

Note: This document has been translated from the Japanese original for reference purposes only.  
In the event of any discrepancy between this translated document and the Japanese original,  
the original shall prevail.



May 14, 2025

Company name:	OKUMURA CORPORATION
Name of representative:	Takanori Okumura President and Representative Director (Securities Code: 1833; Tokyo Stock Exchange Prime Market)
Inquiries:	Arihiko Fukatsu General Manager of Corporate Planning Department, President's Office (Telephone: +81-6-6621-1101)

## **Notice Concerning the Establishment of the Medium-Term Business Plan (FY2025–2027)**

The Okumura Group (the “Group”) hereby announces that at the meeting of the Board of Directors held today, it resolved to establish the Medium-Term Business Plan (FY2025–2027).

The Group has formulated “Vision toward 2030,” which shows where it wants to be in the future, and engages in management from a long-term standpoint to continue its business long-term and contribute to the sustainable development of society.

The Medium-Term Business Plan (FY2025–2027) is positioned as the third step in achieving “Vision toward 2030.” Under the plan, the Group will steadily pursue its three Basic Policies of Business Strategy founded on the theme “Strengthen the business base to achieve sustainable growth” – (1) “Increase corporate value” centered on enhancing earning power and technological capabilities in the construction business, (2) “Expand business domains” to build a stable earnings base that does not rely on the construction business, and (3) “Utilize human resources,” securing and training talent and creating environments where diverse human resources can play active roles by making maximum use of their abilities. The Group will implement a range of measures based on these policies, aiming to achieve its vision.

### **“Vision toward 2030”**

- Increase corporate value and strengthen our position within the industry
- Expand business domains to achieve sustainable growth and build a robust earnings base
- Be a company that its employees are proud of and that leverages and values its people

(Our Aspirations)

At the Okumura Group, we aim to be a corporate group that continues to grow by developing businesses and services that anticipate the changing needs of society to contribute to its sustainable development, as well as fulfilling the trust placed in us by society, providing a sense of security, and sharing prosperity with everyone concerned through reliable technology and honest business operations.

Overview of the Medium-Term Business Plan (FY2025–2027)

1. Basic Policies of Business Strategy

Increase corporate value	Expand business domains	Utilize human resources
<ul style="list-style-type: none"><li>• Enhance earning power and technological capabilities</li><li>• Promote alliances</li><li>• Strengthen ESG/SDGs measures</li></ul>	<ul style="list-style-type: none"><li>• Strengthen the real estate business</li><li>• Enter into new businesses</li><li>• Strengthen the overseas business foundation</li></ul>	<ul style="list-style-type: none"><li>• Improve employee engagement</li><li>• Secure and train human resources</li></ul>

2. Financial Targets

Consolidated item	FY2024 (Actual)	FY2027 (Target)
Net sales	298.2 billion yen	330.0 billion yen
Operating profit	9.7 billion yen	20.0 billion yen
ROE	1.5%	8.0% or more

3. Non-Financial Targets (Key Targets)

CO <sub>2</sub> 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 rate
48 kt-CO <sub>2</sub> 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)

#### 4. Capital Policy

Shareholder Return Policy	<p>[Basic Policy]</p> <p>Distribute profits by business results and flexibly implement share buybacks on the premise of stable dividends.</p> <p>[Policy during the Medium-Term Business Plan (FY2025-2027)]</p> <p>Consolidated dividend payout ratio* of 70% or more (Maintain a minimum DOE ratio of 2.0% regardless of business results)</p> <p>* 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)]</p>
Reduce Cross-Shareholdings	<ul style="list-style-type: none"><li>• Continue to engage in reducing cross-shareholdings, aiming to decrease their proportion of consolidated net assets.</li><li>• Engage in the planned and ongoing sale of 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.</li></ul>

For details, please see the attached materials.

The plans, forecasts, outlooks and other forward-looking statements contained in this document are based on the Group’s strategies, targets, premises and assumptions as of the date of publication. Actual results may differ from these plans, forecasts and outlooks due to various factors.

**May 14, 2025**

# **Medium-Term Business Plan**

**(FY2025–2027)**

# INDEX

<b>1</b>	<b><u>Philosophy and Long-Term Vision</u></b>	<b>... P3–7</b>
<b>2</b>	<b><u>Review of the Previous Medium-Term Business Plan</u></b>	<b>... P8–12</b>
<b>3</b>	<b><u>Medium-Term Business Plan (FY2025–2027)</u></b>	<b>... P13–26</b>
	–Basic Policies of Business Strategy–	... P13
	–Main Targets–	... P14
	–Business Strategy (Civil Engineering, Building, Investment Development, etc.)–	... P15–19
	–Capital Policy (Shareholder Return Policy, Reduce Cross-Shareholdings)–	... P20–21
	–Finance Plans (Funding Plan, Investment Plan)–	... P22
	–Sustainability Initiatives–	... P23–26
<b>4</b>	<b><u>Action to Implement Management that is Conscious of Cost of Capital and Stock Price</u></b>	<b>... P27–30</b>

## [OKUMURA CORPORATION's Purpose]

### **“Connecting People and Nature through the Power of Technology”**

Since Okumura was established in 1907, our mission has been to contribute to society through business endeavor under our principles, “steadfast management” and “sincere operation.”

While continuing to refine our technical expertise and flexibly adapting to the changing needs of society, we will steadily advance as a general infrastructure company with the civil engineering business and the building business as well as the investment development business, progressing beyond the limits of a construction contractor in our aim to realize a sustainable society with both comfortable, safe and secure lives for people, and beautiful nature.

## [Management Philosophy]

Contribute to bettering the world through the expansion of business endeavor, excel as a corporate entity committed to the principles of “steadfast management” and “sincere operation,” and continue to play an essential role in society.



## ■ “Vision toward 2030”

“Vision toward 2030” shows where the Group wants to be in the future. We see it as a guidepost shared by all employees as they continue to vigorously promote the Group’s business endeavors for the future, aspiring to achieve a robust growth trajectory. We will engage in management worthy of the trust of all our stakeholders as we aim to realize our “Vision toward 2030.”

**Increase corporate value and strengthen our position within the industry**

**Expand business domains to achieve sustainable growth and build a robust earnings base**

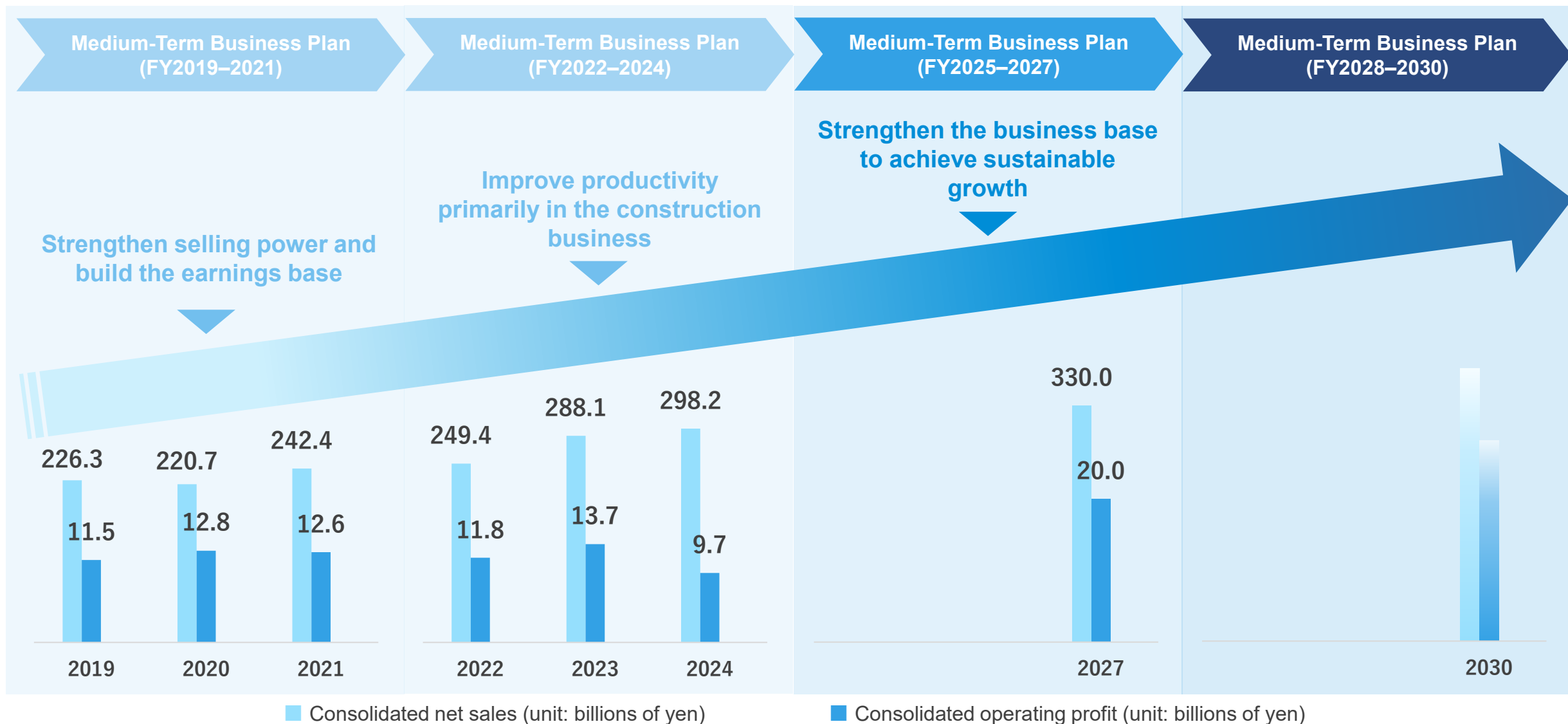
**Be a company that its employees are proud of and that leverages and values its people**

### **Our Aspirations**

At the Okumura Group, we aim to be a corporate group that continues to grow by developing businesses and services that anticipate the changing needs of society to contribute to its sustainable development, as well as fulfilling the trust placed in us by society, providing a sense of security, and sharing prosperity with everyone concerned through reliable technology and honest business operations.

