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(Securities Code 1833)

June 5, 2025

(Date of commencement of electronic provision measures: May 29, 2025)

To Shareholders with Voting Rights:

Takanori Okumura
President and Representative Director
OKUMURA CORPORATION
2-2-2, Matsuzaki-cho, Abeno-ku,
Osaka-shi, Osaka

**NOTICE OF
THE 88TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We would like to express our appreciation for your continued support and patronage.

Notice is hereby given that the 88th Annual General Meeting of Shareholders of OKUMURA CORPORATION (the “Company”) will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken electronic provision measures, which provide information contained in the Reference Documents, etc. for the General Meeting of Shareholders (the “matters subject to electronic provision measures”) in electronic format, and has posted this information on the following Company website. Please access the website to review the information.

The Company website:

<https://www.okumuragumi.co.jp/en/ir/kabunushi/>

The Company has also posted this information on the website of Tokyo Stock Exchange (TSE). To view the information, please access the TSE website (Listed Company Search), input the issue name (OKUMURA CORPORATION) or securities code (1833), and click “Search” to find search results. Then, click on “Basic information” and “Documents for public inspection/PR information” in this order to find “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting]” in the “Filed information available for public inspection” section.

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights in accordance with the guide below.

1. Date and Time

Friday, June 27, 2025 at 10:00 a.m. (Japan time)

2. Place

Head Office of the Company, located at
2-2-2, Matsuzaki-cho, Abeno-ku, Osaka-shi, Osaka

3. Meeting Agenda

- Matters to be reported:**
1. The Business Report and the Consolidated Financial Statements for the 88th Fiscal Year (April 1, 2024–March 31, 2025) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
 2. Non-consolidated Financial Statements for the 88th Fiscal Year (April 1, 2024–March 31, 2025)

Proposals to be resolved: **Proposal 1:** Appropriation of Surplus

Proposal 2: Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

- © Among the matters subject to electronic provision measures, the following matters will not be provided in the paper copy to shareholders who made a request for delivery of documents in accordance with the provisions of laws and regulations and the Articles of Incorporation of the Company. The Accounting Auditor and the Audit and Supervisory Committee have audited documents subject to audit, which include the following matters:
- Overview of Systems for Ensuring Appropriateness of Operations and Operational Status in the Business Report
 - Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements
 - Non-Consolidated Statement of Changes in Equity and Notes to the Non-consolidated Financial Statements
- © If any amendments are made to matters subject to the electronic provision measures, such amendments will be posted on the respective websites where the matters are posted.

Guide to Exercising Voting Rights

When Attending the General Meeting of Shareholders

Date and time of the General Meeting of Shareholders

Friday, June 27, 2025, at 10:00 a.m. (Japan time)

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- To save electricity, the venue will be moderately air-conditioned and the Cool Biz (light clothing) dress code will be observed at the meeting. Shareholders who attend the meeting are encouraged to wear light clothing.

If You Are Unable to Attend the Meeting

◎ Exercising Voting Rights in Writing

Deadline for Exercise

To be received by no later than 5:15 p.m. Thursday, June 26, 2025 (Japan time)

- Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form, and return it so that it is received by the deadline for exercise. Furthermore, if there is no indication of a vote for or against any proposal, it shall be treated as an indication of consent for the proposal.

◎ Exercising Voting Rights via the Internet, etc.

Deadline for Exercise

Thursday, June 26, 2025 at 5:15 p.m. (Japan time)

- Please access the voting rights exercise website, and enter your vote for or against the proposals by following the guidance onscreen.

Voting rights exercise website: <https://www.web54.net>

- Shareholders may use the voting rights exercise website for smartphones (“smart voting”). Please refer to the next page for details.
- If voting rights are exercised both in writing and via the Internet, etc., the vote received via the Internet, etc. will be treated as the valid exercise of voting rights. In addition, if voting rights are exercised multiple times via the Internet, etc., the final vote exercised will be treated as the valid exercise of voting rights.

Guide to Exercising Voting Rights via the Internet, etc.

Exercise of voting rights via the Internet is only possible by accessing the voting rights exercise website designated by the Company.

Deadline for Exercise: Thursday, June 26, 2025 at 5:15 p.m. (Japan time)

The voting rights exercise website: <https://www.web54.net>

How to exercise voting rights with “smart voting”

By scanning the “smartphone voting website login QR Code” printed on the enclosed Voting Rights Exercise Form, you can access the voting rights exercise website without entering the “voting rights exercise code” and “password.”

* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

You can exercise your voting rights ONLY ONCE with “smart voting.”

To change your vote after exercising your voting rights, it is required to enter the “voting rights exercise code” and “password.”

* Connection fees to providers and telecommunications fees, etc. to telecommunication carriers arising from using the voting rights exercise website shall be borne by the shareholder.

How to enter the voting rights exercise code and password

Steps to follow when using the voting rights exercise website:

Please access the voting rights exercise website and enter the “voting rights exercise code” printed on the enclosed Voting Rights Exercise Form. After logging into the website, please enter the “password” and register your vote for or against the proposals by following the guidance onscreen.

Inquiries concerning the exercise of voting rights via the Internet

For inquiries concerning the exercise of voting rights via the Internet,
please contact:

Sumitomo Mitsui Trust Bank, Limited
Securities Agent Web Support Hotline

0120-652-031 [Business hours: 9:00 a.m.–9:00 p.m. (Japan time)]

For Institutional Investors

Institutional investors may exercise voting rights via electromagnetic means from the “Electronic Voting System Platform” operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company recognizes the distribution of profits as one of the most important managerial issues. For the fiscal year under review, the Company proposes the year-end dividend and the appropriation of surplus as shown below based on its policy to return profits to shareholders in line with a payout ratio (consolidated) of 70% or more (regardless of the Company's business performance, set a minimum DOE ratio of 2.0%) in comprehensive consideration of the Company's financial situation and other factors.

Note) $DOE = \text{Total annual dividends (interim + year-end)} / \text{equity}$

1. Year-end dividend

(1) Type of property for dividend

Cash

(2) Allotment of property for dividends to shareholders and total amount thereof

¥103 per share of the Company's common stock

Total amount: ¥3,759,314,291

The total annual dividend for the term will be ¥216 per share combined with the interim dividend of ¥113.

(3) Effective date of distribution of surplus

June 30, 2025

2. Appropriation of surplus

(1) Item and amount of surplus that will increase

Retained earnings brought forward

¥900,000,000

(2) Item and amount of surplus that will decrease

General reserve

¥900,000,000

Proposal 2: Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The term of office of all of the eight (8) current Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter for Proposal 2) will expire at the conclusion of this General Meeting of Shareholders. Therefore, the election of eight (8) Directors is proposed.

As regards this proposal, the Audit and Supervisory Committee has expressed the opinion that the candidates are appropriate as Directors of the Company.

The candidates are as follows:

No.	Name		Positions and responsibilities	Attendance at meetings of the Board of Directors (number of times attended / number of meetings)
1	Takanori Okumura	Male Reelection	President and Representative Director	100% (14 times / 14 times)
2	Masahiro Kaneshige	Male Reelection	Representative Director and Senior Managing Executive Officer General Manager of Marketing & Sales Headquarters	100% (14 times / 14 times)
3	Kunitake Konishi	Male Reelection	Director and Managing Executive Officer General Manager of West Japan Branch Office	100% (10 times / 10 times)
4	Masanari Kashiki	Male Reelection	Director and Managing Executive Officer General Manager of East Japan Branch Office	100% (10 times / 10 times)
5	Yasuyuki Nakatani	Male Reelection	Director and Managing Executive Officer General Manager of Civil Engineering Headquarters	100% (14 times / 14 times)
6	Hiroyuki Matsushima	Male Reelection	Representative Director and Managing Executive Officer General Manager of Administration Headquarters	100% (10 times / 10 times)
7	Shinya Kimura	Male New election	Executive Officer General Manager of Building Headquarters	—
8	Rieko Ueda	Female Reelection Outside Independent	Director	100% (14 times / 14 times)

Note: The attendance at meetings of the Board of Directors of Kunitake Konishi, Masanari Kashiki, and Hiroyuki Matsushima is shown only at meetings of the Board of Directors held after their election as Directors at the 87th Annual General Meeting of Shareholders held on June 27, 2024.



No.

1 Takanori Okumura

(March 15, 1962)

Male
Reelection

● Career summary, positions, responsibilities and significant concurrent positions

April 1986	Joined the Company	April 2001	Managing Director
May 1994	Deputy General Manager of Kansai Branch Office	April 2001	In charge of Marketing & Sales
June 1994	Director	December 2001	President and Representative Director (current position)
December 1995	General Manager of Marketing & Sales Department, Tokyo Branch Office		

● Number of shares of the Company held

483,776 shares

● Attendance at meetings of the Board of Directors

100% (14/14)

Reason for Nomination as a Candidate for Director

Takanori Okumura has demonstrated strong leadership at the forefront of management as President and Representative Director, and has deep knowledge of general management in the construction industry, and therefore he is nominated as a candidate.



No.

