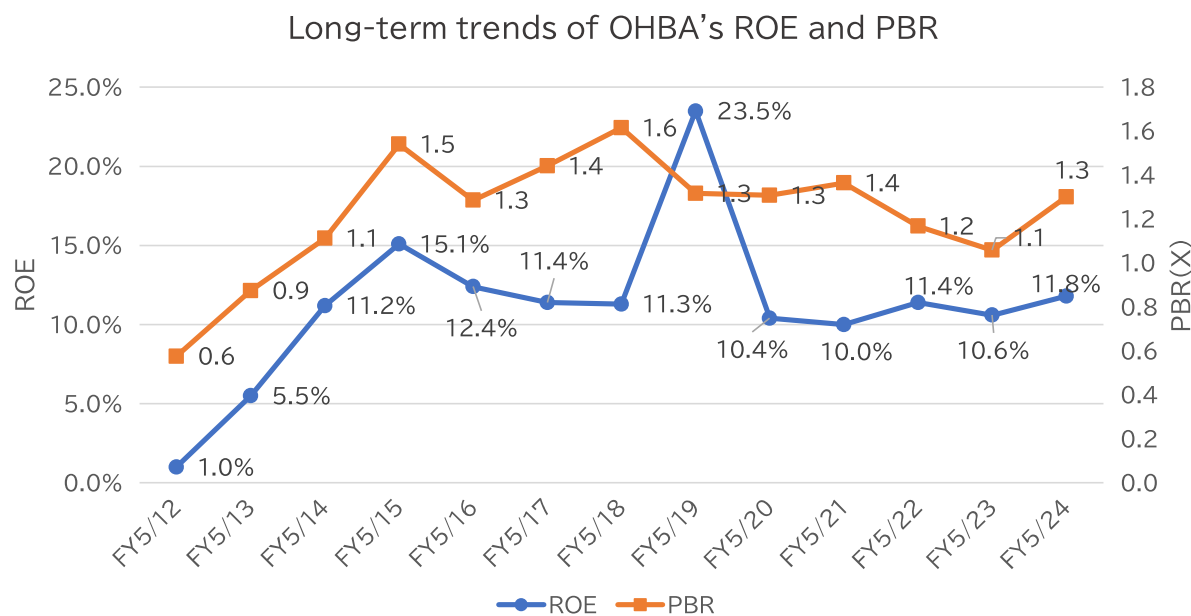
* Calculated based on various disclosure materials for the most recent fiscal year



- 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

Implement Management that is Conscious of Cost of Capital and Stock Price -1

We consider ROE and ROIC as important KPIs, and the current Mid-Term Business Plan sets a target of 12% ROE for the fiscal year ending in May 2028.



■ P/B Linked to ROE Improvement

After recovering from the 2008 financial crisis (Lehman Shock), ROE returned to double digits in FY14/5, and at the same time, PBR exceeded 1x. Since then, ROE has remained in double digits while PBR has stayed in the 1x range, indicating a strong correlation between ROE and PBR.

■ Aiming to improve ROE

OHBA is aiming to further improve ROE by strengthening shareholder returns while considering business plans centered on growth and appropriate levels of retained earnings.

Implement Management that is Conscious of Cost of Capital and Stock Price -2

- Understand the cost of shareholders' equity and strive to increase corporate value through widening the spread (excess return) with ROE
- Strive to reduce the cost of shareholders' equity by promoting information disclosure to investors and shareholders and engaging in dialogue with them.

■ Our cost of shareholders' equity assumptions

While recognizing that there is a certain range in the level of expected shareholder return demanded by investors, we use a general CAPM model to determine our cost of equity.

Risk free rate + Beta × Market risk premium

■ Our cost of shareholders' equity range

Our cost of equity ranges from 7.0% to 10.0%. ROE is currently 11.8%, which is above the cost of equity and approaching the 12% target of the mid-term management plan. *

* Since OHBA has no interest-bearing debt, we compare ROE to cost of shareholders' equity rather than WACC.

■ Reducing the cost of shareholders' equity

Since we are a single segment, we are striving to reduce stock price volatility by enhancing investor relations activities and promoting dialogue with investors while refining the profitability of existing businesses

Initiatives since the previous fiscal year

- Video release of financial results briefings (Q2 and full year)
- Publication of third-party research reports (Japanese and English)
- Holding IR seminars for individual investors
- Expansion of English-language information disclosure
- Establishment of IR/SR Office

Target Period/Quantitative Targets (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): JPY **20,000** mn* (JPY **16,485** mn)
- Consolidated operating profit FY5/28 (plan): JPY **2,400** mn (JPY **1,842** mn)

- 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%** (11.2%)
- ROE FY5/28 (plan): **12%** (11.8%)
- ROIC FY5/28 (plan): **12%** (11.0%)

Figures in parentheses are actual results for FY5/24

Target Period/Quantitative Targets (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 Return

- Total payout ratio for FY5/28 (plan): **60%** (52.9%)
- Dividend payout ratio for FY5/28 (plan): **50%** (44.2%)

As the company’s profitability and technological capabilities have steadily improved, and its 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%.

Other

- Consolidated employee headcount in FY5/28 (plan): **650** (550)
- Consolidated qualified personnel headcount in FY5/28 (plan): **650** (509)

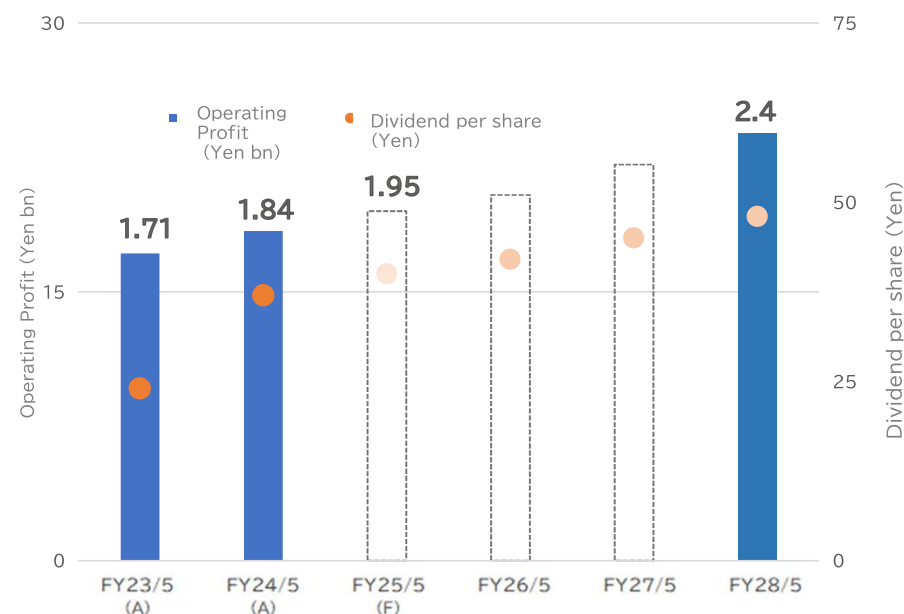
Figures in parentheses are actual results of FY5/24

Figures in parentheses are projections for FY5/24

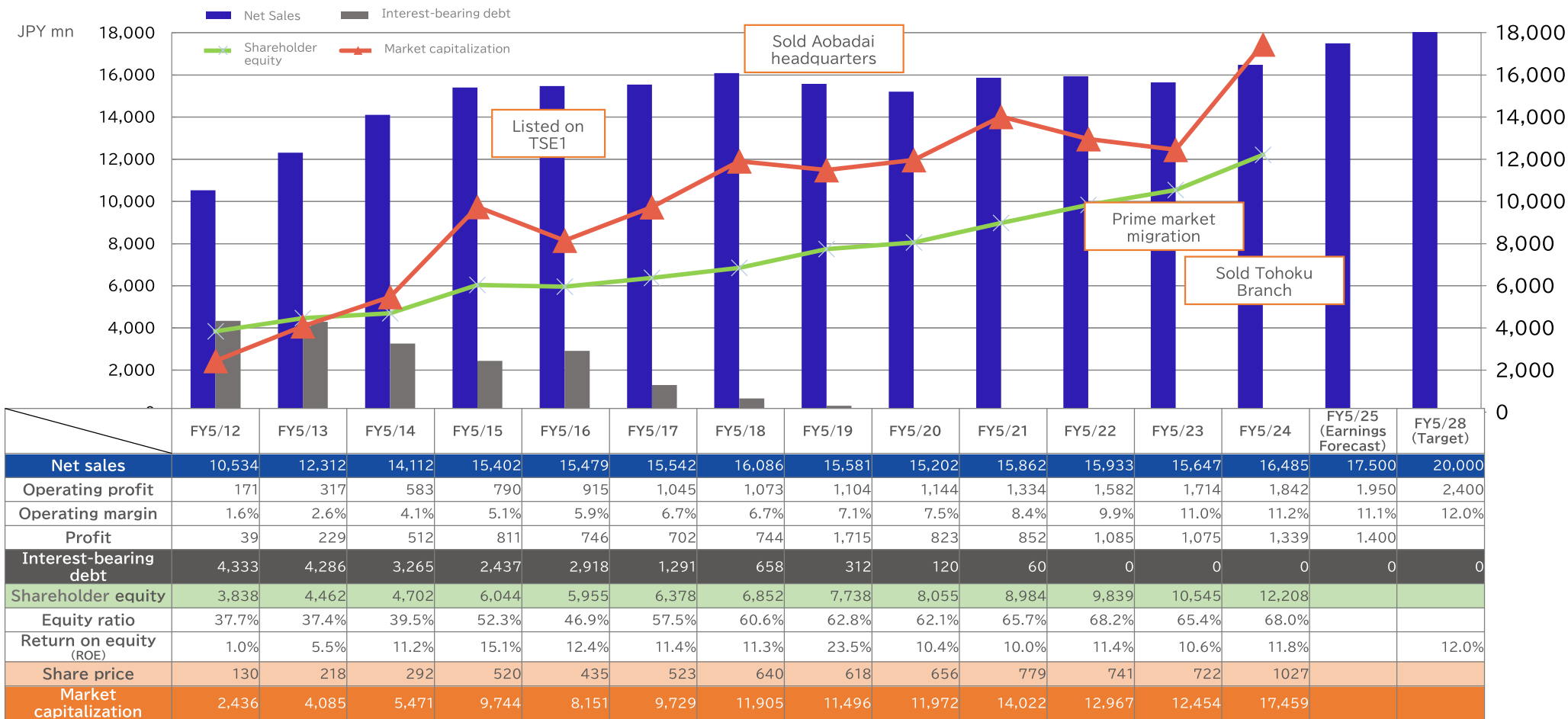
- Technicians: 430 (391), certified engineers: 300 (238), RCCM: 270 (214), first-class architects: 30 (23), APEC: 50 (34)