# 1 Philosophy and Long-Term Vision

## ■ “Vision toward 2030” and the Okumura Group’s Growth Trajectory





## ■ Sustainability at OKUMURA CORPORATION

We are pushing ahead with our business activities as we strive to achieve our future vision set out in “Vision toward 2030.” The vision presented by the Okumura Group brings together our goals for achieving a “sustainable and symbiotic society,” which is the aim of the SDGs. We anticipate value creation through our business activities contributing to the SDGs.

## ■ ESG/SDGs-Related Material Issues (Materiality)

We are working to address sustainability issues, including climate change, based on a recognition of these as key management issues, and we have analyzed ESG/SDGs-related risks and opportunities and the impact if they materialize. We then identified ESG/SDGs-related issues based on the two axes of likelihood and impact. In identifying issues relating to climate change, we also assessed their importance using scenarios based on the TCFD recommendations. As a result of analyzing the importance of these issues, we identified the following ESG/SDGs-related material issues (materiality) for the Group. By reflecting our strategies for solving these issues in each division’s measures under the Medium-Term Business Plan, we are pursuing endeavors that integrate both our business activities and our ESG/SDGs initiatives.

### Material issue (1)

Contribution to  
sustainable social  
infrastructure

### Material issue (2)

Promotion of  
environmentally  
friendly businesses

### Material issue (3)

Creation of workplaces  
that realize wellbeing

### Material issue (4)

Stronger corporate  
governance

# 1 Philosophy and Long-Term Vision

## The Group's material issues (materiality)

## Specific initiatives to address the material issues



### Contribution to sustainable social infrastructure

We will pinpoint the changing needs of society and leverage the technology we have developed so far to build high-quality, long-lasting social infrastructure while also maintaining, renewing and renovating aging infrastructure and existing buildings and actively utilizing our real estate stock, thus contributing to building sustainable social infrastructure as a general infrastructure company.



### Promotion of environmentally friendly businesses

Under our basic philosophy of “creating and sustaining an environment that is friendly to both people and the planet,” we will promote the reduction of CO<sub>2</sub> emissions from construction, ZEB and other energy-saving building design, and environmentally related technological development. In addition, we will actively engage in the effective utilization of resources, including recycling, and the operation of facilities aimed at ensuring the stable supply of renewable energy, pursuing environmentally friendly businesses to achieve a decarbonized society.



### Creation of workplaces that realize wellbeing

In addition to ensuring a safe, secure, and fulfilling labor environment, we will create workplace environments that maximize the individual potential of diverse human resources, including women, and enable all our employees to work with health and vigor, thus promoting the realization of wellbeing.



### Stronger corporate governance

We strive for more substantial corporate governance through accountability-focused decision-making by the Board of Directors and monitoring by the Audit and Supervisory Committee based on the Corporate Code of Conduct to ensure management fairness and transparency and increase corporate value, so that the Group can continue to play an essential role in society. We will work toward more effective corporate governance and strive to gain the trust of our stakeholders by continuing to provide thorough training to raise the compliance awareness of our officers and employees, as well as pursuing honest business activities based on corporate ethics.

## ■ Basic Policies of Business Strategy

### Basic Policy 1: Increase corporate value

#### Improve productivity

Enhance earning power by strengthening selling power, technological proposal capabilities, cost reduction capabilities, design change proposal capabilities, etc.

#### Build technological advantage

Strengthen solution proposal capabilities for design, construction, etc.

#### Strengthen ESG/SDGs measures

Promote business activities that contribute to solving environmental and social issues, such as initiatives to address climate change, etc.

### Basic Policy 2: Expand business domains

#### Strengthen the real estate business

Strengthen initiatives including redevelopment projects, land readjustment projects, etc.

#### Enter and expand new businesses

Promote the energy business, PPP agreements, concessions, etc.

#### Build an overseas business foundation

Strengthen earning power in Taiwan, Singapore, etc.

### Basic Policy 3: Utilize human resources

#### Promote work-style reforms

Improve productivity to reduce overtime and enable employees to achieve a work-life balance, etc.

#### Encourage diverse human resources to play an active role

Promote recruitment activities for diverse talent with consideration for the optimal structure of human resources for the future, etc.

#### Strengthen education

Rebuild the education system, etc.

## ■ Status of Achievement of Financial Targets

(Unit: billions of yen)

Consolidated item	FY2022	FY2023	FY2024	FY2024 (Target)	Review
Net sales	249.4	288.1	298.2	280.0	We were able to achieve our target by working our way steadily through ongoing projects while also making firm progress on construction orders.
Operating profit [Operating profit margin]	11.8 [4.7%]	13.7 [4.8%]	9.7 [3.3%]	19.0 [6.8%]	We made steady progress on strengthening the earnings base. This included initiatives to enhance various programs to stably secure human resources and increase employee motivation, in addition to improving productivity through operational efficiency and promotion of DX, primarily in the construction business. However, operating profit and ordinary profit fell short of the targets due mainly to the losses recorded on specific large-scale civil engineering projects in Japan, as well as the explosion that occurred in the power generation equipment at a consolidated subsidiary, ISHIKARI BIO ENERGY GODO KAISHA, resulting in the suspension of commercial operation, both in FY2024.
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	Despite our efforts to improve capital efficiency, such as the steady implementation of our shareholder return policy and the reduction of cross-shareholdings, ROE fell short of the target due chiefly to the substantial extraordinary losses (impairment losses) recorded at a consolidated subsidiary, ISHIKARI BIO ENERGY GODO KAISHA, in addition to lower-than-targeted operating profit and ordinary profit in FY2024.
[Reference] Orders received (Non-consolidated)	279.9	336.8	376.6	—	

## ■ Status of Achievement of Non-Financial Targets

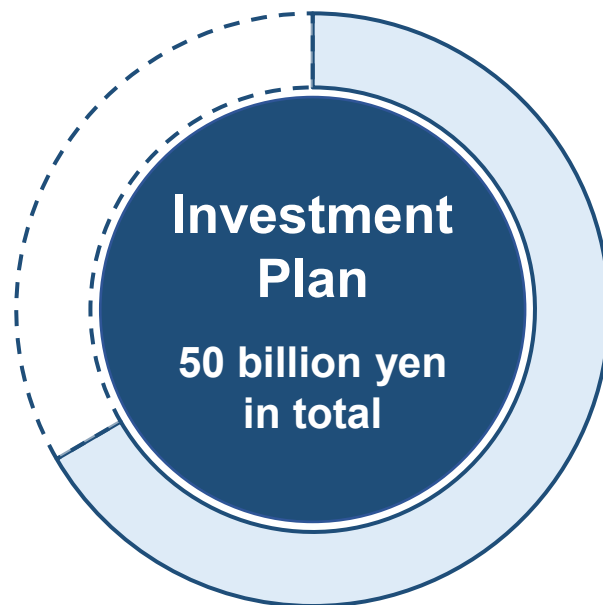
	FY2022	FY2023	FY2024	FY2024 (Target)
Amount of power generated from the renewable energy business	Provide a stable supply of power generated from renewable energy sources			
	77 GWh per year [Approx. 41 kt-CO <sub>2</sub> per year]	184 GWh per year [Approx. 97 kt-CO <sub>2</sub> per year]	55 GWh per year [Approx. 26 kt-CO <sub>2</sub> per year]	180 GWh or more per year [Aim to contribute to reducing CO <sub>2</sub> emissions by 80 kt or more per year]
CO <sub>2</sub> emissions from the construction business	Promote measures to reduce CO <sub>2</sub> emissions at the construction stage			
	23.07 tons of CO <sub>2</sub> emissions per 0.1 billion yen [Approx. 58 kt-CO <sub>2</sub> per year]	21.11 tons of CO <sub>2</sub> emissions per 0.1 billion yen [Approx. 59 kt-CO <sub>2</sub> per year]	17.80 tons of CO <sub>2</sub> emissions per 0.1 billion yen [Approx. 54 kt-CO <sub>2</sub> per year]	Less than 21.21 tons of CO <sub>2</sub> emissions per 0.1 billion yen [Aim to reduce CO <sub>2</sub> emissions to less than 60 kt per year]
Operational energy consumption in buildings designed and constructed by the Company	Promote measures to reduce CO <sub>2</sub> emissions at the design stage			
	Reduced by 35.0%	Reduced by 39.6%	Reduced by 40.7%	Reduce by 30% or more* [Aim to reduce CO <sub>2</sub> emissions from building operations by 30% or more* through ZEB promotion and other measures]

\*Compared to FY2013 levels

- We achieved the target for “Amount of power generated from the renewable energy business” in FY2023, ahead of schedule, but fell short of the target in FY2024 due to the explosion that occurred in the power generation equipment at ISHIKARI BIO ENERGY GODO KAISHA in July 2024, resulting in the suspension of commercial operation and making power generation impossible.