2 Masahiro Kaneshige

(March 8, 1966)

Male
Reelection

● Career summary, positions, responsibilities and significant concurrent positions

April 1988	Joined the Company	April 2020	General Manager of East Japan Branch Office
April 2015	General Manager of Building Marketing & Sales Management Department, Tokyo Branch, East Japan Branch Office	June 2020	Director and Managing Executive Officer
April 2019	Executive Officer	April 2024	Representative Director and Senior Managing Executive Officer (current position)
April 2019	General Manager of Tokyo Branch, East Japan Branch Office	April 2024	General Manager of Marketing & Sales Headquarters (current position)
April 2020	Managing Executive Officer		

● Number of shares of the Company held

11,943 shares

● Attendance at meetings of the Board of Directors

100% (14/14)

Reason for Nomination as a Candidate for Director

Masahiro Kaneshige has served in positions including General Manager of Tokyo Branch, East Japan Branch Office; General Manager of East Japan Branch Office; and General Manager of Marketing & Sales Headquarters, and possesses abundant specialist knowledge through his experience over many years in civil engineering-related, and marketing- and sales-related departments, in addition to deep knowledge of the Company's operations, and therefore he is nominated as a candidate.



No.

3 Kunitake Konishi

(January 3, 1964)

Male
Reelection

● Career summary, positions, responsibilities and significant concurrent positions

April 1989	Joined the Company	April 2024	Managing Executive Officer
April 2019	Executive Officer		
April 2019	Deputy General Manager of West Japan Branch Office (in charge of Building Business)	April 2024	General Manager of West Japan Branch Office (current position)
		June 2024	Director and Managing Executive Officer (current position)

● Number of shares of the Company held

11,000 shares

● Attendance at meetings of the Board of Directors

100% (10/10)

Reason for Nomination as a Candidate for Director

Kunitake Konishi has served in positions including Deputy General Manager of West Japan Branch Office and General Manager of West Japan Branch Office, and possesses abundant specialist knowledge through his experience over many years in building-related departments, in addition to deep knowledge of the Company's operations, and therefore he is nominated as a candidate.



No.

4 Masanari Kashiki

(September 28, 1963)

Male
Reelection

● Career summary, positions, responsibilities and significant concurrent positions

April 1989	Joined the Company	April 2019	General Manager of Civil Engineering and Works Department, East Japan Branch Office
April 2017	General Manager of Civil Engineering and Works Department, East Japan Branch Office		
		April 2020	Executive Officer
December 2017	General Manager of Civil Engineering and Works Department and General Manager of Renewal Technology Department, East Japan Branch Office	April 2020	General Manager of Tohoku Branch, East Japan Branch Office
		April 2024	Managing Executive Officer
		April 2024	General Manager of East Japan Branch Office (current position)
April 2018	General Manager of Civil Engineering and Works Department, East Japan Branch Office	June 2024	Director and Managing Executive Officer (current position)
December 2018	General Manager of Civil Engineering and Works Department and General Manager of Second Civil Engineering Department, East Japan Branch Office		

● Number of shares of the Company held

8,598 shares

● Attendance at meetings of the Board of Directors

100% (10/10)

Reason for Nomination as a Candidate for Director

Masanari Kashiki has served in positions including General Manager of Civil Engineering and Works Department, East Japan Branch Office; General Manager of Tohoku Branch, East Japan Branch Office; and General Manager of East Japan Branch Office, and possesses abundant specialist knowledge through his experience over many years in civil engineering-related departments, in addition to deep knowledge of the Company's operations, and therefore he is nominated as a candidate.



● Number of shares of the Company held

5,947 shares

● Attendance at meetings of the Board of Directors

100% (14/14)

No.

5 Yasuyuki Nakatani

(June 29, 1966)

Male
Reelection

● Career summary, positions, responsibilities and significant concurrent positions

April 1990	Joined the Company	January 2021	General Manager of Civil Engineering and Works Department, West Japan Branch Office
April 2018	General Manager of Third Civil Engineering Department, West Japan Branch Office	April 2022	General Manager of Civil Engineering Marketing & Sales Management Department, Kansai Branch, West Japan Branch Office
April 2019	General Manager of Kansai Third Civil Engineering Department and General Manager of Renewal Technology Department, West Japan Branch Office	April 2023	Executive Officer
July 2019	General Manager of Kansai Third Civil Engineering Department, West Japan Branch Office	April 2023	General Manager of Civil Engineering Headquarters (current position)
April 2020	General Manager of Civil Engineering and Works Department and General Manager of Kansai Third Civil Engineering Department, West Japan Branch Office	June 2023	Director and Executive Officer
		April 2024	Director and Managing Executive Officer (current position)

Reason for Nomination as a Candidate for Director

Yasuyuki Nakatani has served in positions including General Manager of Civil Engineering and Works Department, West Japan Branch Office; General Manager of Civil Engineering Marketing & Sales Management Department, Kansai Branch, West Japan Branch Office; and General Manager of Civil Engineering Headquarters, and possesses abundant specialist knowledge through his experience over many years in civil engineering-related departments, in addition to deep knowledge of the Company's operations, and therefore he is nominated as a candidate.



● Number of shares of the Company held

9,507 shares

● Attendance at meetings of the Board of Directors

100% (10/10)

No.

6 Hiroyuki Matsushima

(April 27, 1966)

Male
Reelection

● Career summary, positions, responsibilities and significant concurrent positions

April 1990	Joined the Company	April 2021	Deputy General Manager of West Japan Branch Office (in charge of Administration)
April 2017	Deputy General Manager of East Japan Branch Office (in charge of Administration) and General Manager of General Affairs Department, East Japan Branch Office	April 2023	Deputy General Manager of Administration Headquarters
April 2019	Deputy General Manager of East Japan Branch Office (in charge of Administration)	April 2024	General Manager of Administration Headquarters (current position)
April 2020	Executive Officer	June 2024	Representative Director and Managing Executive Officer (current position)

Reason for Nomination as a Candidate for Director

Hiroyuki Matsushima has served in positions including Deputy General Manager of West Japan Branch Office; Deputy General Manager of Administration Headquarters; and General Manager of Administration Headquarters, and possesses abundant specialist knowledge through his experience over many years in administrative departments, in addition to deep knowledge of the Company's operations, and therefore he is nominated as a candidate.



● Number of shares of the Company held
4,599 shares

No.

7 Shinya Kimura

(August 7, 1967)

Male
New election

● Career summary, positions, responsibilities and significant concurrent positions

April 1991	Joined the Company	April 2024	Deputy General Manager of West Japan Branch Office (in charge of Building Business)
April 2021	General Manager of Kansai Third Building Department and General Manager of Kansai Fourth Building Department, West Japan Branch Office	June 2024	Executive Officer (current position)
April 2022	General Manager of Kansai Third Building Department, West Japan Branch Office	April 2025	General Manager of Building Headquarters (current position)

Reason for Nomination as a Candidate for Director

Shinya Kimura has served in positions including General Manager of Kansai Third Building Department, West Japan Branch Office; Deputy General Manager of West Japan Branch Office; and General Manager of Building Headquarters, and possesses abundant specialist knowledge through his experience over many years in building-related departments, in addition to deep knowledge of the Company's operations, and therefore he is nominated as a candidate.



● Number of shares of the Company held
600 shares

● Attendance at meetings of the Board of Directors
100% (14/14)

No.

8 Rieko Ueda

(December 18, 1961)

Female
Reelection
Outside
Independent

● Career summary, positions, responsibilities and significant concurrent positions

April 1984	Joined Daikin Industries, Ltd.	May 2020	Managing Director of Kansai Association of Corporate Executives (current position)
August 2001	President and Representative Director of Mothernet Co., Ltd. (current position)	June 2022	Outside Director of Torishima Pump Mfg. Co., Ltd. (current position)
April 2016	Visiting Professor at Otomon Gakuin University (current position)	June 2022	Outside Director of the Company (current position)

Reason for Nomination as a Candidate for Outside Director and Summary of Expected Roles

Rieko Ueda has established and managed a company that provides comprehensive support to working mothers, and has extensive knowledge of diversity and women empowerment, as well as deep insight into management, which is judged to be beneficial to ensuring the adequacy of management decisions of the Company, and therefore she is nominated as a candidate.

After her appointment, we expect that she will provide advice, etc. mainly from her perspective as a founder and corporate manager, and fulfill her management supervision function from an independent and objective standpoint as a member of the Nomination and Compensation Committee, a voluntary advisory body to the Board of Directors.