Figures in parentheses are actual results of FY5/24

Image of dividend increases during the medium-term management plan



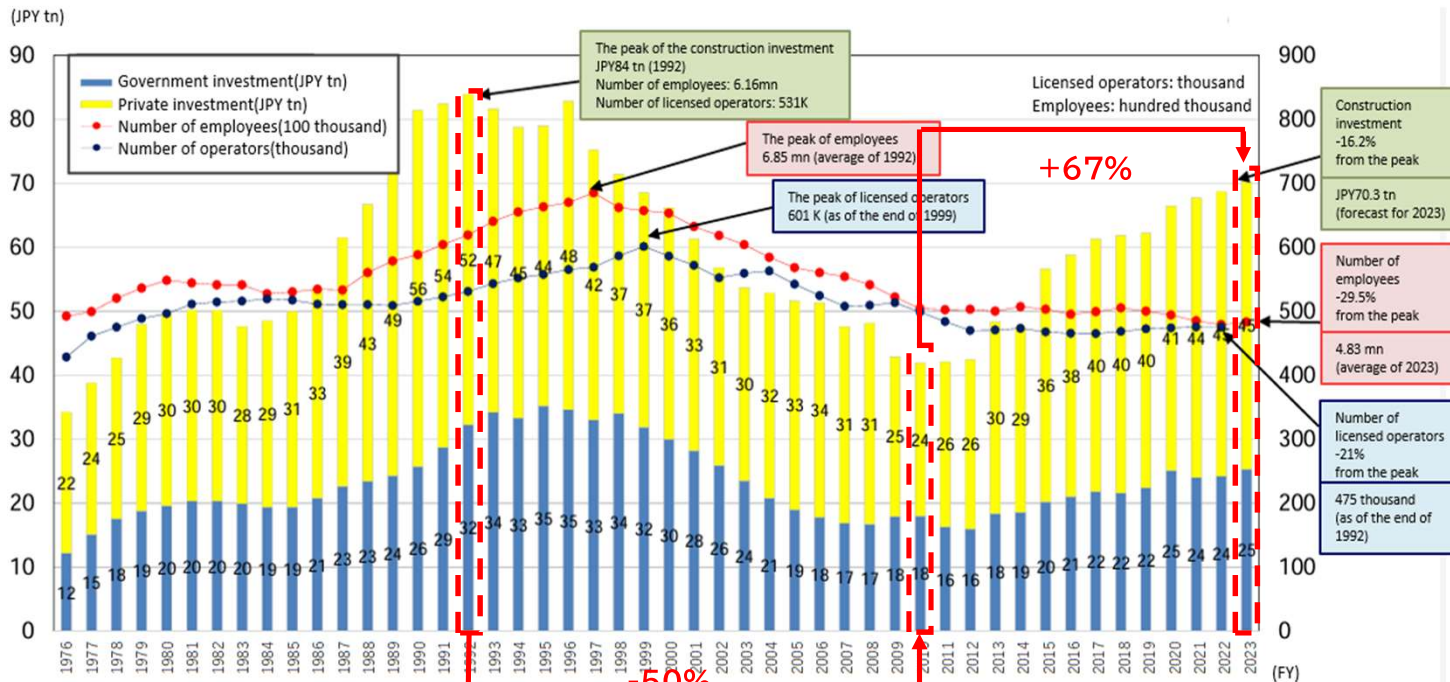
Reference: Sustainable Growth and Improving Corporate Value Over the Medium to Long-Term



*Sales of real estate for sale of JPY 2,050 mn (gain on sale of JPY 230 mn) are included for the FY5/18 period.
 *Gain on sale of commercial real estate (extraordinary income) of JPY 1,409 mn is included for the FY5/19 period.
 *The share price and market capitalization are based on the closing price at the end of the respective periods.

Reference: Trend of construction investment, number of licensed operators, and number of employees

- The amount of construction investment declined from appx. JPY 84 tn in the peak year of 1991 to around JPY 41 tn in 2010, but then turned to an increase, with an expected amount of around JPY 52 tn in 2023 (a decrease of approx. 16% from the peak).
- The number of construction operators (as of the end of 2023) is approx. 470,000, a decrease of about 20% from the peak (at the end of 1999).
- The number of construction industry employees (average for 2023) is 4.83 mn, a decrease of approx. 30% from the peak (average for 1997).



Source: "Construction Investment Outlook", "Survey on the Number of Licensed Construction Operators" from MLIT, and "Labor Force Survey" by MIAC. Translated by OHBA
 Note 1: Actual figures of investment amount are available up to FY2020, estimates are provided for FY2021 and FY2022, and projections are made for FY2023.
 Note 2: The number of licensed operators is as of each year-end (end of March of the following year).
 Note 3: The number of employees is the annual average. For the year 2011, the number was retroactively estimated based on the estimated population using the 2010 national census results, which complemented the three disaster-stricken prefectures (Iwate, Miyagi, Fukushima).

	1992		2010		2023	
				Change from 1992		Change from 2010
Private	52	24	-54%		45	88%
Public	32	18	-44%		25	39%
Total	84	42	-50%		70	67%

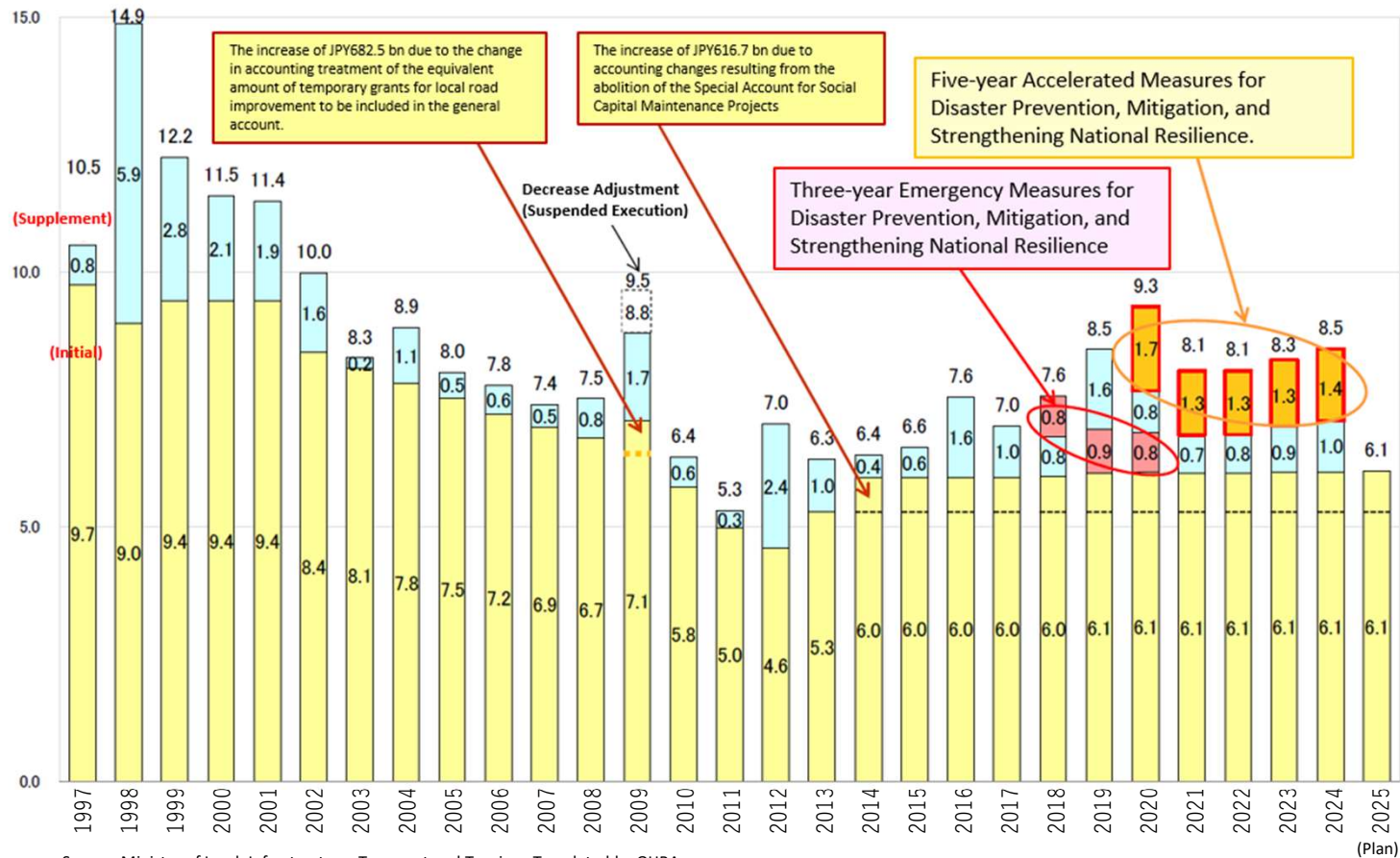
JPY trillion

	1992		2010		2023	
				Change from 1992		Change from 2010
Order intake	22,303	10,548	-53%		17,261	64%