## Progress on the Investment Plan



Progress: Approx. 67%

**Increase corporate value**

Develop technologies

Promote DX

Improve corporate recognition

**Expand business domains**

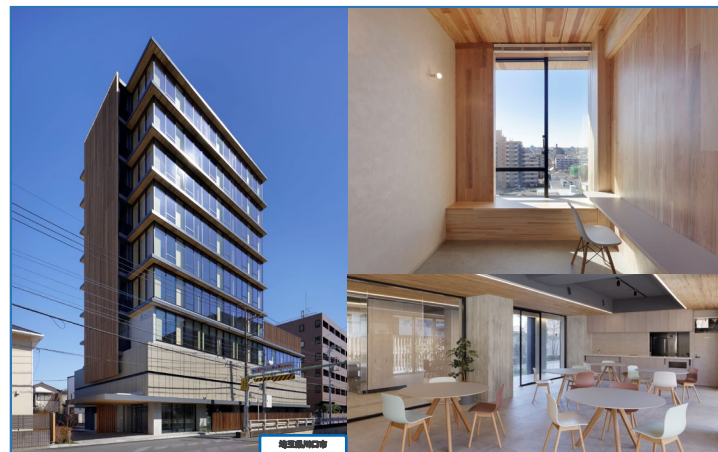
Real estate business

New businesses

**Utilize human resources**

Develop human resources

Improve operational efficiency



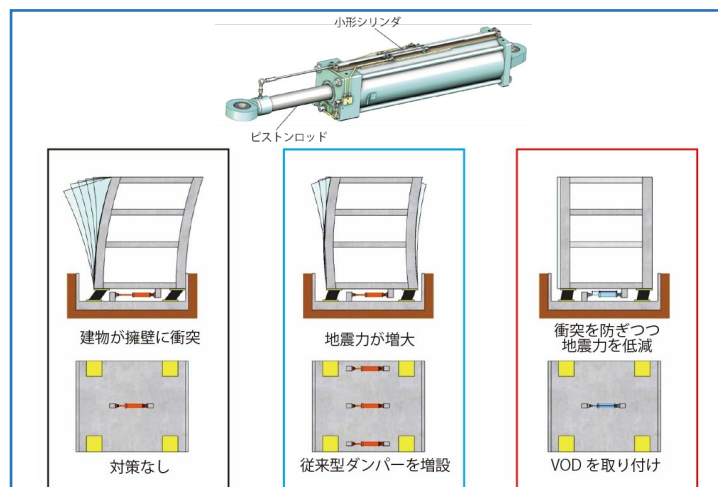
Constructed an employee dormitory using a hybrid wooden structure

~Selected by the Ministry of Land, Infrastructure, Transport and Tourism as a project promoting excellent wooden buildings and other facilities~  
The first and second floors are reinforced concrete (RC), with wooden construction (partial RC) used for floors 3 to 8. The area between the 1st and 2nd floors has a mid-floor seismic isolation structure to ensure strength during an earthquake.



Developed a digital twin system combining 4-dimensional models with web camera monitoring

~Recreates the past, present, and future of construction sites using a 4D model in digital space in conjunction with on-site footage~



Developed a variable oil damper (VOD®) for application in seismic isolation structures

Received the Engineering Award at the 26th JSSI Award held by The Japan Society of Seismic Isolation



Utilized corporate real estate (CRE)

~Renovated six company housing across Japan into profit-earning rental property~

## ■ 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 (FY2022-2024)]

Consolidated dividend payout  
ratio of **70%** or more

Maintain a minimum DOE ratio of 2.0% regardless of business results.

\*DOE = Total annual dividends (interim + year-end) / equity

	FY2022	FY2023	FY2024
Consolidated dividend payout ratio (%)	72.9	70.4	292.1
Consolidated total return ratio (%)	72.9	70.4	391.3
Annual dividend (yen)	223	237	216

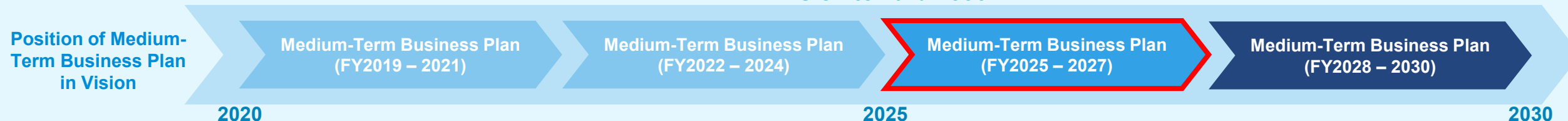
### 《Reduce Cross-Shareholdings》

- ◇ Aim to further reduce cross-shareholdings to 20% or less of consolidated net assets.
- ◇ Use proceeds from the sale as funds for investment plans to realize the “Vision toward 2030.”

	FY2022	FY2023	FY2024
Proportion of consolidated net assets (%)	24.1	17.1	15.0
Amount recorded on consolidated balance sheet (millions of yen)	41,770	32,785	25,840

At the Okumura Group, we will continue to contribute to the sustainable development of society through medium- and long-term growth. We have formulated “Medium-Term Business Plan (FY2025–2027)” as our third step in achieving “Vision toward 2030,” which is where the Group wants to be in the future.

### “Vision toward 2030”



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

### – Strengthen the business base to achieve sustainable growth –

#### Basic Policy 1: Increase corporate value

Enhance earning power and technological capabilities

Promote alliances

Strengthen ESG/SDGs measures

#### Basic Policy 2: Expand business domains

Strengthen the real estate business

Enter and expand new businesses

Strengthen the overseas business foundation

#### Basic Policy 3: Utilize human resources

Improve employee engagement

Secure and train human resources

Under the Medium-Term Business Plan (FY2025–2027) toward the realization of our “Vision toward 2030,” we aim to **increase corporate value by enhancing the earning power of the construction business as well as maintaining and extending our medium- and long-term technological advantage, primarily on technological development**, to improve medium- and long-term performance. We will also **expand business domains**, including the development of businesses linked to the construction business as General Infrastructure Company, while also embarking on new business endeavors, 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 human resources** essential for business development (**strengthening recruitment activities and preventing employee turnover**) as well as focusing on creating environments where **diverse human resources can play active roles** by making maximum use of their abilities, and making efforts for **human resources development** to lead the sustainable growth of the Group. In this way, we will strive to achieve “Vision toward 2030.”



## Financial Targets

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

## Shareholder Return Policy

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

Consolidated dividend payout  
ratio\*1 of **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

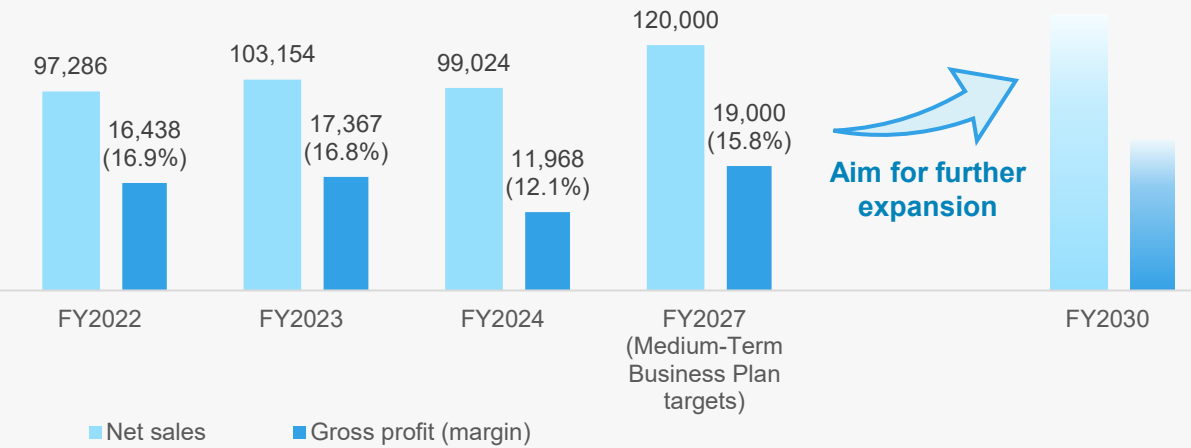
## Non-Financial Targets (Key Targets)