- Notes:
1. There are no special interests between each of the candidates and the Company.
 2. Rieko Ueda is a candidate for Outside Director.
The Company has designated her as Independent Director provided by the Tokyo Stock Exchange and notified the Exchange as such.
 3. Rieko Ueda will have served as an Outside Director for three (3) years at the conclusion of this General Meeting of Shareholders.
 4. The Company has concluded a liability limitation contract with Rieko Ueda to ensure that she can fully perform her expected role as a non-executive director. If the election of her is approved, the Company plans to continue the said contract with her.
A summary of that agreement is as follows:
 - In the event that a non-executive director is deemed to be liable for damages due to negligence of duties, the limit of said liability shall be the minimum liability amount set forth in Article 425, Paragraph 1 of the Companies Act.
 - The above limitation of liability shall only apply when the duties that give rise to said liability are performed in good faith and without gross negligence.
 5. In order to ensure that directors can fully perform their expected roles, the Company has concluded with an insurance company a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The contract designates all Directors as the insured and covers damages and litigation expenses incurred by the insured if the insured is subject to a claim for damages during the insurance period due to an act committed by them. However, the insurance contract includes a clause concerning a deductible and does not cover any damages up to the deductible amount. The Company bears the entire premium, including special clauses, and the insured is not responsible for paying any substantial premium. If Proposal 2 is approved as originally proposed, the said insurance contract will insure each of the candidates, and the Company will renew the contract continuously.

Reference: Composition of the Board of Directors

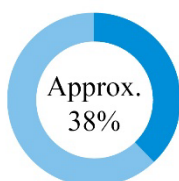
If Proposal 2 is approved as originally proposed, the composition of the Company's Board of Directors and the expertise and experience of each Director will be as follows:

Name	Position	Corporate management	Finance/Accounting	Legal/Risk management/Compliance	Sales/Marketing	Construction technology	Overseas business	Personnel affairs/Diversity	Nomination and Compensation Committee	ESG/SDGs Promotion Committee
Takanori Okumura	President and Representative Director	●			●	●		●	○	◎
Masahiro Kaneshige	Representative Director and Senior Managing Executive Officer	●			●	●			○	○
Kunitake Konishi	Director and Managing Executive Officer	●			●	●	●			○
Masanari Kashiki	Director and Managing Executive Officer	●			●	●				○
Yasuyuki Nakatani	Director and Managing Executive Officer	●			●	●	●			○
Hiroyuki Matsushima	Representative Director and Managing Executive Officer	●	●	●				●	○	○
Shinya Kimura	Director and Executive Officer					●				○
Rieko Ueda	Director	●			●			●	○	
Tetsuo Kodera	Director (Audit and Supervisory Committee Member)			●					◎	
Akira Sasaki	Director (Full-time Audit and Supervisory Committee Member)		●	●				●		
Kenji Nishihara	Director (Audit and Supervisory Committee Member)		●	●					○	
Eiji Maeda	Director (Audit and Supervisory Committee Member)	●	●		●		●		○	
Kyoko Hirose	Director (Audit and Supervisory Committee Member)	●			●		●	●	○	

- Notes: 1. The above does not represent the entire expertise and experience of each Director.
2. In the Nomination and Compensation Committee and ESG/SDGs Promotion Committee columns, “◎” indicates the chair and “○” indicates a member.

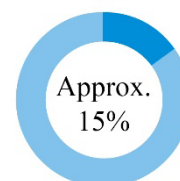
Percentage of
Outside Directors
(5 out of 13)

■ Internal Directors ■ Outside Directors



Percentage of
female Directors
(2 out of 13)

■ Male ■ Female



Our Approach to the Composition of the Board of Directors

As the Company looks ahead to the achievement of the “Vision toward 2030” formulated in April 2019, it is promoting the Medium-Term Business Plan with the basic policies of business strategy, namely to “increase corporate value,” “expand business domains,” and “utilize human resources.” Based on this business strategy, the Company identifies the main skills, etc. that the Board of Directors should have, and endeavors to ensure the appropriate composition of the Board of Directors as a whole, taking into consideration the balance of its knowledge, experience, and abilities, and diversity, etc.

In addition, the Company has appointed Executive Officers, etc. to head the following headquarters: in order to “increase corporate value,” the ICT Management Center, which is responsible for improving productivity through the use of ICT, and the Technology Headquarters, which is responsible for improving technological superiority by promoting technological development; in order to “expand business domains,” the Investment Development Headquarters, which is responsible for strengthening real estate business and promoting new businesses; and in order to “utilize human resources,” the Safety, Quality & Environment Headquarters, which is responsible for quality and environmental management, as well as safety management, a key prerequisite for achieving the goal. Those Executive Officers share information on the status of promotion in their respective fields at meetings of the Board of Directors, thereby enhancing the effectiveness of the Board.

Furthermore, the Company has established the Nomination and Compensation Committee, chaired by an independent outside director and composed of a majority of independent outside directors, to improve objectivity and transparency in the process of determining director nominations, compensation, etc. Candidates for directors are deliberated by the Nomination and Compensation Committee in consultation with the Board of Directors and are determined by resolution of the Board of Directors based on the Committee’s report. Moreover, the ESG/SDGs Promotion Committee, which includes seven executive directors as members, has been established to address issues related to sustainability through business activities.

Cross-shareholdings

[Ownership Policy]

The Company owns cross-shareholdings for the purpose of maintaining and strengthening business relationships, and only when such holdings contribute to improving the Company's corporate value over the medium to long term. The Board of Directors annually reviews the cross-shareholdings. The Company keeps the cross-shareholdings if the Board of Directors determines that the Company can expect to secure medium- to long-term construction orders by strengthening business relationships and other factors through these holdings, thereby contributing to the improvement of the Company's corporate value. In cases where the Board judges that the holding has little significance, the Company will reduce the holding or otherwise review it, while implementing dialogues and negotiations with the shareholding party.

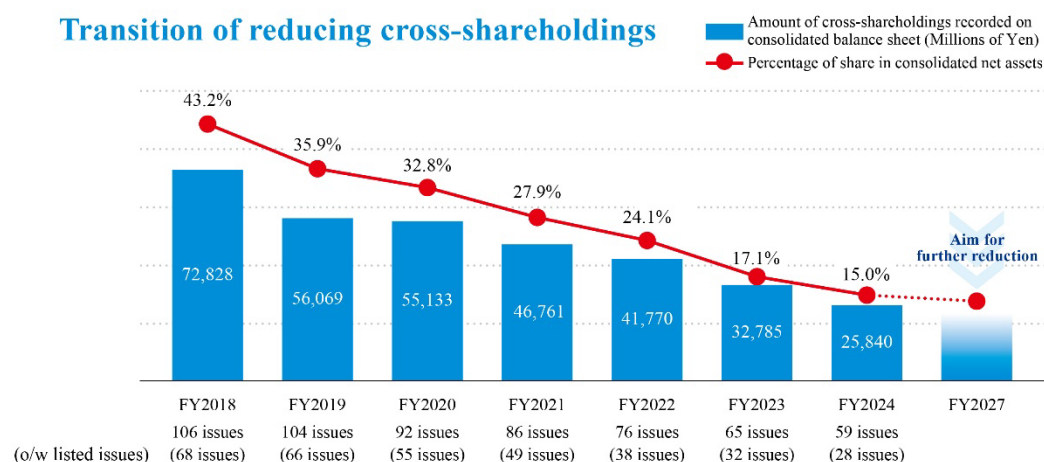
[Reduction Plan]

In the previous Medium-Term Business Plan (FY2022–2024), the Company set a target to reduce its cross-shareholdings to 20% or less of consolidated net assets. As a result of pursuing this target, the number of listed issues has been reduced to 28 as of March 31, 2025, with cross-shareholdings representing 15.0% of consolidated net assets, thereby achieving the target.

Under the new Medium-Term Business Plan (FY2025–2027) established in May 2025, the Company will continue to reduce its cross-shareholdings and progressively shrink their proportion of consolidated net assets.

The Company will plan and continue to sell shares that have become available for disposal while considering the demand for funds, such as growth investments aimed at realizing its “Vision toward 2030,” and other measures, premised on its basic shareholder return policy of continuing stable dividends.

Transition of reducing cross-shareholdings



* The Company does not have “deemed holdings of shares.”

Business Report

(April 1, 2024–March 31, 2025)

1. Status of the Corporate Group

(1) Business Progress and Results

During the fiscal year ending March 31, 2025 (the “fiscal year under review”), the Japanese economy continued to recover moderately amid progressive improvements in the employment and income environment, with an upturn in capital investment and an increase in inbound demand.

The construction industry faced a difficult business environment, due partly to upward pressure on construction costs from factors such as persistently high material and equipment prices and the tight supply of labor, despite strong construction investment in both the public and private sectors.

At the Group, net sales increased by 3.5% year on year to ¥298,222 million, due mainly to steady progress in the Building Business on projects carried over from the previous fiscal year.

Gross profit increased year on year in Building, with the completion of large-scale, high-profit projects. However, gross profit decreased in Civil Engineering, due mainly to the impact of recording a substantial provision for loss on construction contracts, as soaring construction material and equipment prices and labor expenses led to higher total estimated costs in specific large-scale projects in Japan, with no prospect of an improvement in profitability. Gross profit fell significantly in Investment Development, etc., due primarily to the explosion that occurred in the power generation equipment at ISHIKARI BIO ENERGY GODO KAISHA, a consolidated subsidiary of the Company, in July 2024, resulting in the suspension of commercial operation and an increase in expenses required to maintain and manage the power generation equipment. As a result, the Group’s operating profit decreased by 29.0% year on year to ¥9,731 million. Non-operating expenses included a loss on the mark-to-market valuation of forward exchange contracts concluded to hedge the risk of foreign exchange rate fluctuations in fuel purchase transactions by ISHIKARI BIO ENERGY GODO KAISHA. This was partially responsible for a 40.0% decline in ordinary profit to ¥8,926 million. The Company also recorded extraordinary losses, including impairment losses on the non-current assets held by ISHIKARI BIO ENERGY GODO KAISHA, reducing the book value of these assets to the estimated future recoverable amount, resulting in a decrease of 78.2% in profit attributable to owners of parent to ¥2,722 million.