JPY million

Note: Year 1992 is for the parent company only

Reference: Trends in public works-related expenses (government-wide)



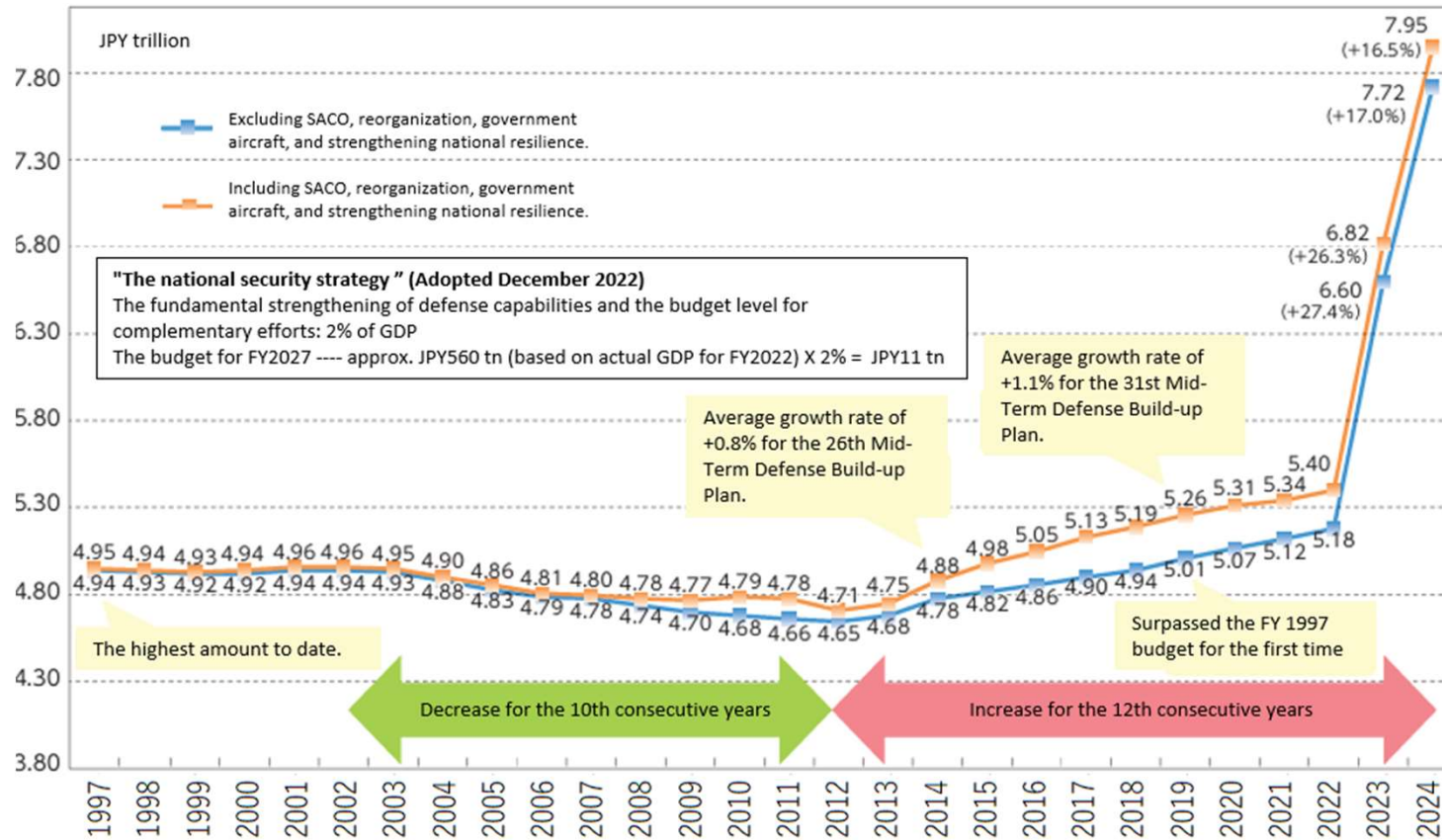
Source: Ministry of Land, Infrastructure, Transport and Tourism. Translated by OHBA

Note 1: This table is on a budgetary basis. In addition, the figures are rounded off, so the total may not match exactly due to rounding.

Note 2: For the FY2011 and FY2012 budgets, they do not include the amounts that transitioned to the Regional Autonomy Strategy Grants in the respective fiscal years.

Note 3: The first, second, and third years of the five-year accelerated measures for disaster prevention, mitigation, and strengthening national resilience are being implemented through supplementary budgets for FY2020, FY2021, and FY2022, respectively.

Reference: Trends in defense-related expenses (initial budget)-1



Source: "Defense of Japan 2024" Defense White Paper. Translated by OHBA

Note 1: The expenses related to the introduction of a new government-exclusive aircraft have been included from FY 2015 to FY 2022. The expenses related to the 3-year emergency measures for disaster prevention, mitigation, and strengthening national resilience have been included in FY 2019 and FY 2020.

Note 2: The expenses related to the 3-year emergency measures for disaster prevention, mitigation, and strengthening national resilience have been included in FY 2019 and FY 2020.

Reference: Trends in defense-related expenses (initial budget)-2

Fig. II-2-3-6 Breakdown of Expenditures Needed for the Next Five Years

Field		Defense Buildup Program (FY2023 - FY2027)	Reference: Previous plans (FY2019 - FY2023)
Stand-Off Defense Capabilities		Approx. 5 trillion yen	Approx. 0.2 trillion yen
Integrated Air and Missile Defense Capabilities		Approx. 3 trillion yen	Approx. 1 trillion yen
Unmanned Defense Capabilities		Approx. 1 trillion yen	Approx. 0.1 trillion yen
Cross-Domain Operation Capabilities (Space, Cyber, SDF equipment)		Approx. 8 trillion yen	Approx. 3 trillion yen
Command and Control/Intelligence-related Functions		Approx. 1 trillion yen	Approx. 0.3 trillion yen
Mobile Deployment Capabilities/Civil Protection		Approx. 2 trillion yen	Approx. 0.3 trillion yen
Sustainability and Resilience	Ammunitions and Missiles	Approx. 2 trillion yen (Approx. 5 trillion yen incl. other fields)	Approx. 1 trillion yen
	Sustainment and Maintenance for Equipment, and Securing Operational Availability	Approx. 9 trillion yen (Approx. 10 trillion yen incl. other fields)	Approx. 4 trillion yen
	Improving the Resiliency of Facilities	Approx. 4 trillion yen	Approx. 1 trillion yen
Reinforcing Defense Production Base		Approx. 0.4 trillion yen (Approx. 1 trillion yen incl. other fields)	Approx. 1 trillion yen
Research and Development		Approx. 1 trillion yen (Approx. 3.5 trillion yen incl. other fields)	
Other (education and training, fuel, etc.)		Approx. 6.6 trillion yen	Approx. 4.4 trillion yen

Source: "Defense of Japan 2024" by Ministry of Defense

Expenses required over the next 5 years
Approx. **43.5 trillion yen** (contract amount)

FY2019-FY2023 planned amount
Approx. 17.2 trillion yen (contract amount)

Defense Civil Engineering

Reference: Trends in defense-related expenses (initial budget)-3

Fig. II-3-2-3 Budget Allocation for FY2024 (15 categories)