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

FY2025–2027

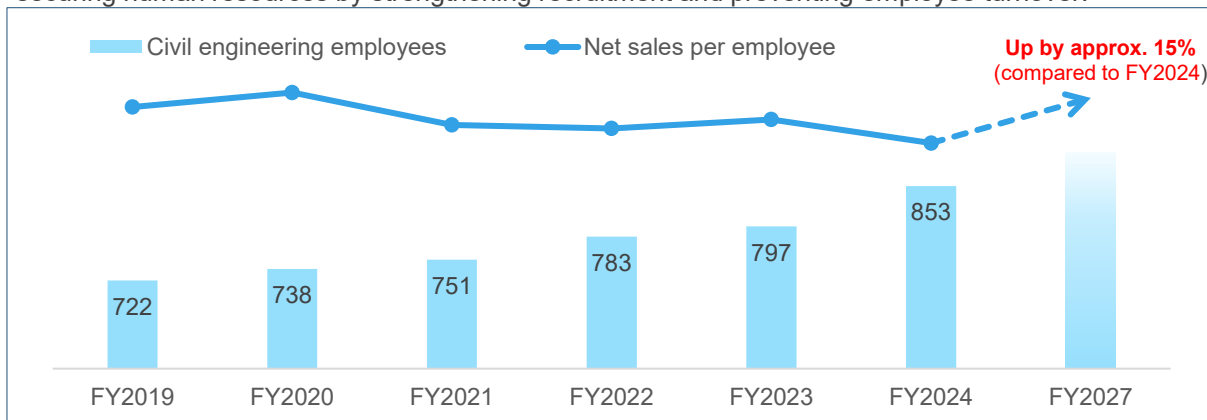
## Enhance construction capabilities to expand the business scale

(Unit: millions of yen)



### — Improving productivity and securing human resources —

Toward FY2027, we will focus on improving productivity through more efficient construction systems, the use of manpower- and labor-saving technologies, and human resources development, as well as securing human resources by strengthening recruitment and preventing employee turnover.



### [Business Environment and Issues Perceived]

- Domestic public sector investment is forecast to remain firm due to factors such as projects relating to building national resilience, in addition to demand for the maintenance, management, and renewal of aging infrastructure
- The profit margins of projects on hand have declined in the absence of the large-scale high-profit projects completed in FY2022–2024, and it is essential that we are selective about properties, focusing on profitability
- Our continuing manpower- and labor-saving efforts in the construction division have not led to an improvement in productivity indicators so far, and it is essential that we persist in these efforts while also focusing on building systems to enable effective results with a limited number of personnel

### Key measures

#### (1) Ensure technological advantage

In addition to engaging in technological development and striving to develop and secure core human resources to ensure we maintain our advantage in our strongest areas (shield construction, construction close to railways, etc.), we will expand sales activities based on strategic portfolio analysis (with a consideration of factors such as the environment for orders received, future demand, and growth potential, including the medium- and long-term enhancement of our technological capabilities).

#### (2) Strengthen on-site capabilities

We will develop human resources to strengthen our on-site capabilities (our range of construction and technical capabilities) while reducing the workload of construction offices by utilizing BPO for non-core operations and strengthening the headquarters support system for construction offices, thus enhancing our earning power.

#### (3) Strengthen handling diverse order types

We aim to enhance our design and technical proposal capabilities by building systems capable of handling DB, ECI, and other diverse projects and working to strengthen our workforce, including adding personnel in the bidding division and educating them in the necessary knowledge.

## [Overseas Business]

– Building on the overseas business foundation established so far  
to aim for further growth –

(Expanding the business while monitoring geopolitical and other risks)

- We are actively expanding orders received in Taiwan and Singapore, primarily for shield tunnel construction, where we have extensive construction achievements and advanced technological capabilities
- We revised the organizational structure of the overseas business effective April 2025 in view of factors such as the scale of overseas business in recent years and the forecast of firm demand for projects in Taiwan over the medium and long term, and we are striving to strengthen our organization for stable business promotion
- Based on the company's existing business foundation in civil engineering, we will also consider expanding into related businesses.

#### «Topics» Establishment of an International Branch (as of April 1, 2025)

We have strengthened the organizational structure, including the establishment of the International Branch, which is in charge of overseas business, under the management of the West Japan Branch Office. In Taiwan, where our business scale is expanding, we also established departments under the Taiwan Branch to engage in sales and management.

**International Branch**  
(Newly established)

**International Management Department**

**Taiwan Branch**

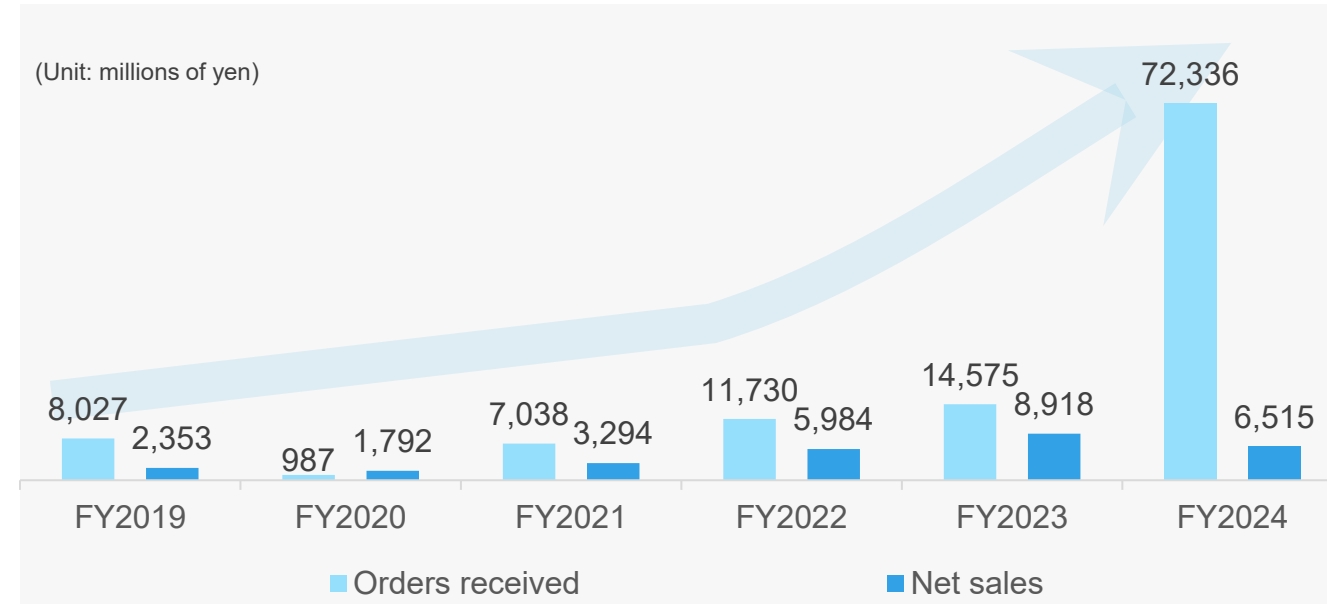
**International Project Department**



▲ Taiwan Branch ▲  
(Relocated to a new office in August 2024)

#### [Reference] Performance of the Construction Business to FY2024 (Orders Received and Net Sales)

(Unit: millions of yen)



#### Medium-Term Business Plan (FY2019–2021)

Cumulative orders received	16,052 million yen
Cumulative net sales	7,440 million yen

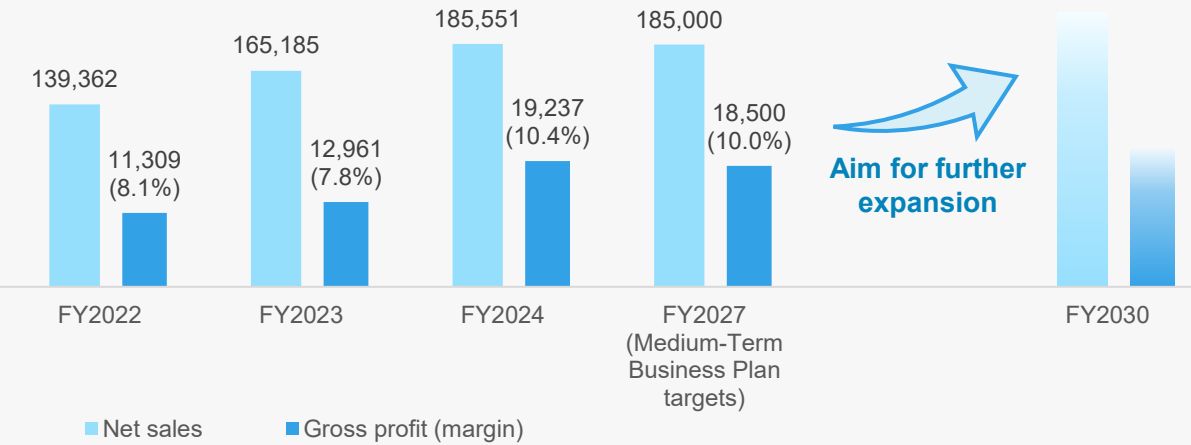
#### Medium-Term Business Plan (FY2022–2024)

Cumulative orders received	98,641 million yen
Cumulative net sales	21,419 million yen