After several careful discussions with the Accounting Auditor, Deloitte Touche Tohmatsu LLC, regarding the interpretation of cash flow arising from forward exchange contracts under the Accounting Standard for Impairment of Fixed Assets, it was concluded that the Company should record impairment losses associated with the explosion at ISHIKARI BIO ENERGY GODO KAISHA as extraordinary losses.

After the explosion, ISHIKARI BIO ENERGY GODO KAISHA established an accident investigation committee with the participation of outside experts. The committee has investigated and analyzed the causes of the accident, compiled measures to prevent recurrence, and is currently working toward restarting operations. The Company believes that the business of ISHIKARI BIO ENERGY GODO KAISHA is potentially profitable in the long term, and after the restart of operations, operating profit is expected to improve significantly due to the decrease in depreciation expenses resulting from the impairment losses recorded this time. This, in turn, will boost the Group’s performance.

Orders received, net sales, and balance carried forward by business segment are shown on the next page.

Orders received, net sales, and balance carried forward by business segment

(Millions of Yen)

Classification		Balance brought forward	Orders received for the fiscal year under review	Net sales for the fiscal year under review	Balance carried forward
Construction	Civil Engineering	193,747	192,888	99,024	287,612
	Building	272,922	183,756	185,551	271,127
	Total	466,669	376,645	284,575	558,739
Investment Development, etc.		—	—	5,784	—
Total		466,669	376,645	290,359	558,739

(2) Capital Investments

Capital investments during the fiscal year under review came to ¥7,103 million. They were primarily related to the construction of an employees' dormitory, acquisition of rental land and buildings, and construction and renovation of buildings for lease, implemented as part of the CRE strategy.

(3) Financing

The Group has concluded commitment line agreements totaling ¥8.0 billion with three banks to efficiently finance working capital. As of the end of the fiscal year under review, these agreements had no outstanding balance.

(4) Issues to Be Addressed

1) Outlook for the business environment

The Japanese economy is expected to show a gradual recovery trend backed by improvements in the employment and income environment. However, the situation will remain unpredictable, as rising prices and the impact of policy trends in other countries will pressure business conditions.

Construction investment is expected to remain firm in the construction industry. However, we anticipate that the business environment will remain less than optimistic amid concerns over rising construction costs.

2) Medium-Term Business Plan (FY2025–2027)

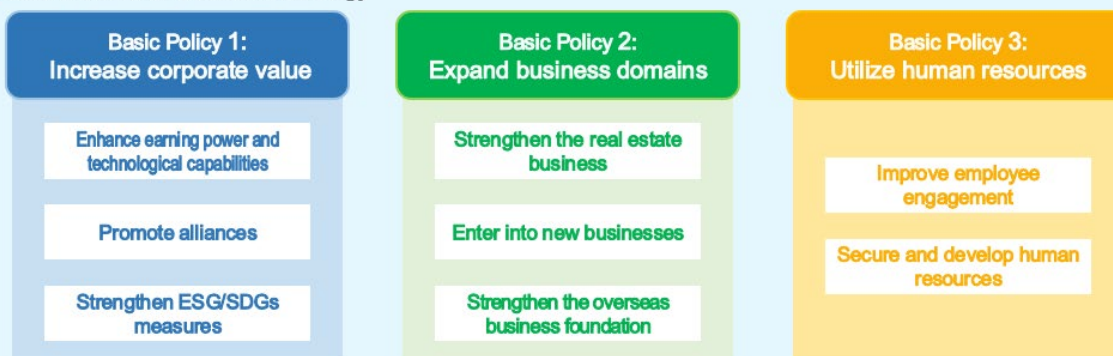
The Group aims to continue to contribute to sustainable social development through medium- and long-term growth. In May 2025, we have established Medium-Term Business Plan (FY2025–2027) as the third step in achieving our “Vision toward 2030,” that shows where we want to be.



Under this plan, we will “strengthen the business base to achieve sustainable growth,” aiming to increase medium- and long-term performance. In addition to striving to “increase corporate value” by enhancing our earning power and technological capabilities in the construction business, we will “expand business domains” to build a stable earnings base that does not rely on the construction business.

At the same time, we aim to “utilize human resources” to be a company our employees are proud of. This includes securing the human resources essential for business development, striving to create environments where diverse human resources can play active roles and make maximum use of their abilities, and developing human resources to lead sustainable corporate growth.

● Basic Policies of Business Strategy



● Financial Targets

Consolidated item	FY2024 (Actual)	FY2027 (Target)
Net sales	298.2 billion yen	330.0 billion yen
Operating profit [Operating profit margin]	9.7 billion yen (3.3%)	20.0 billion yen (6.0%)
ROE	1.5%	8% or more

● Non-financial Targets (Key Targets)

CO ₂ emissions at the construction stage and from offices	Turnover rate among new graduate employees in their first 3 years	Percentage of women among managers	Number of fatal accidents	Safety performance: incident frequency
48 kt-CO₂ or less (Target for FY2027)	Less than 10% (Target for FY2027)	6% or more (Target for FY2027)	Zero (Target for each fiscal year)	0.50 or less (Target for each fiscal year)

● Capital Policy

▶ Shareholder Return Policy

[Basic Policy] Distribute profits by business results and flexibly implement share buybacks on the premise of stable dividends.

[Policy during the Medium-Term Business Plan (FY2025 – 2027)]

Consolidated dividend payout ratio^{*1}

70% or more

Maintain a minimum DOE^{*2} ratio of 2.0% regardless of business results.

^{*1} Consolidated dividend payout ratio = Total annual dividends (interim + year-end) / profit attributable to owners of parent
[Excluding the impact of one-off special factors (valuation gains and losses on forward exchange contracts)]

^{*2} DOE = Total annual dividends (interim + year-end) / equity

▶ Reduce Cross-Shareholdings

- Continue to reduce cross-shareholdings and progressively shrink their proportion of consolidated net assets
- Plan and continue to sell shares that have become available for disposal while considering the need to fund growth investments and other measures aimed at realizing our “Vision toward 2030,” premised on our basic shareholder return policy of continuing stable dividends.

● Finance Plans (Funding Plan, Investment Plan)

■ Cash Plan

Cash Inflow	Cash Outflow
Operating CF Approx. 41 billion yen	Shareholder returns Approx. 29 billion yen
Asset sales Approx. 15 billion yen Shareholdings: Approx. 12 billion yen Development business assets: Approx. 3 billion yen	Investment Approx. 57 billion yen Investment in growth: Approx. 49 billion yen Investment in the business base: Approx. 8 billion yen
Financing Approx. 30 billion yen Utilize interest-bearing debt, etc., if there is shortage of funds for investment	

■ Investment Plan *Amounts represent totals over three years

● Investment in growth 56 billion yen (Including 7 billion yen in expenditure-type investments)	
Technological development and DX promotion	13 billion yen
Real estate business and new business creation	41 billion yen Net investment: 38 billion yen
Business-use equipment and facilities	2 billion yen
● Investment in the business base 14 billion yen (Including 6 billion yen in expenditure-type investments)	
Commercial real estate	8 billion yen
Securing and developing human resources	3 billion yen
Raising corporate recognition	3 billion yen
Total	70 billion yen (Including 13 billion yen in expenditure-type investments)

For the sustainable growth and medium- to long-term improvement of corporate value, the Company is determined to promote Medium-Term Business Plan (FY2025–2027) together with all its executives and employees. We sincerely appreciate the understanding and support of our shareholders.

The details of the Medium-Term Business Plan (FY2025–2027) are posted on the Company's website.