Category	Area	Total program expenses for five years	Program expenses for FY2023	Program expenses for FY2024
Stand-off defense capability		Approx. 5 trillion yen	Approx. 1.413 trillion yen	Approx. 712.7 billion yen
Integrated air and missile defense capabilities		Approx. 3 trillion yen	982.9 billion yen	1.2284 trillion yen
Unmanned defense capabilities		Approx. 1 trillion yen	179.1 billion yen	114.6 billion yen
Cross-domain operation capabilities	Space	Approx. 1 trillion yen	152.9 billion yen	Approx. 98.4 billion yen
	Cyberspace	Approx. 1 trillion yen	236.3 billion yen	202.6 billion yen
	Vehicles, ships, aircraft, etc.	Approx. 6 trillion yen	1.1763 trillion yen	1.3391 trillion yen
Command and control/intelligence-related functions		Approx. 1 trillion yen	305.3 billion yen	424.8 billion yen
Mobile deployment capabilities/civil protection		Approx. 2 trillion yen	239.6 billion yen	565.3 billion yen
Sustainability and resiliency	Ammunition, guided missiles	Approx. 2 trillion yen (Approx. 5 trillion yen including other areas)	212.4 billion yen (828.3 billion yen including other areas)	401.5 billion yen (924.9 billion yen including other areas)
	Sustainment and Maintenance for Equipment, and Securing Operational Availability	Approx. 9 trillion yen (Approx. 10 trillion yen including other areas)	1.793 trillion yen (2.0355 trillion yen including other areas)	1.9094 trillion yen (2.3367 trillion yen including other areas)
	Improving the Resiliency of Facilities	Approx. 4 trillion yen	474 billion yen	631.3 billion yen
Reinforcing Defense Production Base		Approx. 0.4 trillion yen (Approx. 1 trillion yen including other areas)	97.2 billion yen (146.9 billion yen including other areas)	83 billion yen (92 billion yen including other areas)
Research and development		Approx. 1 trillion yen (Approx. 3.5 trillion yen including other areas)	232 billion yen (896.8 billion yen including other areas)	225.7 billion yen (822.5 billion yen including other areas)
Base measures		Approx. 2.6 trillion yen	514.9 billion yen	513.8 billion yen
Education and training expenses, fuel expenses, etc.		Approx. 4 trillion yen	943.7 billion yen	911.8 billion yen
Total		Approx. 43.5 trillion yen	8.9525 trillion yen	9.3625 trillion yen

Defense Civil Engineering

Including Defense Civil Engineering

(Note) Figure have been rounded off and may not add up to the total.

Source: "Defense of Japan 2024" by Ministry of Defense

Reference: MLIT's Unit Price of Engineers for Design Work, etc. -1 (effective as of March 2024)

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 FY2012)
+5.5% (+50.0%)

(Break down by occupations)

YoY change (compared with FY2012)

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%

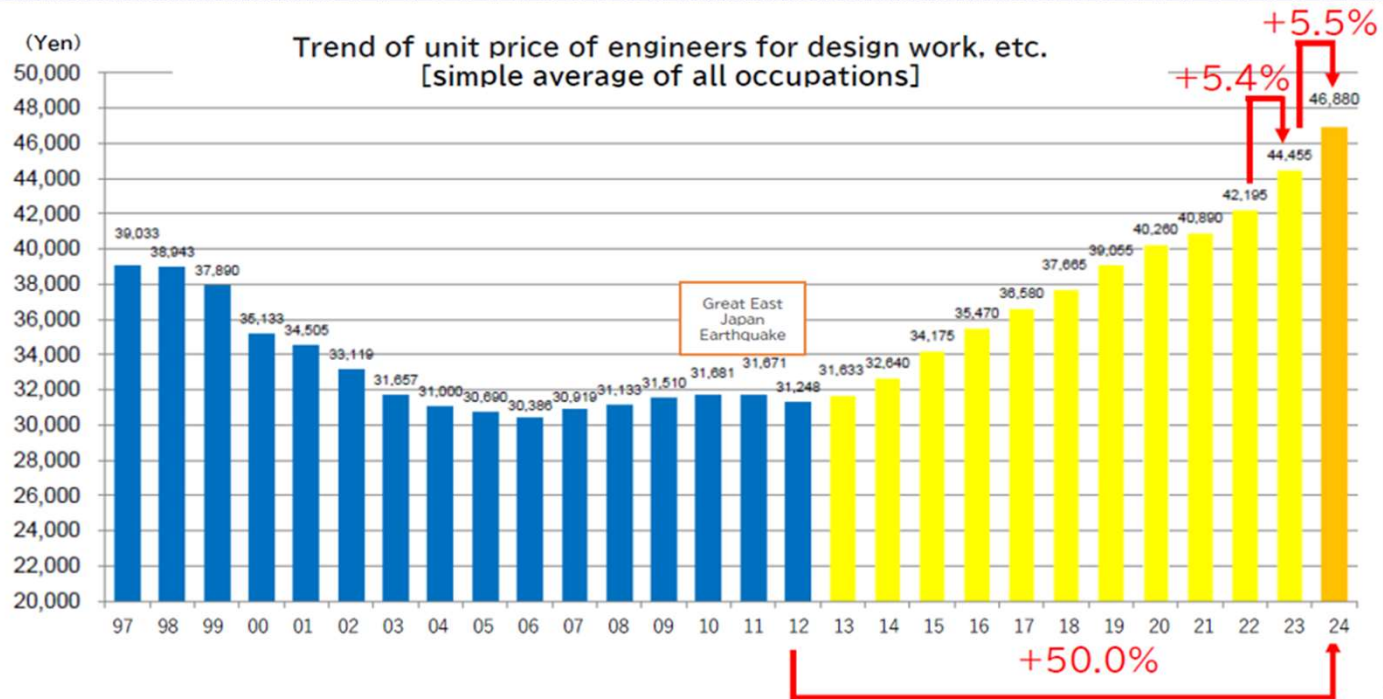
Source: Translated from MLIT website by OHBA

Reference: MLIT's Unit Price of Engineers for Design Work, etc. -2 (effective from 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

Specific Measures [Resolving Social Issues] -1

- ① Disaster Prevention/Mitigation, National Land Resilience
- ⑤ Environment and Building a Decarbonized Society
- ② Defense Civil Engineering
- ⑥ Smart City/Urban Planning DX
- ③ Urban Planning
- ⑦ Business Solutions and Civil Engineering Management (Reconstruction of Aging Condominiums, etc.)
- ④ Urban Reconstruction

Resolving Social Issues

① Disaster Prevention/Mitigation, National Land Resilience

- National Land Resilience Plan
- Pre-disaster recovery reconstruction urban planning plan (secure orders for guidelines to make pre-disaster recovery reconstruction preparations mainstream)
- Undergrounding-related work (secure orders for guidelines to move utility poles underground in urban planning 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
⇒ Survey of the current status of disaster damage, study of urban area recovery measures, and disaster assessment work in Wajima City, Ishikawa Prefecture.
Project to support reconstruction from the torrential rains in western Japan (opening of Mabifureai Park, Kurashiki City, Okayama Prefecture)
- Hazard investigation and analysis of foundation survey, etc. based on the Specific Fill Regulation Act.

Note: Text shown in red indicates large-scale contracts

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)
Comprehensive facility optimization plan for Sapporo (6) (Hokkaido Defense Bureau)
Comprehensive facility optimization plan for Hyakuri (6) (North Kanto Defense Bureau)

③ Urban Planning

- Develop industrial and logistics sites with the return of production bases to Japan and the entry of foreign investment
⇒ Development permits, civil engineering design work, etc. related to the construction of a semiconductor plant in Kumamoto
- 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
⇒ Former Kamiseya telecommunication facility area land rezoning project
- Conversion of land use of former large factories, etc.

Specific Measures [Resolving Social Issues] -2

■ Resolving Social Issues


- ① Disaster Prevention/Mitigation, National Land Resilience
- ② Defense Civil Engineering
- ③ Urban Planning
- ④ Urban Reconstruction
- ⑤ Environment and Building a Decarbonized Society
- ⑥ Smart City/Urban Planning DX
- ⑦ Business Solutions and Civil Engineering Management (Reconstruction of Aging Condominiums, etc.)

④ Urban Reconstruction

- Measures against urban spongification, rebuilding work in existing urban areas (received orders for guidelines on measures against urban sponging and small-scale lot reorganization) through small-scale rezoning, and other land re-zoning methods
- Entry into land and building integrated projects (multilevel land conversion, urban redevelopment projects, etc.)
- Compact-plus-network related work (location optimization planning, regional public transportation planning, walkables, etc.)

⑤ Environment and Building a Decarbonized Society

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

 Note: Red letters indicate large-scale contracts

⑥ Smart City/Urban Planning DX

- Creating new public-private model associated with the shift to open data,
- Implementation of smart urban 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

Specific Measures [Investment in Human Capital, etc.] -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 Recruitment 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 third consecutive period
 - Raise wages of young employees (Continue raising base pay consistently) → Lifted starting salaries over the four-year period from FY5/21 to FY5/24, and plan to continue from FY5/25 onward
 - Accelerate promotion for younger employees
 - Raise technological allowances in line with measures aimed at improving technological capabilities
 - Increase in retirement benefit
- **Accelerate Promotion to Managerial Positions**
 - Promote early active participation of young employees (in their 30s)

Specific Measures [Investment in Human Capital, etc.] -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 Corporation)**

• Promote Women's Advancement

- Encourage promotion to management positions

• Improve Compensation for Continued Employment of Seniors

- Introduce performance bonus system for senior-ranking employees and continuing employees
- Increase regular bonuses for senior-ranking 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