## FY2025–2027

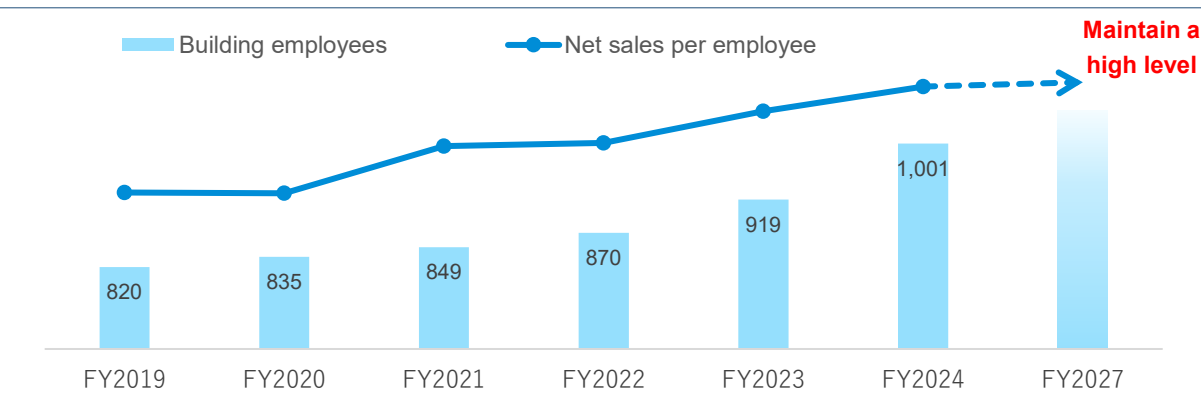
Strengthen the business promotion system for future growth while maintaining business scale

(Unit: millions of yen)



– Improving productivity and securing human resources –

We will focus on securing human resources by strengthening recruitment and preventing employee turnover in anticipation of further growth, while working to maintain and update the business promotion system with high production efficiency that we have established so far.



[Business Environment and Issues Perceived]

- Private-sector investment is forecast to remain firm on the back of vigorous capital investment, primarily in redevelopment projects, semiconductor-related facilities, and logistics warehouses
- While net sales and profit rose steadily from FY2022 through FY2024, the expansion of the business has also led to safety- and quality-related issues, making it vital to establish a system to achieve stable business promotion
- Although we have achieved some results in terms of productivity improvements, there is still a shortage of technical staff. Securing human resources has become an urgent issue. Additionally, a supply-demand imbalance has emerged for skilled workers in certain trades, making it necessary for us to plan the progress of projects while taking into account our spare construction capacity

Key measures

(1) Order acceptance strategy focused on technology transfer to the next generation

We will thoroughly implement selective order acceptance that emphasizes profitability and productivity while taking into account our spare construction capacity. We will pursue sales activities based on portfolio analysis focused on technology transfer to the next generation (considering an appropriate balance of construction scale and types of buildings).

(2) Prevent serious incidents relating to safety and quality

We will avoid the losses due to serious incidents by thoroughly monitoring the status of construction and design management and providing training for employees.

(3) Raise the level of young and mid-career employees

We will implement job rotations for young and mid-career employees to improve on-site capabilities (our range of construction and technical capabilities, etc.) while also focusing on developing management personnel at an early stage.

FY2025–2027

Expand business domains focusing on construction-related fields to build a stable earnings base for the future

**FY2024**

(Results for the final fiscal year of the previous Medium-Term Business Plan)

Net sales **13.6** billion yen

Gross profit **0.4** billion yen

**FY2027**

(Targets for the final fiscal year of the new Medium-Term Business Plan)

Net sales **22.0** billion yen

Gross profit **5.5** billion yen

#### ■ Breakdown of the Investment Development Business, etc.

Top row: Net sales Bottom row: Gross profit	FY2024 (Actual)	FY2027 (Target)	Main accounting classification among Group companies
<b>Real estate business</b>	4.7 billion yen 3.1 billion yen	Approx. <b>6–7</b> billion yen Approx. <b>3–4</b> billion yen	OKUMURA CORPORATION Taihei Real Estate
<b>New businesses</b>	3.0 billion yen (3.5) billion yen	Approx. <b>8–9</b> billion yen Approx. <b>1–2</b> billion yen	ISHIKARI BIO ENERGY HIRATA BIO ENERGY
<b>Other businesses</b> (Machinery manufacturing and sales, consulting, etc.)	5.7 billion yen 0.9 billion yen	Approx. <b>7</b> billion yen Approx. <b>1</b> billion yen	Okumura Machinery

#### [Real Estate Business]

– **Securing stable earnings and promoting a circular reinvestment model** –

- With an emphasis on the efficient use of capital, we aim to expand our business through the acquisition, development, and sale of properties with high potential value. At the same time, we will work to increase earnings through investments aimed at enhancing the value of our existing assets (such as renovations) to ensure stable earnings in the long term
- We will build systems to promote development projects to secure earnings. This includes leveraging our construction and environmental technologies and joint development with partner companies to enhance real estate value

#### [New Businesses]

– **Promoting long-term projects through public-private partnerships and developing the decarbonization business** –

- We will leverage our achievements in comprehensive sewer management outsourcing to expand into public-private partnership (PPP) projects centered around “water PPP.” We will also focus on the development and commercialization of environmental technologies, including renewable energy
- We will engage in business development that contributes to the revitalization of the local economy and the sustainable development of local communities through solutions to regional issues
- We will also strive to create new businesses and solutions through collaboration with industry, government, academia, and local communities, as well as expanding our business areas through partnerships, capital alliances, and M&As

#### [Other Businesses]

- We will enhance the production capacity of Okumura Machinery’s manufacturing plant and aim to expand order and sales volumes



## Overview of Consolidated Subsidiaries

### Okumura Machinery Corporation



[Photo: Inside Okumura Machinery Corporation's HQ No. 2 Plant (Osaka-shi, Osaka)]

<b>Founded</b>	March 1953
<b>Capital</b>	100 million yen
<b>Head office location</b>	Nishiyodogawa-ku, Osaka-shi, Osaka
<b>Business overview</b>	Design, manufacture, etc. of shield machines, segments, automatic cranes, and industrial machinery

### ISHIKARI BIO ENERGY GODO KAISHA



[Photo: Ishikari Bay New Port Biomass Power Plant]

<b>Location</b>	Ishikari-shi Hokkaido
<b>Business operation</b>	Began in March 2023
<b>Business overview</b>	Power generation business using wooden pellets and PKS (Palm Kernel Shells) as fuel; power sales through FIT
<b>Anticipated annual power generation</b>	Approx. 360 million kWh (Equivalent to 110,000 average households)

### Taihei Real Estate Corporation



[Photo: A rental property held by Taihei Real Estate Corporation (Ota-ku, Tokyo)]

<b>Founded</b>	February 1970
<b>Capital</b>	20 million yen
<b>Head office location</b>	Minato-ku, Tokyo
<b>Business overview</b>	Real estate leasing, purchase, sale, intermediary services and land and building management

### HIRATA BIO ENERGY GODO KAISHA



[Photo: Fukushima Hirata-mura Biomass Power Plants No. 1 and 2]

<b>Location</b>	Hirata-mura, Ishikawa-gun, Fukushima
<b>Business operation</b>	No. 1: Began in May 2022 No. 2: Began in April 2023
<b>Business overview</b>	Power generation business using domestically sourced wooden chips (from thinning, etc.) as fuel; power sales through FIT
<b>Anticipated annual power generation</b>	Approx. 29 million kWh (Equivalent to 9,300 average households)

## ■ 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 of 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

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Consolidated dividend payout ratio	55.2%	51.5%	51.0%	72.9%	70.4%	292.1%
Consolidated total return ratio	92.8%	51.5%	76.9%	72.9%	70.4%	391.3%
Annual dividend	143 yen	140 yen	172 yen	223 yen	237 yen	216 yen
Interim dividend	41 yen	37 yen	65 yen	66 yen	77 yen	113 yen
Year-end dividend	102 yen	103 yen	107 yen	157 yen	160 yen	103 yen