[Reference] Financial targets and results under Medium-Term Business Plan (FY2022–2024)

(Billions of Yen, unless otherwise specified)

Consolidated item	FY2022	FY2023	FY2024	FY2024 (Targets)
Net sales	249.4	288.1	298.2	280.0
Operating profit [Operating profit margin]	11.8 [4.7%]	13.7 [4.8%]	9.7 [3.3%]	19.0 [6.8%]
Ordinary profit [Ordinary profit margin]	12.9 [5.2%]	14.8 [5.2%]	8.9 [3.0%]	20.0 [7.1%]
ROE	6.6%	6.9%	1.5%	8% or more

[Medium-Term Business Plan (FY2025–2027)]

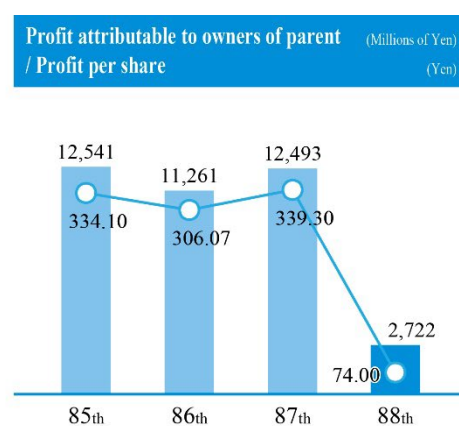
https://www.okumuragumi.co.jp/en/ir/news/data/20250514_cyukei_eng.pdf

(5) Status of Assets and Earnings

1) The Group's assets and earnings

(Millions of Yen, unless otherwise specified)

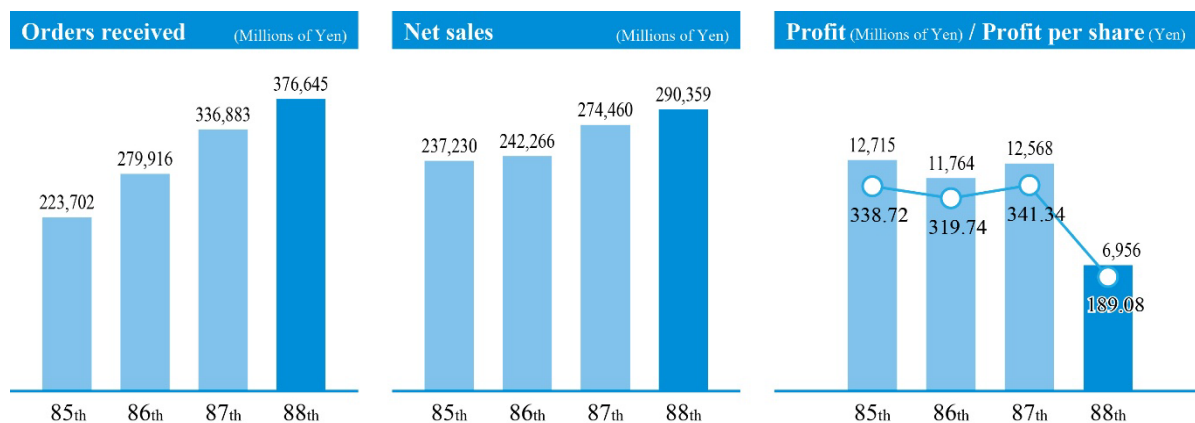
Item	The 85th fiscal year ended March 31, 2022	The 86th fiscal year ended March 31, 2023	The 87th fiscal year ended March 31, 2024	The 88th fiscal year ended March 31, 2025
Net sales	242,458	249,442	288,146	298,222
Profit attributable to owners of parent	12,541	11,261	12,493	2,722
Profit per share (yen)	334.10	306.07	339.30	74.00
Total assets	332,348	343,727	384,750	393,466
Net assets	167,425	173,215	191,573	172,455



2) The Company's assets and earnings

(Millions of Yen, unless otherwise specified)

Item	The 85th fiscal year ended March 31, 2022	The 86th fiscal year ended March 31, 2023	The 87th fiscal year ended March 31, 2024	The 88th fiscal year ended March 31, 2025
Orders received	223,702	279,916	336,883	376,645
Net sales	237,230	242,266	274,460	290,359
Profit	12,715	11,764	12,568	6,956
Profit per share (yen)	338.72	319.74	341.34	189.08
Total assets	301,506	304,004	342,384	360,065
Net assets	161,192	166,653	180,119	169,795



(6) Major Subsidiaries

Company	Share capital	Ownership	Principal business
Okumura Machinery Corporation	¥100 million	100.0%	Manufacture and sale of construction machinery, equipment, etc.
Taihei Real Estate Corporation	¥20 million	100.0%	Real estate brokerage, sale, leasing, etc.
ISHIKARI BIO ENERGY GODO KAISHA	¥5 million	50.0%	Generation of power from renewable energy and electricity sales
HIRATA BIO ENERGY GODO KAISHA	¥10 million	56.0%	Generation of power from renewable energy and electricity sales

Note: The Company's consolidated subsidiaries are the four major subsidiaries above.

(7) Principal Business

The Group is primarily engaged in the businesses of construction and real estate.

The Company is the main operating company of the Group. On November 30, 2022, as a special contractor under the Construction Business Act, the Company's Special Construction Business License (Toku-4) No. 2200, issued by the Minister of Land, Infrastructure, Transport and Tourism, was renewed. The Company is thus licensed to engage in civil engineering, construction, and related businesses.

In addition, on October 5, 2022, as a registered real estate broker under the Real Estate Brokerage Act, the Company's license (14) No. 1688, which was issued by the Minister of Land, Infrastructure, Transport and Tourism, was renewed. The Company is thus licensed to engage in the real estate business.

(8) Employees

1) Employees of the Group

Classification	No. of employees	Year-on-year change
Civil Engineering	1,015	45
Building	1,349	106
Investment Development	61	4
Other	80	6
Total	2,505	161

2) Employees of the Company

No. of employees	Year-on-year change	Average age	Average years of service
2,419	154	43.0	15.5

(9) Principal Offices

1) The Company

Head Office

2-2-2 Matsuzaki-cho, Abeno-ku, Osaka-shi

Tokyo Head Office

5-6-1 Shiba, Minato-ku, Tokyo

Branch Offices

East Japan Branch Office (Minato-ku, Tokyo)

West Japan Branch Office (Osaka-shi)

Branches

Sapporo Branch (Sapporo-shi)

Tohoku Branch (Sendai-shi)

Tokyo Branch (Minato-ku, Tokyo)

Nagoya Branch (Nagoya-shi)

Kansai Branch (Osaka-shi)

Hiroshima Branch (Hiroshima-shi)

Shikoku Branch (Takamatsu-shi)

Kyushu Branch (Kitakyushu-shi)

X Innovation Center

(Marunouchi, Chiyoda-ku, Tokyo)

Technical Research Institute

(Tsukuba-shi)

2) Subsidiaries

Okumura Machinery Corporation (Osaka-shi)

Taihei Real Estate Corporation (Minato-ku, Tokyo)

ISHIKARI BIO ENERGY GODO KAISHA (Ishikari-shi)

HIRATA BIO ENERGY GODO KAISHA (Hirata-mura, Ishikawa-gun, Fukushima)

(10) Principal Lenders

Lender	Loan balance outstanding
Resona Bank, Limited	¥21,500 million
Sumitomo Mitsui Banking Corporation	¥21,500 million

(11) Other Important Matters Concerning the Current Status of the Corporate Group

With regard to the incident disclosed on October 24, 2024, in which costs incurred in a construction project contracted to the Company were not recorded under the relevant construction project but transferred to another project (cost reassignment), the Company received the report of its internal investigation committee, composed mainly of external experts, on January 15, 2025. Although the committee determined that the incident did not have a material impact on the financial statements, the Company has thoroughly examined its findings and recommendations for preventive measures based on the analysis of the facts and causes. The Company formulated preventive measures and passed a resolution at a meeting of the Board of Directors held on the same day.

The Company regards this matter very seriously and will work to restore the trust of its shareholders and other stakeholders by steadily implementing measures to prevent any recurrence and further strengthening compliance through guidance and training for officers and employees.

2. Matters Concerning Shares

- (1) Total Number of Shares Authorized to Be Issued 96,000,000 shares
- (2) Total Number of Issued Shares 38,665,226 shares
(including 2,167,029 treasury shares)
- (3) Number of Shareholders 30,473 persons
- (4) Major Shareholders

Shareholder	No. of shares held	Shareholding ratio
	Thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,644	15.5
Okumura Employees' Shareholding Association	2,025	5.6
Custody Bank of Japan, Ltd. (Trust Account)	1,538	4.2
Resona Bank, Limited	1,214	3.3
Sumitomo Realty & Development Co., Ltd.	1,210	3.3
STATE STREET BANK AND TRUST COMPANY 505001	833	2.3
Nippon Life Insurance Company	643	1.8
Sumitomo Mitsui Banking Corporation	556	1.5
Takanori Okumura	472	1.3
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	466	1.3

Notes: 1. The Company owns 2,167,029 treasury shares, which have been excluded from the above.
2. Treasury shares have been excluded when calculating shareholding ratios.
3. The number of shares held by Takanori Okumura does not include the number of his shares held within Okumura Officers' Shareholding Association.

(5) Status of Shares Delivered to Officers of the Company as Consideration for Execution of Duties During the Fiscal Year Under Review

The Company introduced a restricted stock compensation plan. The details of shares delivered to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) during the fiscal year under review are as follows.

The Company resolved the disposal of treasury shares as restricted stock compensation at the Board of Directors meeting held on July 22, 2024.

Classification	No. of shares	No. of recipients
Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	6,264	7

Note: The shares in the table above were delivered as non-monetary compensation. The details are described in "3. Matters Concerning Company Officers (4) Compensation, etc. of Directors for the Fiscal Year under Review."