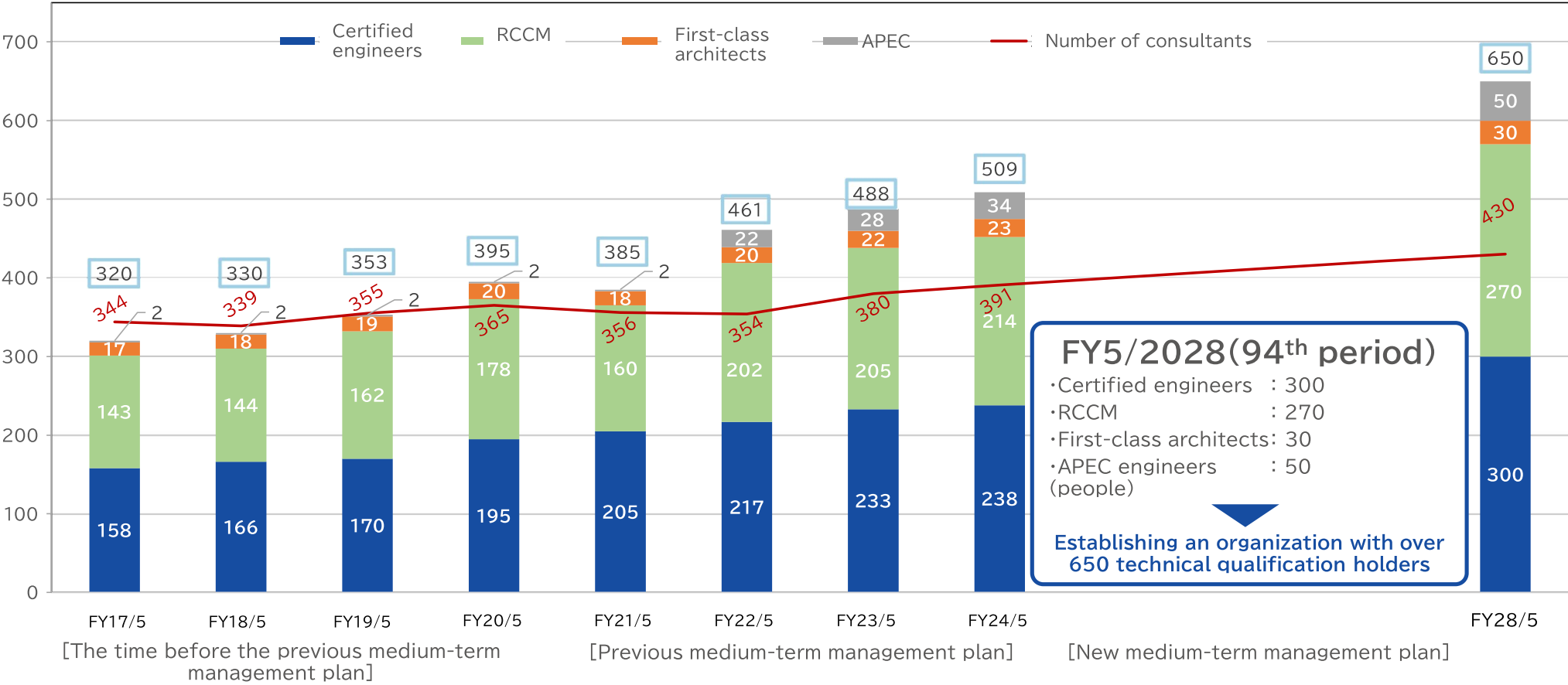
Platinum Kurumin
2022



Hataraku Yell
2024

Reference : Number of Qualified Personnel

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



Reference: Awards -1 Ministry of Land, Infrastructure, Transport and Tourism Bureau

Period	Commendator	Name of Award	Work Subject to the Award
83 rd	Kyushu Regional Development Bureau /Kumamoto Kasen National Highway Office	Director General Award Kyushu Regional Development Bureau Minister of Land, Infrastructure, Transport and Tourism Award for Outstanding Contributions	2016 Business Management Support Business, Technical Support Business
	Kinki Regional Development Bureau/ Fukuchiyama Office of River and National Highway	Office Director's Award Excellence in Operations	Yuragawa Okawa area and other building survey work
85 th	Chubu Regional Development Bureau /Nagoya National Highway Office	Office Director's Award Excellence in Operations	Work to prepare and organize land-related data for the Nagoya National Highway Office in 2019
86 th	Kinki Regional Development Bureau/ Fukuchiyama Office of Rivers and National Highways	Office Director's Award Excellent Construction Contractor (Business) and Outstanding Construction Engineer (Construction)	Yuragawa Okawa area and other building survey work
87 th	Chubu Regional Development Bureau /Nagoya National Highway Office	Director General Award Excellence in Operations	Work to prepare and organize land-related data for the Nagoya National Highway Office
	Kanto Regional Development Bureau/ Kobu Eizen Office	Office Director's Award Excellence in Operations and Outstanding Construction Engineer	Akiruno Town Hall (19) Site survey
91 st	Kanto Regional Development Bureau/ Yokohama National Highway Office	Director General Award Excellence in Operations	2023 National Highway No. 1 Totsuka area survey business

Reference: Awards 2-1 External Organizations

Period	Commendator	Name of Award	Work Subject to the Award
83 rd	City of Yokohama	The 8th Yokohama People, Town and Design Award [Townscape Category]	Minami-Mankigahara Station Renovation Project (Minamimaki Minnano Hiroba Implementation Design)
	Japan Society for Impact Assessment	2016 Society for Environmental Assessment Incentive Award (Practitioner Division)	Evaluation of academic and church activities
	The Japan Civil Engineering Consultants Association	Merit Award	Activities as a member of the erosion control and steep slope specialist Committee
84 th	The Director General of Ministry of Land, Infrastructure, Transport and Tourism Kyushu Regional Development Bureau	Director General Award (Ministry of Land, Infrastructure, Transport and Tourism Kyushu Regional Development Bureau Commendation for Meritorious Service (Contractors who have contributed to disaster restoration, etc.))	2016 Prefectural Road Kumamoto Takamori Line Tawarayama Ohashi technical support work
	Japan Water Agency	General Manager's Commendation (Excellent Worker Award)	Land surveying and surface rights diagram preparation for the renovation and new installation of existing buried pipes as earthquake countermeasures (recovery of construction delays)
	Japan Water Agency	General Manager's Commendation (Outstanding Engineer Award)	Land surveying and surface rights diagram preparation for the renovation and new installation of existing buried pipes as earthquake countermeasures (technical and leadership skills as chief engineer)
	C-Tech Corporation	General Manager's Commendation	Our achievements and contributions to the Hamaoka Nuclear Power Station
	Japan Civil Engineering Consultants Association Kinki Branch	2nd CM General Election Outstanding Work	Town building work
	Urban Regeneration and Land Readjustment Association.	Merit Award	Achieved outstanding achievements in the promotion of land readjustment projects through long years of dedication and efforts to promote the projects
	Consultants of Landscape Architecture	2017 Landscape Consultants Association Award (CLA Award for Excellence in the Design Category)	Shichihongi Pond Park
85 th	Urban Design Center	Minister of Land, Infrastructure, Transport and Tourism Award (Urban Landscape Award, Grand Prize in the Urban Space Category)	Onagawa Station Brick Road Area
	Parks & Open Space Association of Japan	34th Urban Park Competition, Director-General of the Urban Bureau, Ministry of Land, Infrastructure, Transport and Tourism Award (Design Category)	Hekinan Rail Park
	Parks & Open Space Association of Japan	34th Urban Park Competition, Japan Park and Greenery Association Chairman's Award (Design Category)	Gifu Park Playground—Chibikko Tenka Plaza
	Japan Institute of Design Promotion	2018 Good Design Award	Retention Basin—Kashiwanoha Aqua Terrace
	Japan Institute of Design Promotion	2018 Good Design Award	Onagawa Town earthquake reconstruction project [Onagawa station front symbolic space]
	Japan Civil Engineering Consultants Association Kinki	3rd CM General Election Excellent Work	Town Development Starting with "People"
	Consultants of Landscape Architecture	2018 Landscape Consultants Association Award (Special Award in the Design Category)	Gifu Park Playground—Chibikko Tenka Plaza
	Urban Regeneration and Land Readjustment Association.	Merit Award	Land readjustment project