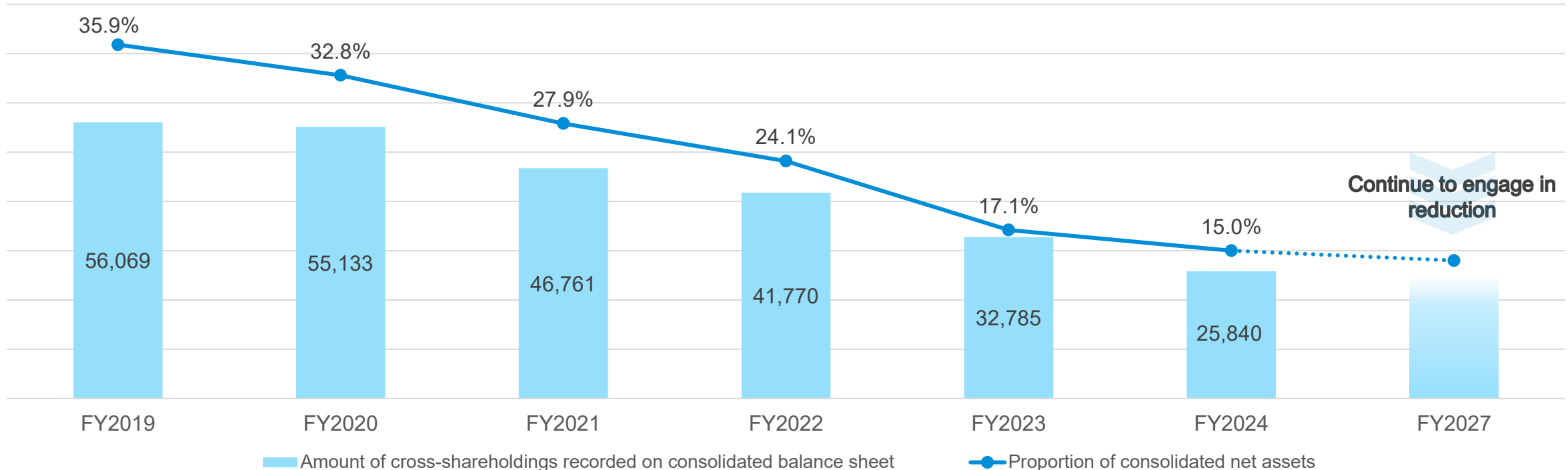
Notes: Shareholder return policy during the Medium-Term Business Plan (FY2019–2021): Consolidated total return ratio of 50% or more and consolidated dividend payout ratio of 30% or more

Shareholder return policy during the Medium-Term Business Plan (FY2022–2024): Consolidated dividend payout ratio of 70% or more

## Reduce Cross-Shareholdings

- Continue to engage in reducing cross-shareholdings, aiming to decrease their proportion of consolidated net assets.
- Engage in the planned and ongoing sale of 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.

(Unit: millions of yen)





## Cash Plan

### [Cash Inflow]

#### Operating CF

Approx. **41** billion yen

#### Asset sales

Approx. **15** billion yen

Shareholdings: Approx. 12 billion yen  
Development business assets:  
Approx. 3 billion yen

#### Financing

Approx. **30** billion yen

Utilize interest-bearing debt, etc., if there is shortage of funds for investment

### [Cash Outflow]

#### Shareholder returns

Approx. **29** billion yen

#### Investment

Approx. **57** billion yen

[Investment in growth]  
Approx. 49 billion yen

[Investment in the business base]  
Approx. 8 billion yen

## 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	<ul style="list-style-type: none"> <li>Improve construction productivity through the development of manpower-saving and remote-operation technologies</li> <li>Engage in environmental R&amp;D, including the purification of organic fluorine compounds</li> <li>Improve business productivity through the use of AI and data</li> <li>Streamline operations through the renewal of core systems</li> </ul>
Real estate business and new business creation	41 billion yen Net investment: 38 billion yen	<ul style="list-style-type: none"> <li>Promote our circular reinvestment model</li> <li>Engage in joint development with partner companies</li> <li>Engage in collaboration projects with industry, government, academia, and local communities</li> <li>Develop businesses that contribute to the local economy</li> <li>Pursue flexible capital alliances, M&amp;As, etc.</li> </ul>
Business-use equipment and facilities	2 billion yen	<ul style="list-style-type: none"> <li>Strengthen the production capacity of the machinery plants (consolidated subsidiary)</li> </ul>

Investment in the business base	14 billion yen	(Including 6 billion yen in expenditure-type investments)
Commercial real estate	8 billion yen	<ul style="list-style-type: none"> <li>Develop offices, etc., aiming for sustainable growth</li> </ul>
Securing and developing human resources	3 billion yen	<ul style="list-style-type: none"> <li>Improve employee engagement</li> <li>Strengthen recruitment, improve employee compensation and treatment, invest in education for human resources, etc.</li> </ul>
Raising corporate recognition	3 billion yen	<ul style="list-style-type: none"> <li>Commercials and other public relations activities</li> </ul>

### Total

**70** billion yen (Including 13 billion yen in expenditure-type investments)

## ■ Non-Financial Targets and Key Measures

Non-financial targets [●=key targets]			FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Environment E	CO <sub>2</sub> emissions at the construction stage and from offices	●	57 kt-CO <sub>2</sub>	61 kt-CO <sub>2</sub>	55 kt-CO <sub>2</sub>	56 kt-CO <sub>2</sub> or less	52 kt-CO <sub>2</sub> or less	48 kt-CO <sub>2</sub> or less
	Mixed construction waste emissions per unit of area of new construction work		2.6 kg/m <sup>2</sup>	1.1 kg/m <sup>2</sup>	1.6 kg/m <sup>2</sup>	Aim for 3 kg/m <sup>2</sup> or less on an ongoing basis		
	ZEB proposal rate for design and construction projects		—	—	—	—	50% or more	50% or more
Social S	Turnover rate among new graduate employees in their first 3 years	●	16.7%	18.3%	13.5%	—	—	Less than 10%
	Percentage of women among managers* <sup>1</sup>	●	3.9%	4.2%	4.5%	—	—	6% or more
	Percentage of women among new graduate recruits* <sup>1</sup>		19.3%	15.8%	17.2%	20% or more (each fiscal year)		
	Childcare leave uptake rate among men* <sup>2</sup>		93.8%	96.9%	105.1%	100% (each fiscal year)		
	Ratio of construction offices providing 8 days off every 4 weeks (civil engineering)		43.0%	68.9%	75.0%	80% or more	85% or more	90% or more
	Ratio of construction offices providing 8 days off every 4 weeks (building)		28.2%	44.2%	44.1%	50% or more	60% or more	70% or more
Governance G	Number of fatal accidents	●	1	1	0	Zero (each fiscal year)		
	Safety performance: incident frequency rate* <sup>3</sup>	●	0.43	0.53	0.61	0.50 or less (each fiscal year)		
	Compliance training attendance rate		—	—	—	100% (each fiscal year)		
	Information security training attendance rate		—	—	—	100% (each fiscal year)		

Notes: 1. As of the day following the last day of the relevant fiscal year (April 1)

2. Equal to the number of male workers who took childcare leave, etc., divided by the number of male workers whose spouse gave birth during the relevant fiscal year

3. An indicator of workplace accident frequency equal to the number of workers who suffered injury or death from a workplace accident per million aggregate hours worked (only including accidents resulting in four or more days off work)



### [Toward achieving a decarbonized society]

At the Okumura Group, we have established the OKUMURA CORPORATION Voluntary Environmental Action Plan with the basic philosophy of “creating and sustaining an environment that is friendly to both people and the planet.” We are striving to prevent environmental pollution, reduce environmental impact, and conserve the environment as a member of the construction industry: an “environmental creation industry.”

Under the Medium-Term Business Plan (FY2025–2027), we will promote initiatives aimed at environmentally friendly design and construction to enhance our performance over the medium and long term while also helping to realize a decarbonized society. This includes setting a reducing target for CO<sub>2</sub> emissions at the construction stage and from offices.

#### Key target

CO<sub>2</sub> emissions at the construction stage and from offices

FY2022 (Actual)	FY2023 (Actual)	FY2024 (Actual)	FY2025 (Target)	FY2026 (Target)	FY2027 (Target)
57 kt-CO <sub>2</sub>	61 kt-CO <sub>2</sub>	55 kt-CO <sub>2</sub>	<b>56 kt-CO<sub>2</sub> or less</b>	<b>52 kt-CO<sub>2</sub> or less</b>	<b>48 kt-CO<sub>2</sub> or less</b>

– Aiming for continuing reductions through the adoption of environmentally friendly construction methods and machinery, as well as promoting the development of technologies that contribute to reducing CO<sub>2</sub> emissions –

At the Okumura Group, we have established an environmental plan along with the Medium-Term Business Plan to promote initiatives aimed at achieving our targets to reduce CO<sub>2</sub> emissions. In addition to adopting construction methods, machinery, and vehicles with a consciousness of energy conservation and developing technologies that help to make construction more efficient, we promote the use of electricity from renewable energy sources and environmentally friendly fuels to contribute to achieving a decarbonized society. In January 2023, we obtained SBT certification for the greenhouse gas (GHG) emissions reduction targets that we have established as long-term indicators and targets for our initiatives relating to climate change.

### Greenhouse Gas (GHG) Emission Reduction Targets

Indicator	Reduction rate (vs. total emissions in FY2020)			
	FY2022 (Actual)	FY2023 (Actual)	FY2024 (Actual)	FY2030 (Target)
Scope 1+2	31% increase	25% increase	18% increase	<b>25% reduction</b>
Scope 3	5% increase	9% increase	34% increase	<b>13% reduction</b>

#### [Reference] Actual GHG emissions

FY2020 Scope 1+2: 41,466.13 t-CO<sub>2</sub> Scope 3: 1,180,258.95 t-CO<sub>2</sub>  
 FY2024 Scope 1+2: 49,123.28 t-CO<sub>2</sub> Scope 3: 1,586,008.79 t-CO<sub>2</sub>

Note: Total emissions have been increasing as we are in a business expansion phase, but we aim to achieve our targets by promoting environmental impact reduction initiatives such as those described above.