3. Matters Concerning Company Officers

(1) Directors (as of March 31, 2025)

Position	Name	Responsibility	Significant concurrent positions
President and Representative Director	Takanori Okumura		
Representative Director	Masahiro Kaneshige	General Manager, Marketing & Sales Headquarters	
Director	Tamotsu Tsuchiya	General Manager, Building Headquarters	
Director	Kunitake Konishi	General Manager, West Japan Branch Office	
Director	Masanari Kashiki	General Manager, East Japan Branch Office	
Director	Yasuyuki Nakatani	General Manager, Civil Engineering Headquarters	
Representative Director	Hiroyuki Matsushima	General Manager, Administration Headquarters	
Director	Rieko Ueda		President and Representative Director, Mothernet Co., Ltd. Outside Director, Torishima Pump Mfg. Co., Ltd.
Director (Audit and Supervisory Committee Member)	Tetsuo Kodera	Chair, Audit and Supervisory Committee	Attorney-at-law (Representative, Kodera Law Office) Outside Audit & Supervisory Board Member, Samty Holdings Co., Ltd.
Director (Full-time Audit and Supervisory Committee Member)	Akira Sasaki		

Position	Name	Responsibility	Significant concurrent positions
Director (Audit and Supervisory Committee Member)	Kenji Nishihara		Certified public accountant (Representative, Nishihara CPA Office) Outside Director (Audit and Supervisory Committee Member), SHINYEI KAISHA
Director (Audit and Supervisory Committee Member)	Eiji Maeda		President and Representative Director, Chiba-Bank Research Institute, Ltd.
Director (Audit and Supervisory Committee Member)	Kyoko Hirose		President and Representative Director, Hirose Manufacturing Co., Ltd. Outside Director, Kintetsu Department Store Co., Ltd.

- Notes: 1. As of the conclusion of the 87th Annual General Meeting of Shareholders held on June 27, 2024, Yuichi Mizuno and Toru Osumi resigned as Directors and Kazutoshi Abe and Hiroyo Yashiro resigned as Directors (Audit and Supervisory Committee Members), having completed their respective terms of office.
2. At the 87th Annual General Meeting of Shareholders held on June 27, 2024, Kunitake Konishi, Masanari Kashiki, and Hiroyuki Matsushima were elected and assumed office as Directors, and Akira Sasaki and Kyoko Hirose were elected and assumed office as Directors (Audit and Supervisory Committee Members).
3. Five Directors, including Director Rieko Ueda and Directors (Audit and Supervisory Committee Members) Tetsuo Kodera, Kenji Nishihara, Eiji Maeda, and Kyoko Hirose, are Outside Directors.
4. Five Directors, including Director Rieko Ueda and Directors (Audit and Supervisory Committee Members) Tetsuo Kodera, Kenji Nishihara, Eiji Maeda, and Kyoko Hirose, are Independent Directors as set forth in the rules of the Tokyo Stock Exchange.
5. Akira Sasaki, Director, is a full-time Audit and Supervisory Committee Member. The Company selects full-time Audit and Supervisory Committee Members to ensure the effectiveness of audits by having them gather information daily, attend important meetings other than those of the Board of Directors, and properly coordinate with the Accounting Auditor and the Internal Audit Department.
6. Kenji Nishihara, Director (Audit and Supervisory Committee Member), is a CPA and possesses a considerable degree of knowledge related to finance and accounting.
7. Eiji Maeda, Director (Audit and Supervisory Committee Member), has many years of experience at financial institutions and possesses a considerable degree of knowledge related to finance and accounting.

[Reference]

The Company has adopted an executive officer system, and the names and positions of the executive officers as of April 1, 2025, are as follows:

*An asterisk indicates concurrent service.

Position		Name
Executive Vice President	Assistant to President in charge of Marketing & Sales, and in charge of Diversity	Hajime Kosaka
Senior Managing Executive Officer	In charge of West Japan Management, Marketing & Sales Headquarters, and in charge of Expo and IR	Toru Osumi
* Senior Managing Executive Officer	General Manager, Marketing & Sales Headquarters	Masahiro Kaneshige
Senior Managing Executive Officer	In charge of Technology, Marketing & Sales Headquarters	Wataru Onishi
Senior Managing Executive Officer	In charge of Technology, Marketing & Sales Headquarters	Kazutoshi Yuyama
* Managing Executive Officer	In charge of Technology, Building Headquarters	Tamotsu Tsuchiya

Position		Name
Managing Executive Officer	In charge of Marketing & Sales, Marketing & Sales Headquarters	Takanori Hayashi
Managing Executive Officer	In charge of Technology, Technology Headquarters	Akira Okada
* Managing Executive Officer	General Manager, West Japan Branch Office	Kunitake Konishi
Managing Executive Officer	In charge of Technology, Marketing & Sales Headquarters	Takami Nakada
* Managing Executive Officer	General Manager, East Japan Branch Office	Masanari Kashiki
* Managing Executive Officer	General Manager, Civil Engineering Headquarters	Yasuyuki Nakatani
* Managing Executive Officer	General Manager, Administration Headquarters	Hiroyuki Matsushima
Managing Executive Officer	General Manager, at X-Innovation Center and General Manager, ICT Management Center	Kazuyoshi Okuma
Executive Officer	In charge of ICT, ICT Management Center	Naoki Magoori
Executive Officer	In charge of Safety, Quality & Environment, Safety, Quality & Environment Headquarters	Hirohide Taniguchi
Executive Officer	General Manager, Chuo Shinkansen Kanagawa Station Construction Office, East Japan Branch Office	Yoshinori Yasui
Executive Officer	General Manager, Nagoya Branch, East Japan Branch Office	Hiroki Machida
Executive Officer	Operational Reform Promotion Project Leader	Koji Furusawa
Executive Officer	General Manager, Kansai Branch, West Japan Branch Office	Junichi Hori
Executive Officer	General Manager, International Branch and General Manager, International Construction Department, West Japan Branch Office	Yuji Yamamoto
Executive Officer	Kansai Branch, West Japan Branch Office	Hiroyuki Tamamura
Executive Officer	In charge of Technology, Marketing & Sales Headquarters	Kazuya Takekuni
Executive Officer	Deputy General Manager, East Japan Branch Office in charge of Civil Engineering Business	Yuichi Umezawa
Executive Officer	General Manager, Building Headquarters	Shinya Kimura
Executive Officer	Deputy General Manager, East Japan Branch Office in charge of Building Business	Takayuki Kitano
Executive Officer	General Manager, Tokyo Branch, East Japan Branch Office	Keisuke Yasui
Executive Officer	Deputy General Manager, West Japan Branch Office in charge of Building Business	Hideki Nakayama
Executive Officer	General Manager, Safety, Quality & Environment Headquarters	Nobuhiko Kawanaka
Executive Officer	General Manager, Technology Headquarters	Masanori Okamura
Executive Officer	Deputy General Manager, West Japan Branch Office in charge of Civil Engineering Business	Yuji Shimobe
Executive Officer	In charge of Technology, Marketing & Sales Headquarters	Akiyoshi Sato

Position		Name
Executive Officer	Deputy General Manager, Kansai Branch, West Japan Branch Office	Yoshihiro Kadotani
Executive Officer	Deputy General Manager, Marketing & Sales Headquarters, General Manager, Public-Sector Sales Promotion Department, and General Manager, Private-Sector Sales Promotion Department, Marketing & Sales Headquarters	Kazutaka Kuno
Executive Officer	General Manager, Tohoku Branch, East Japan Branch Office	Fumitaka Nozaki
Executive Officer	General Manager, Kyushu Branch, West Japan Branch Office	Yoshifumi Machida
Executive Officer	General Manager, Hiroshima Branch, West Japan Branch Office	Hitoshi Mimura
Executive Officer	General Manager, Shikoku Branch, West Japan Branch Office	Jun Ota
Executive Officer	General Manager, Sapporo Branch, East Japan Branch Office	Masakazu Kato

(2) Summary of Agreement on Limitation of Liability

The Company has entered into an agreement with non-executive directors to limit their liability under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the Act and the Company's Articles of Incorporation. A summary of that agreement is as follows:

- In the event that a non-executive director is deemed to be liable for damages due to negligence of duties, the limit of said liability shall be the minimum liability amount set forth in Article 425, Paragraph 1 of the Companies Act
- The above limitation of liability shall only apply when the duties that give rise to said liability are performed in good faith and without gross negligence.

(3) Summary of Directors and Officers Liability Insurance Contract

In order to ensure that Directors can fully perform their expected roles, the Company has concluded with an insurance company a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The contract designates all Directors as the insured and covers damage and litigation expenses incurred by the insured when the insured is subject to a claim for damage during the insurance period due to an act committed by them. However, the insurance contract includes a clause concerning a deductible provision and does not cover any damage up to the deductible amount. The premiums are borne entirely by the Company, including the rider portion, and there is no substantial burden on the insured.