Awards 2-2 External Organizations

Period	Commendator	Name of Award	Work Subject to the Award
86th	Sustainable Society Promotion Consultant Association	Chairman's Commendation for Meritorious Achievement	D.Waste.Net team members of the Sustainability Consultants Association for Disaster Relief and Recovery from Typhoon No. 19 in 2019
	Parks & Open Space Association of Japan	35th Urban Park Competition, Japan Park and Greenery Association Chairman's Award (Design Category)	Gifu Park Mitasaraike Pond and Surrounding Area Design Work* Joint Government-Academia-Private Sector Award with Gifu City and an academician (Professor Hiroshi Maruyama of Meijo University: Supervisor)
	Japan Civil Engineering Consultants Association Chubu	The 29th Technical Presentation of Construction Consultant Services [Award of Excellence]	Thesis: Creating Attractive Parks Where Prefectural Citizens Want to Take the Initiative: Prefectural Citizen Collaborative Support Services at Higashimikawa Furusato Park
	Japan Institute of Design Promotion	2019 Good Design Award	Reborn project at Showa-dori, Oita City, intersection four-corner plaza
	Landscape & Design Committee, JSCE	The 15th Research and Presentation of Landscape and Design [Excellent Lecture Award]	Thesis: A Study on How to Capture Landscapes from the Perspective of Earthquake Disaster Haiku
87th	Ministry of the Environment	Merit Award for Typhoon No. 19 of 2019, Ministry of the Environment D.Waste-Net	Disaster Waste Disposal Support Services (Part 2) D-Waste.Net Dispatch Services
	Landscape & Design Committee, JSCE	Civil Engineering Design Prize, JSCE (Honorable Mention Award)	Reborn project at Showa-dori, Oita City, intersection four-corner plaza
	City of Nagoya, Aichi Prefecture	Good Design Award	Implementation design of abandoned Meitetsu railway line site
	City of Nagoya, Aichi Prefecture	Aichi Nagoya Biodiversity Best Practices Award	Nagoya City Agricultural Cultural Park and Todagawa Green Space Designated management services
88th	Urban Design Center	Received the President's Award from Urban Design Center	Proposals in the 23rd Urban Design Competition for 2020
	The Urban Infrastructure & Technology Promotion Council	The 32nd Technical Research and Presentation Meeting [Award of Excellence].	Comparison of measured gait flow volume with sensor-derived estimates of gait flow volume
	Japan Civil Engineering Consultants Association Chubu	The 31st Technical Presentation of Construction Consultant Services [Award of Excellence, Operations Division].	Thesis: Contribution to Urban Development Centered on the Improvement of Ryuhoku Comprehensive Sports Ground through PFI Projects
	Japan Civil Engineering Consultants Association Chubu	The 31st Technical Presentation of Construction Consultant Services [Award of Excellence, Presentation Division]	Thesis: A Study on the Continued Use of Wooden Emergency Temporary Housing as Permanent Housing after its Provision is Completed
	Japan Society for Impact Assessment	Certificate of Appreciation	Contribute to the development of society by cooperating with its activities as a supporting member
89th	Japan Civil Engineering Consultants Association Chubu	The 32nd Technical Presentation of Construction Consultant Services [Award of Excellence, Operations Division]	Thesis: Creation of a lively and interactive space for the elderly in the vicinity of railroad stations
	Planning Consultants Association of Japan	President's Award of the Urban Development Consultants Association of Japan and Excellence Award of the Urban Development Association of Japan	Thesis: Formulation of a site selection plan for guiding urban functions and settlements in a non-lined urban development area based on the city's origin.
	Urban Regeneration and Land Readjustment Association	Zoning and Urban Development Forum 2022, Subcommittee 1, "Award of Excellence."	Paper: Sustainable Urban Development for Symbiosis of Industry, People, and the Natural Environment

Awards 2-3 External Organizations

Period	Commendator	Name of Award	Work Subject to the Award
89th	Consultants of Landscape Architecture	2022 Landscape Consultants Association Award (CLA Award for Excellence), The 11th Green City Development Award [Osaka Governor's Award].	Basic design of disaster prevention park in Hatchonawatecho area, Takatsuki City and other businesses
	The Japan Civil Engineering Consultants Association Kinki	2022 The 55th Research and Presentation Meeting, General Paper Presentation Division [Encouragement Award]	Thesis: Study of Repair Measures for Bridges with Confirmed Cracks along Sheathing
	Planning Consultants Association of Japan	2022 Urban Development Consultants Association Practice Presentation, Urban Development Society [Award of Excellence].	Thesis: Looking at Today's Significance and Role of Urban Development Master Plans and Location Selection Plans
	Japan Commercial Environmental Design Association, Japan Design Space Association, Nippon Display Federation (each organization is general incorporated organization)	Kukan Design Award, Honorable Mention (Long List), Display Industry Award [Encouragement Award]	Kasai City Community Activation Base Facility "sora kasai" Uzurano Museum
	Bureau of Construction, Nishitama Construction office,	Tokyo Construction Bureau Director's Award for Good Work	Detailed design for Mineiri River erosion control facility disaster prevention work (3 West Construction)
	Aichi Prefectural Government	2023 Aichi Environment Award	Name of work: Designated management of Nagoya City Agricultural Culture Park and Todagawa Green Space
	Urban Regeneration and Land Readjustment Association	Urban Regeneration and Land Readjustment Association, [Merit Award]	Land readjustment project
	Japan Society of Civil Engineers	Excellent Lecture Award at the 18th Research and Presentation of Landscape and Design	Thesis: Characteristics of Intrinsic Values and Actual Conditions of Protection Rules in Important Cultural Landscapes Including Selection Criterion 6
	Japan Society of Civil Engineers	Accepted for publication in the Transactions of the Japan Society of Civil Engineers	Thesis: A Study of the Effects of Regional Public Transportation Use on Reducing Medical Expenses
	The Urban Development Institute of Japan	Published in the Journal of Urban Development and presented a paper at a national conference	Thesis: Research on Spatial Management Methods in Disaster Prevention Vacant Land Projects
	iF DESIGN AWARD	Selected for iF DESIGN AWARD	Kasai City Community Activation Base Facility "sora kasai" Uzurano Museum
90th	The Japan Civil Engineering Consultants Association	Award for Outstanding Construction Contractor and Construction Consultant Services in FY2023	Information dissemination activities related to construction consultants
	Miyagi Prefectural Government, Enterprise Bureau	Miyagi Prefectural Bureau of Public Enterprises Award for Outstanding Engineer in Construction-related Work	Osaki Kosui Nakashinden Branch Line Pipeline Renewal Design Work
	Urban Renaissance Agency, East Japan Urban Renaissance Headquarters	2023 Award for Outstanding Construction Consultant Work	Surveying of road boundaries and other surveying work in the Tamachi Station West Exit South District in 2021
	Urban Renaissance Agency, Kyushu Branch	Award for Outstanding Construction Contractor and Construction Consultant Services in 2023	Design of roads in the Kyushu University Hakozaki Minami area in FY2012 and FY2014
	Urban Renaissance Agency, Kyushu Branch	Award for Outstanding Construction Contractor and Construction Consultant Services in 2023	2022 Haramachi Danchi Boundary Fixing Surveying Services
	The Urban Development Institute of Japan, Kansai	Thesis presentation at the 21st Research and Presentation Meeting [Encouragement Award].	Thesis: The Potential of the Outdoor Space of Osaka Business Park as a Workplace from the Perspective of Knowledge Creation
	The Japan Civil Engineering Consultants Association Kinki	The 56th Research and Presentation Meeting, Poster Presentation Division [Encouragement Award]	Study for the Revision of the Basic Plan of Green in Kawachinagano City
	The Japan Civil Engineering Consultants Association Kinki	The 56th Research and Presentation Meeting, Poster Presentation Division [Encouragement Award]	Application and Characteristics of Multiple Design Standards for Disaster Prevention Regulating Basins in the Same Development Project in the Yamato River Basin
	Landscape & Design Committee, JSCE	JSCE [Design Award] in 2023	Reconstruction of the old Kitakamigawa River in the Ishinomaki urban area

Specific Measures [M&A, Business Alliance]

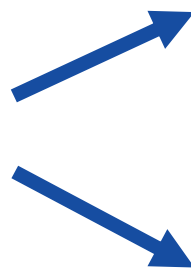
- ① M&A Within the Same Industry ... Expand business through M&A deals with other companies in the same industry
- ② Business Alliances with Other Industries ... Expand business areas through business alliances with other industries (architectural design offices, etc.)

⇒ 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 the addition of personnel
- Synergy effects from expanding business areas
 - Made OHBA Research and Land Surveys Co., Ltd. a subsidiary (in May 2023)
 - Alliance with Pacific Consultants Ltd. (8th Aug 2024)
- Analyze growth markets and open areas, 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.

Our aim for the business partnership with Pacific Consultants Co., Ltd.

- 1) Since collaborating on reconstruction projects after the Great East Japan Earthquake, our company and Pacific Consultants Co., Ltd. have worked together on various infrastructure projects to tackle societal issues.
- 2) With the recent conclusion of this business partnership, both companies aim to complement and utilize each other's technologies, knowledge, experience, and personnel resources. The goal is to provide even more optimal services for a wide range of societal challenges, including complex infrastructure projects, intensified natural disasters, and recovery and reconstruction efforts.

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

Towards a New 100 Years “NEXT CENTURY”-1

● Looking toward a new “NEXT CENTURY,” we will value our employees, who are the driving force behind our technological capabilities, and actively invest in human capital and other resources so that our company and employees can build on their dreams and grow together.

● Based on our history and achievements to date, we will determine what we must protect and what we must change. We will steadily grow our core business centered on “urban development” and take on the challenge of developing new markets and new businesses to solve social issues and make further strides.

Topic ①

Celebrated 100th anniversary in 2022



We celebrated our 100th anniversary in October 2022, thanks to our customers, shareholders, employees and all other stakeholders

Topic ②

Operating profit up for 13 consecutive periods



With “urban planning” as the core of OHBA’s strengths, our operating profit has risen for 13 consecutive periods, fulfilling our previous medium-term management target one year ahead of schedule, and our profitability has steadily improved

Topic ③

Repaid debt and reduced interest-bearing debt to zero



Thanks to our improved earnings and the sale of our headquarters building, we repaid our debt and reduced our interest-bearing debt to zero, thereby making more efficient use of management resources and strengthening our financial position

Topic ④

Establishing an organization of 500 holders of technical qualifications



We have generally succeeded in establishing an organization of 500 holders of technical qualifications (certified engineers, RCCMs (civil consulting managers), 1st class architects and APEC engineers), which we have been working on as part of our efforts to improve our technical capacity. We would like to further increase the number of holders of technical qualifications, and to develop polyvalent technicians (promotion of multi-skilled workers).