### [Securing human resources and encouraging diverse human resources to play an active role]

The aspiration to “be a company that its employees are proud of and that leverages and values its people” forms one tenet of the Group’s “Vision toward 2030.” To create workplaces where diverse individuals can make maximum use of their abilities and all employees can thrive, we have developed the “Human Resources Development Policy” and “Work Environment Improvement Policy,” and we are advancing initiatives based on these policies.

Under the Medium-Term Business Plan (FY2025–2027), we will focus on securing and developing the human resources essential for the Group’s medium- and long-term growth, while also upgrading internal programs and providing career development opportunities aimed at strengthening recruitment, preventing employee turnover, and improving employee engagement.

#### Key target

Turnover rate among  
new graduate employees  
in their first 3 years

FY2022 (Actual)	FY2023 (Actual)	FY2024 (Actual)	FY2027 (Target)
16.7%	18.3%	13.5%	<b>Less than 10%</b>

#### – Improving employee engagement and reducing employee turnover –

At the Okumura Group, we strive to improve corporate value and enhance our performance over the medium and long term, and it is vital that we secure and develop human resources to lead these efforts. In this context the prevention of employee turnover (especially among younger personnel) has become a pressing issue.

We aim to reduce employee turnover by improving employee engagement through measures such as reflecting the issues identified through employee engagement surveys in improvements to employee compensation and treatment.

#### Key target

Percentage of women  
among managers\*

FY2022 (Actual)	FY2023 (Actual)	FY2024 (Actual)	FY2027 (Target)
3.9%	4.2%	4.5%	<b>6% or more</b>

\*As of the day following the last day of the relevant fiscal year (April 1)

#### – Aiming for steady progress in increasing the percentage of female managers and the active participation of women in leadership positions –

The Group’s initiatives to empower women include not only the active recruitment and development of female employees but also more comprehensive internal programs to support employees balancing childcare and work, creating environments where female employees can work with peace of mind. Through these initiatives, we encourage women to play active parts in leadership positions.

We will continue to steadily pursue efforts such as raising the proportion of women among new graduate recruits. This will also help us to secure women with the potential to serve as corporate officers in the future.

## Governance



### [Continuing to be a trusted company where all officers and employees prioritize safety, quality, and compliance]

Under the Group's management philosophy of “steadfast management” and “sincere operation,” we will develop businesses and services to meet the changing needs of society while promoting ESG/SDGs-related initiatives to contribute to sustainable social development. We aim to be a corporate group that continues to grow and responds to the trust of society through reliable technology and honest business operations.

“Ensuring safety and quality” and the “penetration and firm establishment of compliance awareness” are key prerequisites for the pursuit of these businesses. By renewing our efforts in these areas, we aim to further strengthen corporate governance.

## Key target

Number of fatal accidents

FY2024 (Actual)	FY2025 (Target)	FY2026 (Target)	FY2027 (Target)
0	Zero (each fiscal year)		

## Key target

Safety performance:  
incident frequency rate\*

FY2024 (Actual)	FY2025 (Target)	FY2026 (Target)	FY2027 (Target)
0.61	0.50 or less (each fiscal year)		

\* An indicator of workplace accident frequency equal to the number of workers who suffered injury or death from a workplace accident per million aggregate hours worked (only including accidents resulting in four or more days off work)

– Thoroughly prioritizing safety and striving to eliminate workplace accidents under our Safety and Health Policy –

#### [Safety and Health Policy]

OKUMURA CORPORATION aims to eliminate construction practices that might prioritize “progress first” and pursue “genuine safety first,” working towards the eradication of workplace accidents and the establishment of safe and comfortable working environments.

1. We will prioritize respect for human life and ensure safety above all else.
2. All employees and partner companies will work together to proactively and strategically promote safety and health activities.
3. We will comply with the Industrial Safety and Health Act, other relevant laws, and our internal regulations.
4. We will properly operate the occupational safety and health management system.

### ■ Thorough Compliance

While the various initiatives we have pursued to achieve our “Vision toward 2030” have resulted in steadily improving performance, we are aware of some incidents that could potentially be perceived as demonstrating a disregard for compliance (see “Notice Concerning the Receipt of the Investigation Report by the Internal Investigation Committee and the Establishment of Measures to Prevent Recurrence” (in Japanese), announced on January 15, 2025), and it is essential that we thoroughly reinforce our training for officers and employees, redoubling our efforts for the penetration and firm establishment of compliance awareness.

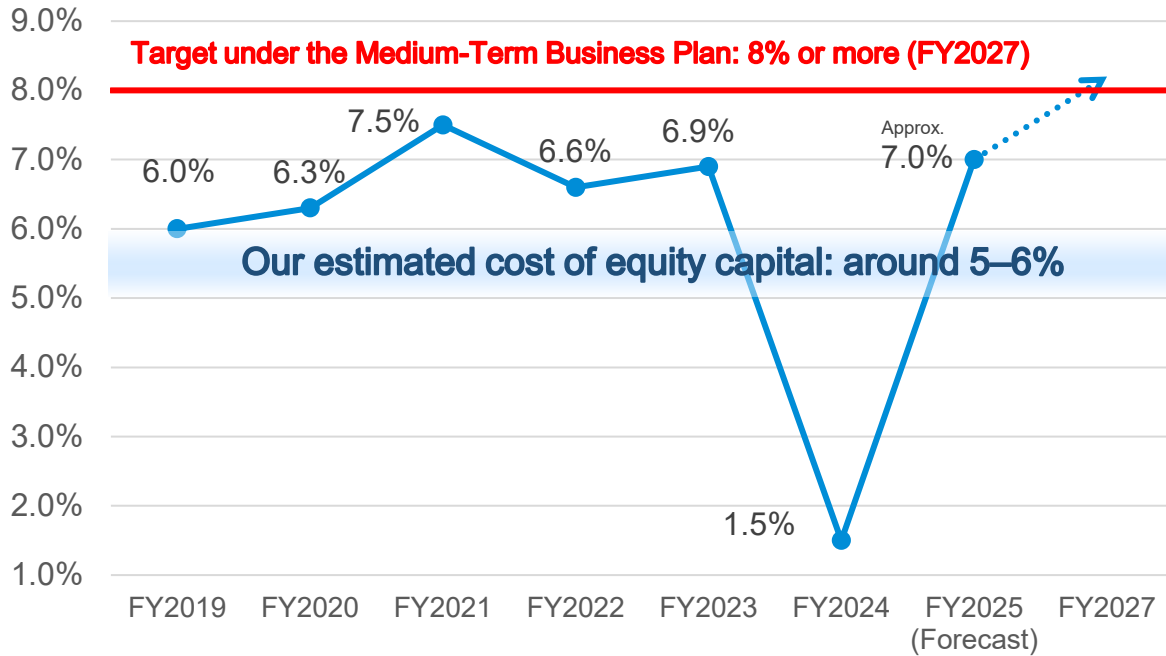
Under the Medium-Term Business Plan (FY2025–2027), we will implement measures to raise and ensure compliance awareness, such as compliance training for all officers and employees and information security training to build robust security systems, as initiatives aimed at the “penetration and firm establishment of compliance awareness.”

#### [Initiatives established as targets]

- Compliance training attendance rate: 100% (each fiscal year)
- Information security training attendance rate: 100% (each fiscal year)

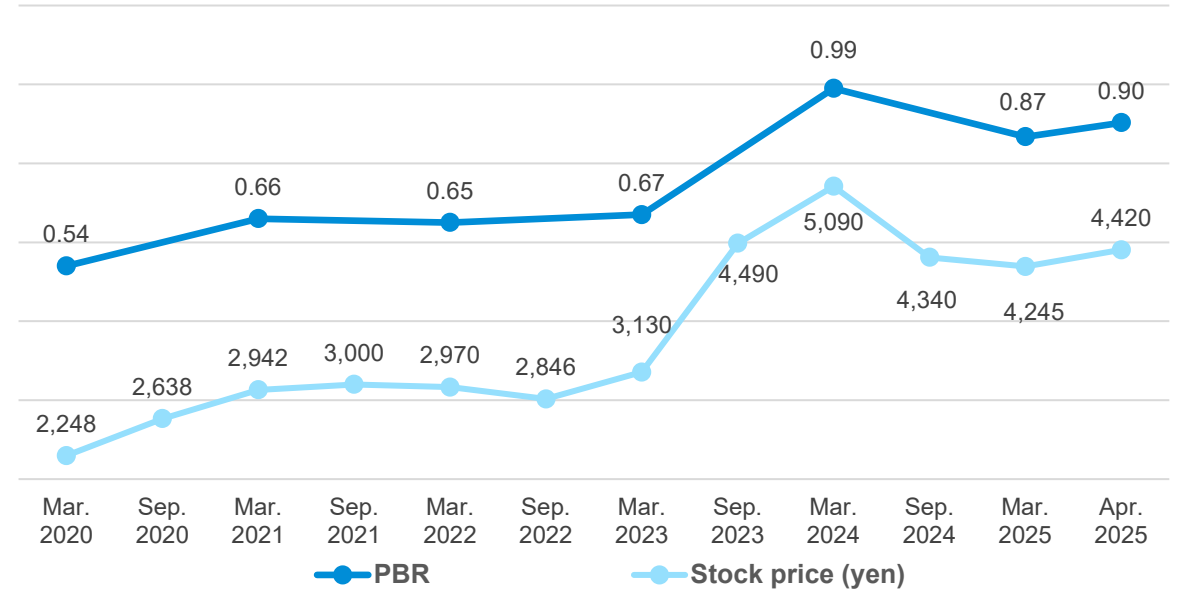
## ■ Current Status (Trends in Reference Indicators, etc.)