(4) Compensation, etc. of Directors for the Fiscal Year under Review

- 1) Matters concerning policy for the determination of the content of compensation, etc. of Directors
 - (i) Method of determining the policy for the determination of the content of compensation, etc. of Directors

The Company established the Nomination and Compensation Committee (chaired by an Independent Outside Director with the majority of the committee members being Independent Outside Directors), the main members of which consist of Independent Outside Directors, as a voluntary advisory body to the Board of Directors. The policy for determining the individual compensation of Directors (excluding Directors who are Audit and Supervisory Committee Members) is discussed by the Nomination and Compensation Committee in consultation with the Board of Directors and determined by the Board of Directors based on the report from the committee.

(ii) Overview of the determination policy

The compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) shall consist of fixed compensation and performance-linked compensation (bonuses) as monetary compensation and stock-based compensation as non-monetary compensation, with the basic policy of maintaining an appropriate level based on their responsibilities, etc., providing incentives to achieve sustainable improvements in business performance and corporate value, and contributing to value sharing with shareholders.

Outside Directors (excluding Directors who are Audit and Supervisory Committee Members) shall receive only fixed compensation, given that they fulfill management supervision functions from an independent standpoint and that their duties are not directly linked to business performance.

In addition, the process of determining compensation shall be objective and transparent.

<Fixed compensation>

Among compensation for individual Directors (excluding Directors who are Audit and Supervisory Committee Members), fixed compensation shall be paid monthly based on a compensation table established for each position and role according to their responsibilities and roles, and the amount to be paid shall be determined based on the table.

<Performance-linked compensation>

Among compensation for individual Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors), performance-linked compensation (bonuses) shall be paid in July of each year based on the regulations that stipulate calculation criteria and other matters after determining the amount to be paid in accordance with the actual amount of consolidated operating profit, which is the most important indicator of the performance for the fiscal year, if certain conditions for payment are met.

<Non-monetary compensation>

Among compensation for individual Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors), restricted stock shall be paid as non-monetary compensation. The Company shall establish regulations that stipulate the handling of such stock and monetary compensation claims to be contributed for the payment of such stock. The Company shall determine the number of shares to be allotted by a resolution of the Board of Directors based on the base amount according to the position and allot them on a date determined by the resolution of the Board of Directors.

<The ratio of fixed compensation, performance-linked compensation, and non-monetary compensation>

If the target performance index is achieved, the ratio of fixed compensation, performance-linked compensation (bonuses), and non-monetary compensation (stock-based compensation) shall be set to be approximately 63%, 25%, and 12% respectively.

<Compensation of Directors who are Audit and Supervisory Committee Members>

The compensation of Directors who are Audit and Supervisory Committee Members is determined through discussion by Directors who are Audit and Supervisory Committee Members and consists only of fixed compensation in light of the fact that they fulfill a management supervisory function from an independent standpoint and that their duties are not directly linked to performance.

(iii) Reason why the Board of Directors determined that the content of compensation, etc. for individual Directors (excluding Directors who are Audit and Supervisory Committee Members) for the fiscal year under review complies with the determination policy

The Nomination and Compensation Committee discusses, in consultation with the Board of Directors, the compensation table for fixed compensation and the amount to be paid for individual Directors based on the table, etc.; the calculation criteria for performance-linked compensation and the amount to be paid for individual Directors based on the criteria, which is calculated after the end of the business year; and the base amount of restricted stock according to the position of individuals for non-monetary compensation. Upon receiving the Committee report, a resolution shall be obtained from the Board of

Directors. As the compensation amount for individual Directors (excluding Directors who are Audit and Supervisory Committee Members) is determined via these procedures, the Board of Directors has determined that the content is in line with the policy for determining the content of compensation, etc. of individual Directors (excluding Directors who are Audit and Supervisory Committee Members).

2) Matters concerning the resolution of the General Meeting of Shareholders on the compensation of Directors

A resolution on the monetary compensation of Directors was passed at the 79th Annual General Meeting of Shareholders held on June 29, 2016. It stipulated that the amount of compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) is to be ¥300 million or less per year and that decisions on the specific amount to be paid to each Director and the timing of payment are to be decided by the resolution of the Board of Directors. It also stipulated that the amount of compensation for Directors who are Audit and Supervisory Committee Members is to be ¥60 million or less and that the specific amount to be paid to each Director and the timing of payment are to be decided through discussion by Directors who are Audit and Supervisory Committee Members. As of the conclusion of that Annual General Meeting of Shareholders, there were seven Directors (excluding Directors who are Audit and Supervisory Committee Members) and five Directors who are Audit and Supervisory Committee Members.

Separately from the above monetary compensation limit, it was resolved, at the 85th Annual General Meeting of Shareholders held on June 29, 2022, that the total amount of monetary compensation payable to Directors (excluding Directors who are Audit and Supervisory Committee Members) for the grant of restricted stock shall be a maximum of ¥60 million per year, the total amount of shares of common stock of the Company to be issued or disposed of shall be a maximum of 25,000 shares per year, and the specific timing of payment and allocation to each Director shall be determined by a resolution of the Board of Directors. As of the conclusion of that Annual General Meeting of Shareholders, there were seven Directors (excluding Directors who are Audit and Supervisory Committee Members).

3) Total amount of compensation, etc. of Directors

Classification	No. of persons receiving compensation	Total amount of compensation, etc. by type			Total amount of compensation, etc.
		Basic compensation	Performance-linked compensation, etc.	Non-monetary compensation	
Directors (excluding Audit and Supervisory Committee Members) (of which Outside Directors)	10 (1)	¥169 million (¥7 million)	¥19 million (-)	¥30 million (-)	¥220 million (¥7 million)
Directors (Audit and Supervisory Committee Members) (of which Outside Directors)	7 (5)	¥48 million (¥30 million)	- (-)	- (-)	¥48 million (¥30 million)
Total	17	¥218 million	¥19 million	¥30 million	¥268 million

Notes: 1. The above includes compensation, etc. of Directors who resigned as of the conclusion of the 87th Annual General Meeting of Shareholders held on June 27, 2024.

2. The performance indicator selected as the basis for calculating performance-linked compensation is “consolidated operating profit.” The reason the indicator was selected is that it is the one we place the highest priority on, as we set it as a key numerical target in our Medium-Term Business Plan, and we believe it is an objective indicator for judging performance in the fiscal year. The amount of performance-linked compensation is linked to the actual consolidated operating profit.

The standard percentage when the target for the performance indicator is achieved is set at approximately 25% of overall compensation. The actual amount of “consolidated operating profit” in the fiscal year under review was ¥9,731 million.

3. The non-monetary compensation is the amount recorded in the fiscal year under review as restricted stock compensation.

(5) Matters Concerning Outside Officers

- 1) Relationship between the Company and other corporations, etc. where outside officers serve concurrently

Concurrent positions of Outside Directors of the Company are described in “(1) Directors.” There are no relationships to be noted between the Company and the companies at which they hold concurrent positions.

2) Main activities of Outside Officers

Position	Name	Status of main activities
Director	Rieko Ueda	Rieko Ueda attended all 14 meetings of the Board of Directors held during the fiscal year under review. She has provided advice, etc., contributing to ensuring the validity of management decisions, based primarily on her perspective as a founder and corporate manager. In addition, as a member of the Nomination and Compensation Committee, a voluntary advisory body to the Board of Directors, she has properly fulfilled the managerial supervisory function from an independent and objective standpoint by participating in deliberations on important matters related to the nomination and compensation of Directors, etc.
Director (Audit and Supervisory Committee Member)	Tetsuo Koderu	Tetsuo Koderu attended all 14 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Committee held during the fiscal year under review. He has provided advice, etc., contributing to ensuring the legality of business execution and the validity of management decisions, primarily by voicing his expert opinion as an attorney. In addition, as the chair of the Nomination and Compensation Committee, a voluntary advisory body to the Board of Directors, he has properly fulfilled the managerial supervisory function from an independent and objective standpoint by leading deliberations on important matters related to the nomination and compensation of Directors, etc.
Director (Audit and Supervisory Committee Member)	Kenji Nishihara	Kenji Nishihara attended all 14 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Committee held during the fiscal year under review. He has provided advice, etc., contributing to ensuring the appropriateness of business execution and the validity of management decisions, primarily by voicing his expert opinion as a certified public accountant. In addition, as a member of the Nomination and Compensation Committee, a voluntary advisory body to the Board of Directors, he has properly fulfilled the managerial supervisory function from an independent and objective standpoint by participating in deliberations on important matters related to the nomination and compensation of Directors, etc.
Director (Audit and Supervisory Committee Member)	Eiji Maeda	Eiji Maeda attended 13 of 14 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Committee held during the fiscal year under review. He has provided advice, etc., contributing to ensuring the validity of management decisions, based primarily on his perspective as a corporate manager. In addition, as a member of the Nomination and Compensation Committee, a voluntary advisory body to the Board of Directors, he has properly fulfilled the managerial supervisory function from an independent and objective standpoint by participating in deliberations on important matters related to the nomination and compensation of Directors, etc.
Director (Audit and Supervisory Committee Member)	Kyoko Hirose	Kyoko Hirose attended all 10 meetings of the Board of Directors and all 10 meetings of the Audit and Supervisory Committee held since she assumed the position of Director (Audit and Supervisory Committee Member). She has provided advice, etc., contributing to ensuring the validity of management decisions, based primarily on her perspective as a corporate manager. In addition, as a member of the Nomination and Compensation Committee, a voluntary advisory body to the Board of Directors, she has properly fulfilled the managerial supervisory function from an independent and objective standpoint by participating in deliberations on important matters related to the nomination and compensation of Directors, etc.