Topic ⑤

Improve shareholder returns with a change in our shareholder returns policy



We have made a total shareholder return ratio of around 50% and a dividend payout ratio of around 35% for each financial year based on our stable dividend policy. As the company’s profitability and technological capabilities have steadily improved along with its growth, and its financial position has been further enhanced, we would like to further improve shareholder returns and aim for a total shareholder return ratio of around 60% and a dividend payout ratio of around 50%.

Towards a New 100 Years “NEXT CENTURY”-2

- Looking toward the NEXT CENTURY, we will value our employees, who are the driving force behind our technological capabilities, and actively invest in human capital and other resources so that our company and employees can build on their dreams and grow together.
- Based on our history and achievements to date, we will determine what we need to protect and what needs to be changed. We will steadily grow our traditional business centered on “urban planning” and take on the challenge of developing new markets and new businesses to solve social issues and make further strides.

The first stage of “taking on challenges” and “making strides” into the future

■ Improve technological capabilities

The key to achieving sustainable growth and increasing our corporate value over the medium to long term is to improve our technological capabilities for a new 100 years, the NEXT CENTURY.

■ Invest in human capital, etc.

We value our employees, who are the driving force behind our technological capabilities, and actively invest in human capital and other resources, share with them the vision we aspire to, and grow together with them.

■ Develop new markets and new businesses to solve social issues

Based on our history and achievements to date, we will determine what we must protect and what we must change. We will steadily grow our core business centered on “urban planning” and take on the challenge of developing new markets and new businesses to solve social issues and make further strides.

Appendix

Corporate Philosophy

Corporate Philosophy

Since our founding, we have embraced the following three principles as our corporate creed. These principles have served as the foundation for overcoming many challenges and have driven the development of our business:

Sincerity

Sincerity is the cornerstone of our company's social credibility. Our success today is the result of our unwavering commitment to sincerity in technology, sales, and all aspects of management. We strive to provide satisfaction to our customers with genuine dedication.

Positivity

In response to changing times, we aim to achieve first-class technical standards and management performance through "superior imagination, a strong sense of responsibility, and effective execution." We are diligently dedicated to pursuing these goals.

Harmony

Harmony is the most valued principle within our company. We respect each person's excellent skills and opinions and are committed to contributing to the company's success after full discussion. Once a decision is made, we cooperate fully to achieve our goals, fostering a spirit of mutual support.



President and Representative Director

Shigeru Tsujimoto

Company Profile

Headquarters Address	Kouwa Hitotsubashi Building, 3-7-1 Kanda Nishikicho, Chiyoda-ku, Tokyo
Founded	October 1, 1922
Established	October 1, 1947
Capital	2,131,730,000 yen (As of May 2024)
Stock Listing	Tokyo Stock Exchange (Prime Market)
Issued Shares	17,000 thousand shares (As of May 2024)
Number of Employees	550 (As of May 2024, consolidated)
Net Sales	16,485 million yen (FY ended May 2024, consolidated)
Orders Received	17,261 million yen (FY ended May 2024, consolidated)

OHBA's History

Year	Month	Event
1922	10	Took over the management of Waji Corporation and started a surveying business mainly for mines, railroads, ports, and other facilities
1930	11	Changed company name to OHBA Munenori Civil Engineering Office and established a civil engineering design and construction management division on top of the surveying business
1932	-	Began residential land development operations, handling everything from design to construction management for Togoshi New Town
1945	11	Changed company name to OHBA Civil Engineering & Architecture Office
1947	10	Incorporated as a joint-stock company, adding new architectural and civil engineering construction divisions.
1960s		Entered the land readjustment business in earnest, and began working on major new town, golf course, and other development projects
1971	12	Changed company name to OHBA Co., Ltd.
1972	6	Listed on the Second Section of the Tokyo Stock Exchange
1970s		Established a comprehensive system consulting organization that handles everything from survey planning to construction management
1970s		Began opening sales offices nationwide, starting with Fukuoka, Sendai, Shizuoka, and Hiroshima
1980s		Orders surged mainly for resort and leisure-related projects
2015	8	Transferred to the First Section of the Tokyo Stock Exchange
2022	4	Transferred to the Prime Market following the revisions to the Tokyo Stock Exchange market segmentation

In the early 1990s, OHBA expanded to ¥20 bn in sales and ¥2 bn in operating profit, but our performance subsequently deteriorated following the collapse of the bubble economy, which was accompanied by a drop in construction demand and fiscal spending cuts. In the 2000s, OHBA's earnings slumped to ¥10 bn in sales, merely breaking even on the profit line. The recession that followed the 2008 financial crisis also added to the strain on our company.

However, OHBA's operating profit has been recovering since the 2010s, thanks to a turnaround in the macro environment, including special reconstruction demand following the Great East Japan Earthquake in 2011 and increased fiscal spending under Abenomics in 2013. This was combined with internal efforts to boost the number of qualified personnel and increase the ratio of value-added work by reviewing the evaluation system and strengthening training programs. In FY24/5, OHBA achieved sales of ¥16.49 bn and operating profit of ¥1.84 bn, which, while below our peak performance, still represents a respectable recovery in earnings. In FY25/5, which OHBA considers to be an advancement period, we plan to secure sales of ¥17.5 bn and operating profit of ¥1.95bn.

OHBA is a “Solution company for urban planning issues”

What is a Construction Consultant?

The “Principle of Separation of Design and Construction” has been established for construction businesses in Japan.

→The construction industry is responsible for **the construction phase** (execution).

→The “construction-related industry” (**construction consultants**, surveyors, geological surveyors) is responsible for **the design phase** (from planning and surveying to design)

Urban planning of an existing “town”

When improving an existing “town,” the main role is played by each resident who actually lives there. The process involves listening to local opinions and addressing community issues. Supporting this process is also part of our job as **urban planning professionals, specifically construction consultants.**

Urban Planning

Creation of a “new station” town with large commercial facilities

Various interests are involved, and changes and modifications are always required. There is no such thing as a perfect plan for everyone. Under such circumstances, it is important to share the mindset of “keep trying until we succeed.”

What is the future of urban planning?

→The concept of “**sustainable urban planning**” such as low-carbon/recyclable urban planning
→ Urban planning for an aging society
→ Urban planning with vitality and attractiveness
These will undoubtedly become a fundamental theme for future urban planning.

Urban Planning Starting with “People”

Professionals from various fields with a wide range of expertise, over 100 years of experience, high-quality skills, and flexible communication abilities come together to comprehensively resolve urban development issues.



We provide planning proposals and consulting services for urban planning projects that involve urban infrastructure development through city master plans, regional plans, district plans, and land readjustment. Our goal is to create attractive towns from various perspectives such as welfare, crime prevention and disaster mitigation, greenery, and vibrancy. Additionally, we are committed to contributing to the community by offering technical support for land utilization consultations tailored to landowners' needs and assisting in urban development for land use conversion.

Our Services: Urban Planning

Our aim is to utilize regional features to create environments where residents feel secure and comfortable.

We provide planning proposals and consulting services for urban planning projects that involve urban infrastructure development through city master plans, regional plans, district plans, and land readjustment. Our goal is to create attractive towns from various perspectives such as welfare, crime prevention and disaster mitigation, greenery, and vibrancy. Additionally, we are committed to contributing to the community by offering technical support for land utilization consultations tailored to landowners' needs and assisting in urban planning for land use conversion.

Urban Planning and Development

We provide services related to urban planning, including planning for land use, urban facilities, and the urban environment, as well as various surveys and analyses. Additionally, we provide consulting for the entire process of community development, from research to planning, for various regions and districts.

Architectural Planning and Design

We provide technical services for the planning and design of public buildings.

Urban Planning

Development Planning, Development Design

We provide comprehensive consulting services including research, planning, and design for large-scale development such as residential areas, industrial and distribution complexes, and urban development such as commercial and business facilities, as well as applications for various permits and licenses in accordance with the laws and regulations.

Rezoning

We provide comprehensive consulting services for land readjustment projects, from feasibility studies and investigations to business permits and post-approval business operations.

Our Services: Civil Engineering

We provide the technical services necessary to create social infrastructure for supporting a safe and secure life.

In addition to the design of individual facilities such as roads, bridges, and water supply and sewerage systems. We also propose comprehensive urban planning in cooperation with urban planning projects and environmental measures. In response to the recent spate of large-scale disasters, we are actively engaged in various disaster prevention measures, such as hazard mapping for safety and security, seismic reinforcement design of bridges and tunnels, and analysis of landslides and slope failures. We also have extensive experience in asset management of vast infrastructure. Thus, resolving problems closely related to our daily lives is a specialty of the Design Division.

Road and Structure Planning and Design

We provide a wide range of technical services related to road planning and design, including traffic surveys and analysis, as well as structures such as bridges, pedestrian decks, and underpasses.

Geological and Soil Engineering

We provide consulting services for geological investigation and analysis, as well as analysis and countermeasures for embankment slopes and soft ground.

River and Erosion Control Planning & Design

We provide services related to river investigation, planning, and design. We also provide technical services for erosion control projects to prevent disasters that threaten our lives and property.

Asset Management

We provide consulting services to extend the service life of public infrastructure facilities such as roads, bridges, and sewers.



Civil Engineering

Our Services: Environment

We contribute to coexistence with the current environment and to the creation of the environment of the future.