### ROE and Cost of Equity Capital



### PBR and Stock Price

(The last day of the month)



- Although ROE has exceeded the cost of equity capital in recent years (except for FY2024), PBR remains below 1.00, making it essential to increase the equity spread\*.

\*Equity spread = ROE – cost of equity capital

- The lackluster ROE in FY2024 was due to a deterioration in financial results mainly attributable to recording losses on specific large-scale civil engineering projects in Japan and extraordinary losses (impairment losses) by ISHIKARI BIO ENERGY GODO KAISHA, a consolidated subsidiary.

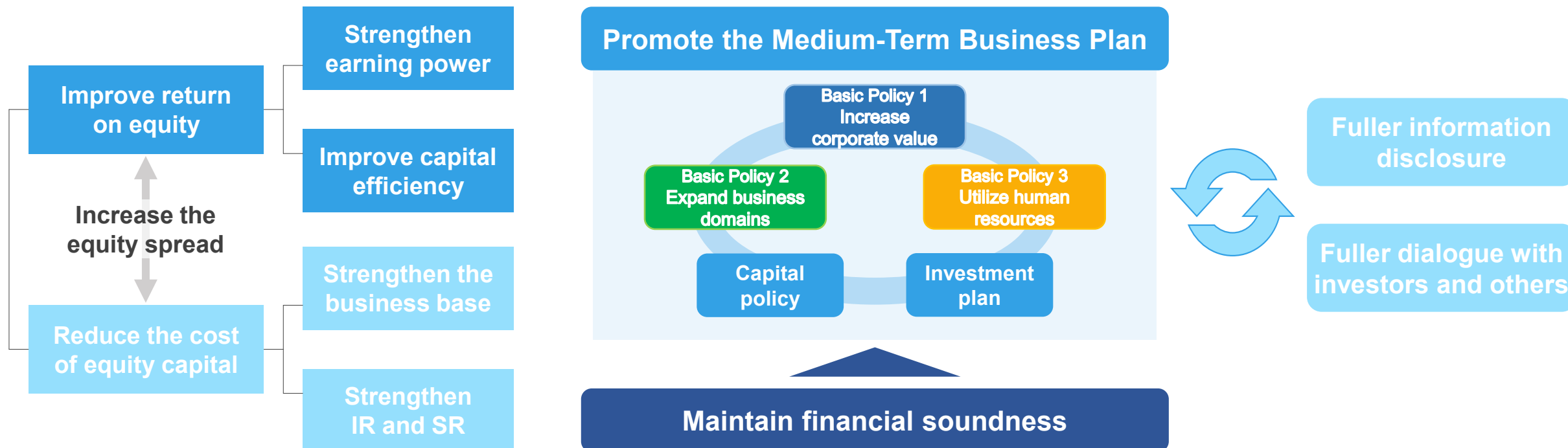


## ■ Initiatives to Implement Management that is Conscious of Cost of Capital and Stock Price

## [The Group's Approach]

Ever since its founding, the Okumura Group has upheld “steadfast management” as part of its management philosophy. We believe that maintaining a sound financial base is vital for us to continue stable and sustainable business activities. We will continue to improve capital efficiency and strengthen our earning power while maintaining financial soundness, aiming for the ongoing enhancement of corporate value.

Under the Medium-Term Business Plan (FY2025-2027), we have established a target for return on equity (ROE) in addition to targets for net sales and profit, and we aim to continue to achieve our ROE target (8% or more), well above the cost of equity capital.



### Strengthen earning power

- We aim to **improve the productivity of the construction business** by thoroughly implementing selective order acceptance emphasizing profitability and productivity, promoting manpower- and labor-saving technological development, and strengthening construction systems, including internal branch divisions (\*see P15–17 for details)
- We will strive to expand revenue in the real estate business through measures such as the acquisition of high-quality income-generating properties, the monetization of owned assets, and development projects, after closely examining profitability, risks, etc. (\*see P18 for details)
- We aim to expand business domains through public-private partnerships, new business development, etc. (\*see P18 for details)
- We will improve operational efficiency and apply more stringent budget management to **reduce the SG&A expense ratio**, which is high compared to our industry peers

### Strengthen the business base

- We will pursue various initiatives under the Basic Policies of Business Strategy established in our Medium-Term Business Plan while maintaining an appropriate capital structure with an **equity ratio of around 40–50%** as a sound financial base
- We will implement **investments totaling around 70 billion yen** during the term of the Medium-Term Business Plan, including the potential utilization of interest-bearing debt and other financing (\*see P22 for details)
- By focusing on **securing and developing the human resources** essential for business development, we aim to build a robust framework for business promotion that will contribute to medium- and long-term growth

### Improve capital efficiency

- We will continue to implement **stable and substantial shareholder returns** based on our belief that shareholder returns are a key management issue (\*see P20 for details)  
(Shareholder Return Policy during Medium-Term Business Plan:  
**Consolidated dividend payout ratio of 70% or more**)
- We will conduct an ongoing **review of the necessity of our cross-shareholdings** and progressively sell these shareholdings (\*see P21 for details)

### Strengthen IR and SR

- We will strive for **fuller information disclosure**, including the proactive disclosure of non-financial information, to gain an appropriate valuation from the equity market
- By actively engaging in dialogue with investors and sharing the content of this dialogue at meetings of the Board of Directors, as appropriate, we aim to **regularly update** our business strategy, as well as the information we disclose



## ■ The Compensation Systems and Other Measures that Contribute to the Enhancement of Medium- and Long-Term Corporate Value

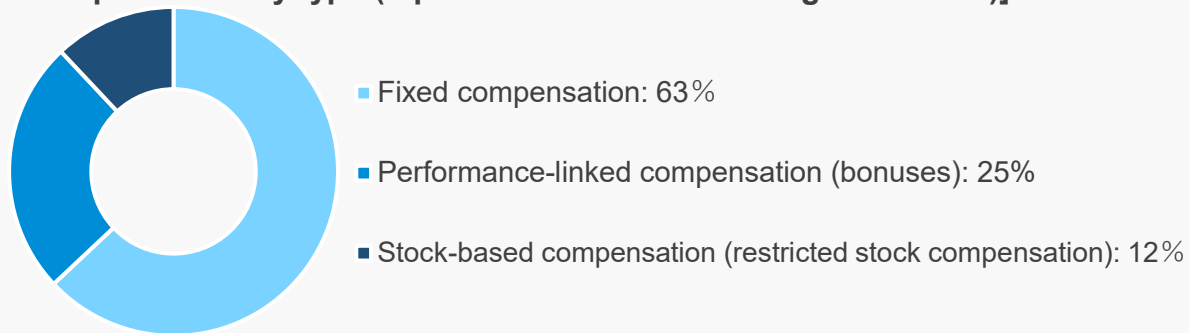
We have introduced these systems and measures to provide, through share ownership, incentives to the Company's directors, officers and employees to strive for medium- and long-term performance enhancement and the sustainable improvement of corporate value, as well as further promoting a sense of management participation and value sharing with shareholders (the equity market).

### Restricted Stock Compensation (Executive Compensation)

#### [Overview of the Plan]

- Recipients: Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) \*A similar plan has been introduced for Executive Officers.
- Introduced by resolution of the 85th Annual General Meeting of Shareholders held on June 29, 2022
- Shares of restricted stock are allotted (each fiscal year, in principle) to the Directors based on an amount determined according to position, as designated in internal regulations
- The transfer restrictions apply from the day of the allotment until the day of retirement

#### [Ratio of compensation by type (if performance indicator targets are met)]



### Employee Share Award Plan

- The introduction of the plan was resolved by the Board of Directors in March 2023
- A trust established through monetary contributions by OKUMURA CORPORATION (the "Company") acquires shares of the Company and awards them to employees who satisfy certain beneficiary requirements, based on internal regulations (employees make no monetary contributions themselves)

### Employees' Shareholding Association

- This system helps employees build their wealth
  - Participation rate: Over 95%
  - Employees can decide on their own monthly contributions, with a rewards system based on the amount of contributions
  - The Employees' Shareholding Association's holding of the Company's shares\*: 2.02 million shares (shareholding ratio: 5.6%)
- \*As of March 31, 2025

Note: This document has been translated from the Japanese original for reference purposes only.  
In the event of any discrepancy between this translated document and the Japanese original,  
the original shall prevail.



Forward-looking statements, including the plans, forecasts, or prospects described in this material, are based on the Group's strategies, targets, premises, or assumptions as of the announcement date of the material. Actual results may differ from the plans, forecasts, prospects, or other information described in the material due to various factors.