4. Accounting Auditor

(1) Accounting Auditor's Name

Deloitte Touche Tohmatsu LLC

(2) Accounting Auditor's Compensation, etc. for the Fiscal Year under Review

1) Accounting auditor's compensation, etc., for audits for the fiscal year under review

¥121 million

2) Cash and other profits payable by the Company or its subsidiaries to the Accounting Auditor

¥139 million

Notes: 1. The audit fees paid by the Company to the Accounting Auditor for audits based on the Companies Act and audits based on the Financial Instruments and Exchange Act are not and cannot practically be separated. As such, the amount above is the total of both.

2. Having reviewed the content of the Accounting Auditor's audit plan, the reasonableness of the status of its execution of duties, the grounds for calculating compensation estimates, etc. by obtaining the necessary materials and hearing reports from the Accounting Department and the Accounting Auditor, the Company's Audit and Supervisory Committee agrees with the compensation, etc. of the Accounting Auditor.

3) Non-audit services

The Company paid the Accounting Auditor for services regarding the confirmation of the results of the measures of additional points for companies implementing wage increases in the comprehensive evaluation bidding system, which are services other than those defined in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).

(3) Policy on Determination of Dismissal or Non-reappointment of the Accounting Auditor

In the event that it is deemed that a proper accounting audit is not possible, such as cases in which there is an impediment to the execution of duties by the Accounting Auditor, the Company shall prepare a proposal on dismissal or non-reelection of the Accounting Auditor and submit it to the General Meeting of Shareholders, by resolution of the Audit and Supervisory Committee.

The Audit and Supervisory Committee dismisses the Accounting Auditor with the unanimous consent of the Audit and Supervisory Committee Members if it deems that any of the items set forth in Article 340, Paragraph 1 of the Companies Act applies to the Accounting Auditor. In this case, the member selected by the Audit and Supervisory Committee shall report the dismissal of the Accounting Auditor and the reason for the dismissal at the first General Meeting of Shareholders held after the dismissal.

Note: Monetary figures and numbers of shares presented in this Business Report are rounded down to the nearest whole number.

Consolidated Financial Statements

Consolidated Balance Sheet

(As of March 31, 2025)

(Millions of Yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	241,135	Current liabilities	174,967
Cash and deposits	28,714	Notes payable, accounts payable for construction contracts and other	56,999
Notes receivable, accounts receivable from completed construction contracts and other	190,568	Short-term borrowings	43,801
Real estate for sale	493	Lease liabilities	7
Costs on construction contracts in progress	5,340	Income taxes payable	2,083
Costs on real estate investment, development business and other	2,247	Advances received on construction contracts in progress	18,133
Work in process	815	Provision for warranties for completed construction	662
Raw materials and supplies	675	Provision for bonuses	3,084
Other	12,479	Provision for bonuses for directors (and other officers)	21
Allowance for doubtful accounts	(199)	Provision for loss on construction contracts	2,327
Non-current assets	152,330	Suspense receipt of consumption taxes	29,928
Property, plant and equipment	65,164	Other	17,917
Buildings and structures	20,989	Non-current liabilities	46,043
Machinery, vehicles, tools, furniture and fixtures	7,513	Long-term borrowings	5,006
Land	36,296	Non-recourse borrowings	20,172
Leased assets	19	Lease liabilities	16
Construction in progress	345	Deferred tax liabilities	19,876
Intangible assets	1,544	Provision for share awards	348
Investments and other assets	85,621	Asset retirement obligations	479
Investment securities	60,397	Other	143
Long-term loans receivable	59	Total liabilities	221,010
Retirement benefit asset	8,519	(Net assets)	
Deferred tax assets	4	Shareholders' equity	138,653
Other	18,567	Share capital	19,838
Allowance for doubtful accounts	(1,926)	Capital surplus	26,510
		Retained earnings	100,276
		Treasury shares	(7,972)
		Accumulated other comprehensive income	38,631
		Valuation difference on available-for-sale securities	30,212
		Deferred gains or losses on hedges	5,396
		Remeasurements of defined benefit plans	3,023
		Non-controlling interests	(4,829)
		Total net assets	172,455
Total assets	393,466	Total liabilities and net assets	393,466

Consolidated Statement of Income

(April 1, 2024 through March 31, 2025)

(Millions of Yen)

Description	Amount	
Net sales		
Net sales of completed construction contracts	284,575	
Net sales of real estate investment, development business and other	13,647	298,222
Cost of sales		
Cost of sales of completed construction contracts	253,369	
Cost of real estate investment, development business and other	13,165	266,534
Gross profit		
Gross profit on completed construction contracts	31,206	
Gross profit on real estate investment, development business and other	481	31,688
Selling, general and administrative expenses		21,956
Operating profit		9,731
Non-operating income		
Interest income	95	
Dividend income	1,361	
Other	302	1,759
Non-operating expenses		
Interest expenses	807	
Foreign exchange losses	368	
Loss on valuation of forward exchange contracts	701	
Other	686	2,563
Ordinary profit		8,926
Extraordinary income		
Gain on sale of investment securities	3,599	
Other	24	3,624
Extraordinary losses		
Impairment losses	13,234	
Other	742	13,977
Loss before income taxes		1,426
Income taxes - current	4,957	
Income taxes - deferred	160	5,118
Loss		6,545
Loss attributable to non-controlling interests		9,268
Profit attributable to owners of parent		2,722

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet

(As of March 31, 2025)

(Millions of Yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	235,743	Current liabilities	171,491
Cash and deposits	26,890	Notes payable - trade	2,169
Notes receivable - trade	0	Accounts payable for construction contracts	53,420
Electronically recorded monetary claims - operating	2,411	Short-term borrowings	46,454
Accounts receivable from completed construction contracts	186,158	Lease liabilities	3
Real estate for sale	493	Income taxes payable	1,963
Costs on construction contracts in progress	5,447	Advances received on construction contracts in progress	18,096
Costs on real estate investment, development business and other	2,247	Provision for warranties for completed construction	640
Raw materials and supplies	50	Provision for bonuses	3,024
Other	12,241	Provision for bonuses for directors (and other officers)	19
Allowance for doubtful accounts	(198)	Provision for loss on construction contracts	2,327
Non-current assets	124,321	Suspense receipt of consumption taxes	29,928
Property, plant and equipment	49,603	Other	13,443
Buildings and structures	17,068	Non-current liabilities	18,778
Machinery and vehicles	553	Long-term borrowings	5,006
Tools, furniture and fixtures	800	Lease liabilities	6
Land	31,159	Deferred tax liabilities	13,068
Leased assets	9	Provision for share awards	344
Construction in progress	12	Asset retirement obligations	208
Intangible assets	1,194	Other	143
Investments and other assets	73,523	Total liabilities	190,269
Investment securities	58,596	(Net assets)	
Shares of subsidiaries and associates, investments in capital of subsidiaries and associates	1,200	Shareholders' equity	140,492
Long-term loans receivable	10,309	Share capital	19,838
Prepaid pension costs	4,106	Capital surplus	25,592
Other	4,245	Legal capital surplus	25,322
Allowance for doubtful accounts	(4,933)	Other capital surplus	270
		Retained earnings	103,033
		Legal retained earnings	4,959
		Other retained earnings	98,073
		Reserve for investment loss on developing new business	106
		Reserve for tax purpose reduction entry of non-current assets	3,629
		General reserve	91,400
		Retained earnings brought forward	2,937
		Treasury shares	(7,972)
		Valuation and translation adjustments	29,303
		Valuation difference on available-for-sale securities	29,303
		Total net assets	169,795
Total assets	360,065	Total liabilities and net assets	360,065

Non-Consolidated Statement of Income

(April 1, 2024 through March 31, 2025)

(Millions of Yen)

Description	Amount	
Net sales		
Net sales of completed construction contracts	284,575	
Net sales of real estate investment, development business and other	5,784	290,359
Cost of sales		
Cost of sales of completed construction contracts	253,459	
Cost of real estate investment, development business and other	2,659	256,119
Gross profit		
Gross profit on completed construction contracts	31,116	
Gross profit on real estate investment, development business and other	3,124	34,240
Selling, general and administrative expenses		20,824
Operating profit		13,416
Non-operating income		
Interest and dividend income	1,656	
Other	192	1,849
Non-operating expenses		
Interest expenses	431	
Foreign exchange losses	363	
Other	560	1,355
Ordinary profit		13,910
Extraordinary income		
Gain on sale of investment securities	3,599	
Other	24	3,623
Extraordinary losses		
Loss on business of subsidiaries and associates	5,014	
Other	619	5,633
Profit before income taxes		11,900
Income taxes - current	4,780	
Income taxes - deferred	163	4,943
Profit		6,956