Environmental conservation and creation efforts are essential in order to promote comfortable urban planning. OHBA has a wealth of experience in environmental surveys and assessments and has the technology to provide concrete solutions to problems such as soil contamination countermeasures, environmental facility planning that takes water quality preservation, waste disposal, and water and energy circulation planning into consideration. Furthermore, we contribute to the creation of the environment of the future through urban environmental master plans that take the importance of the global environment into account.

Environmental Assessment

We provide services ranging from surveys of the natural environment, including flora and fauna, and the living environment, including air quality, noise, and vibration, to environmental assessments for social infrastructure development projects and private sector projects.

Environmental Design

We provide services that include planning and design techniques related to parks, leisure and recreation facilities, and urban green spaces.

Environmental Preservation and Creation

We provide services related to the conservation and creation of the natural environment, including the study of environmental measures for social infrastructure development projects and private sector projects, and the creation of water and land environments.

Environmental Regeneration-Related Work

We provide consulting services from planning to design in areas related to the environment, such as waste disposal, energy, water circulation, and soil.



Environment

Our Services: Geospatial Information

We provide advanced, multifaceted information for urban development.

Detailed data on geography and topography is not only the foundation for urban and environmental development but is also essential for the maintenance and management of assets. OHBA performs surveying using the latest IT equipment, compensation surveys, and other services, as well as developing and utilizing the data for urban planning.

Land Surveys

With our advanced surveying technology, we provide a full range of surveying services, from ground surveying such as reference point surveying, topographical surveying, and site surveying to GPS surveying, which requires high-precision 3D positional information.

Compensation Surveys

We provide consulting services for compensation based on various rights, including the calculation of compensation costs required for land acquisition and building relocation, which are necessary for businesses.



Geospatial Information

Our Services: Land and Civil Property Management

We provide civil engineering and property maintenance services so that society can maintain its land and infrastructure

In many cases, landowners are placed under heavy burdens for the maintenance and management of civil property and idle land. OHBA provides a wide range of agency services such as land status checks, surveying, boring surveys, and mowing, as well as infrastructure maintenance and management services.

Civil Engineering and Property Maintenance

We provide a menu of services necessary for steady-state management, from periodic on-site patrols to mowing and complaint/emergency response, and act as an agent for land management.

Land Surveying for Civil Engineering

We provide a comprehensive land surveying service from legal surveys of property to land surveying and soil contamination surveys. We also offer a system for managing survey results.



Real Estate Disposal

We provide consulting services ranging from planning the effective use of owned land to supporting sales and leasing, as well as researching development possibilities.

Land and Civil Property Management

Our Services: Systems Development

We aim to enhance the efficiency and convenience of society through the maximization of ICT.

Drawing on our broad range of experience in urban development, geospatial information, civil engineering design, environmental research and more, OHBA has developed a Geospatial Information System (GIS) and other related systems that allow us to propose optimal solutions.

GIS System Development

We provide comprehensive consulting services for planning, development, design, and maintenance of various systems using geographic information systems (GIS) in order to provide high-quality administrative services by saving costs and improving the efficiency of operations.

Development of GIS Applications

We develop various applications using geographic information systems (GIS) to meet various needs.

Development of other Applications

We develop various applications to reduce costs and increase the efficiency of business operations.



System Development

Our Services: Business Solutions

Toward “Realization of a solution company for urban development” and “Resolving social problems by utilizing urban development technologies”

Our Business Solutions business is pursuing three major initiatives beyond the traditional business domain of construction consultancy:

- (1) “Participation in land readjustment and development activities on behalf of clients,” which goes beyond the traditional consulting business domain;
- (2) “Providing consulting services on urban development, inheritance tax and real estate utilization” in collaboration with licensed tax accountant firms in order to offer one-stop services for landowners in urban development; and
- (3) “Proposing solutions to social problems by utilizing urban development technologies” such as realizing compact cities, resolving green space issues, operating reconstruction housing exhibition halls, and implementing private sector-led group relocation projects.

Agency Services for Development Activities (For Companies and Individuals)

We provide a full range of development services, from the purchase of pre-development land to development permits and land work, for customers who want custom-made developments, and for housing developers who want to purchase completed housing lots.



Business Solutions

Real Estate Consulting Services (For Individuals)

With the keywords of “community building and real estate and inheritance”, we provide consulting services from the viewpoint of a construction consultant to customers who face problems with real estate inheritance.

Solar Power Generation Business Consulting (For Companies)

We are engaged in the solar power generation business ourselves, and also provide consulting services for solar power generation projects, especially those requiring civil engineering and development, by utilizing our civil engineering and design technologies cultivated in our urban planning business.

Sustainability, Human Capital Investment (excerpts from the Corporate Governance Report)

[Supplementary Principle 3.1.3] Responding to issues surrounding sustainability, investing in human capital and intellectual property

- OHBA's Board of Directors recognizes that addressing sustainability issues, including addressing global environmental issues such as climate change, respect for human rights, fair and appropriate treatment of employees and their health and working environment, fair and appropriate transactions with suppliers, and risk management for natural disasters, are important management issues that not only reduce risks but also lead to earnings opportunities. Accordingly, we are actively and positively addressing these issues from the perspective of improving our corporate value over the medium to long term.
- In addition, we focus on human resource development for each and every employee with the understanding that investment in human capital and intellectual property is an important issue for expanding orders and accurately responding to the needs of construction consultants. As such, we will continue to recruit new graduates and hire technicians with specialized knowledge, experience, and qualifications in order to secure human resources, while improving our technological capabilities by promoting the acquisition of technical qualifications, learning new technologies, and presenting the results of our work and research externally.
- Specifically, as an "urban development solutions company," we provide various planning services such as optimal site planning for sustainable and compact urban development, maintenance and management of infrastructure facilities that contribute to sustainable national land development, and disaster prevention services. We also help to ensure safe, secure, and sustainable urban development through environmental surveys and assessments, soil contamination prevention measures, environmental facility planning that improves water quality and waste disposal, water and energy cycle planning, and town environmental master plans that take the global environment into consideration.
- Under the medium-term management plan, we are further improving our technological capabilities by expanding the number of technologically qualified personnel and utilizing new technologies, while strengthening our efforts in consulting services such as business outsourcing and civil engineering management in order to expand earnings opportunities. The key to our company's sustainable growth lies in improving our technological capabilities. Each fiscal year, we have steadily increased our technical personnel (professional engineers, RCCMs (civil consulting managers), first-class architects, and APEC engineers), which are essential to our growth, and we have built an organization with 500 qualified personnel in the final year of our medium-term management plan. We will strive to further increase the number of engineers with technical qualifications to 650 and to develop polyvalent engineers (promotion of multi-skilled workers).
- The progress of our medium-term management plan is described in "Progress Under the Plan For Compliance with the Listing Maintenance Standards".
("Progress Under the Plan For Compliance with the Listing Maintenance Standards": <http://www.k-OHBA.co.jp/OHBA/wp-content/uploads/2024/07/irnews20240731.pdf>)
- Due to the nature of our business and the size of our company, we do not collect or analyze data on the impact of climate change-related risks and opportunities on our business activities, earnings, etc. Going forward, we will consider how to respond to these matters based on their importance and necessity.

Sustainable Development Goals (SDGs)



< Ensure access to affordable, reliable, sustainable and modern energy for all >

- Plan and design solar power generation facilities
- Participate in solar power generation business
- Propose energy-saving heavy machinery design
- Energy-saving activities (hybrid vehicles, participation in Cool Biz program, turning off power at lunchtime, setting air conditioner temperatures, reducing overtime work)



< Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster technological innovation >

- Develop sustainable and resilient infrastructure development
- Support and conduct research on asset management
- Incorporate new technologies in the design field (UAV, MMS, BIM/CIM)
- Develop mobile-phone base stations as social infrastructure
- Promote and support acquisition of qualifications

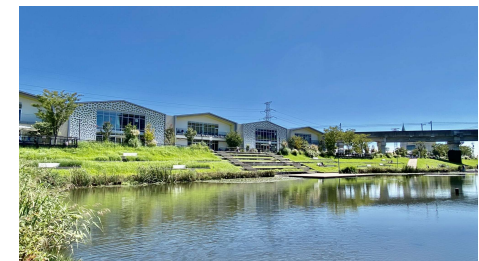


< Make cities and habitats inclusive, safe, resilient and sustainable >

- Support public organizations by developing appropriate site selection plans, support town revitalization projects, reconstruction urban development projects, and private-sector urban development to achieve safe, secure, and sustainable urban development
- Work related to disaster prevention, mitigation, and national land resilience
- Social infrastructure maintenance and management through inspection, diagnosis, useful life enhancement planning, and stock management
- Utilize productive green areas

Examples

- Fujisawa Sustainable Smart Town (Fujisawa SST) , Kashiwanoha Smart City ... Goal 7, Goal 9, Goal 11
- Solar power generation, wind power generation project support, operation of in-house solar power plants (4 locations) ...Goal 7



KASHIWANOHA Aqua Terrace

<Notice>

The performance forecasts included herein are based on information currently available to OHBA and certain assumptions deemed reasonable at this time. Actual results may differ due to various risks and uncertainties.

<Inquiries Regarding IR>

Please send your inquiries through the contact form on the following website.

<http://www.k-ohba.co.jp/contact/>