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(Securities Code 1833)

June 5, 2024

(Date of commencement of electronic provision measures: May 29, 2024)

**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 87TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

Notice is hereby given that the 87th 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**

Thursday, June 27, 2024 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 87th Fiscal Year (April 1, 2023–March 31, 2024) 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 87th Fiscal Year (April 1, 2023–March 31, 2024)

- 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)
- Proposal 3:** Election of Five (5) 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:

- (1) Notes to the Consolidated Financial Statements
- (2) 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

##### **Thursday, June 27, 2024, 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. Wednesday, June 26, 2024 (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

##### **Wednesday, June 26, 2024 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: Wednesday, June 26, 2024 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  
¥160 per share of the Company's common stock  
Total amount: ¥5,936,450,720  
The total annual dividend for the term will be ¥237 per share combined with the interim dividend of ¥77.
- (3) Effective date of distribution of surplus  
June 28, 2024

#### 2. Appropriation of surplus

- |   |                |
|---|----------------|
| (1) Item and amount of surplus that will increase |                |
| General reserve                                   | ¥3,600,000,000 |
| (2) Item and amount of surplus that will decrease |                |
| Retained earnings brought forward                 | ¥3,600,000,000 |

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

The term of office of all of the seven (7) 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. In addition, Atsushi Tanaka, who had served as Director, passed away on February 19, 2024 and resigned as Director. 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	Tamotsu Tsuchiya	Male Reelection	Director and Managing Executive Officer General Manager of Building Headquarters	100% (14 times / 14 times)
4	Kunitake Konishi	Male New election	Managing Executive Officer General Manager of West Japan Branch Office	—
5	Masanari Kashiki	Male New election	Managing Executive Officer General Manager of East Japan Branch Office	—
6	Yasuyuki Nakatani	Male Reelection	Director and Managing Executive Officer General Manager of Civil Engineering Headquarters	100% (10 times / 10 times)
7	Hiroyuki Matsushima	Male New election	Executive Officer General Manager of Administration 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 Yasuyuki Nakatani is shown only at meetings of the Board of Directors held after his election as Director at the 86th Annual General Meeting of Shareholders held on June 29, 2023.



No.

# 1 Takanori Okumura

(March 15, 1962)

Male
Reelection

## ● Career summary, positions, responsibilities and significant concurrent positions

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

< Significant concurrent positions >  
Chair of National General Contractors Association of Japan

● Number of shares of the Company held

480,457 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

10,321 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 Tamotsu Tsuchiya

(February 8, 1959)

Male
Reelection

● Career summary, positions, responsibilities and significant concurrent positions

April 1981	Joined the Company	April 2020	Executive Officer
April 2012	General Manager of Building Cost Control Department, East Japan Branch Office	April 2020	General Manager of Safety, Quality & Environment Headquarters
April 2018	General Manager in charge of Cost Control, Building Cost Control Department, East Japan Branch Office	April 2021	Managing Executive Officer
April 2019	Deputy General Manager of Safety, Quality & Environment Headquarters	April 2021	General Manager of Building Headquarters (current position)
		June 2021	Director and Managing Executive Officer (current position)

● Number of shares of the Company held

10,730 shares

● Attendance at meetings of the Board of Directors

100% (14/14)

**Reason for Nomination as a Candidate for Director**

Tamotsu Tsuchiya has served in positions including Deputy General Manager of Safety, Quality & Environment Headquarters; General Manager of Safety, Quality & Environment Headquarters; 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.



No.

### 4 Kunitake Konishi

(January 3, 1964)

Male
New election

● Career summary, positions, responsibilities and significant concurrent positions

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

● Number of shares of the Company held

9,825 shares

**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.

**5 Masanari Kashiki**

(September 28, 1963)

Male
New election

● Number of shares of the Company held

7,537 shares

● Career summary, positions, responsibilities and significant concurrent positions

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

**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

4,975 shares

● Attendance at meetings of the Board of Directors

100% (10/10)

No.

**6 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

8,071 shares

No.

**7 Hiroyuki Matsushima**

(April 27, 1966)

Male
New election

● Career summary, positions, responsibilities and significant concurrent positions

April 1990	Joined the Company	April 2020	Executive Officer (current position)
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 2021	Deputy General Manager of West Japan Branch Office (in charge of Administration)
April 2019	Deputy General Manager of East Japan Branch Office (in charge of Administration)	April 2023	Deputy General Manager of Administration Headquarters
		April 2024	General Manager of Administration Headquarters (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.



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 Mothenet 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)

● Number of shares of the Company held

600 shares

● Attendance at meetings of the Board of Directors

100% (14/14)

**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, women empowerment, and work-style reform, 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:
- There are no special interests between each of the candidates and the Company.
  - Takanori Okumura is scheduled to retire from his position as Chair of National General Contractors Association of Japan on June 4, 2024, at the end of his term.
  - 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.
  - Rieko Ueda will have served as an Outside Director for two (2) years at the conclusion of this General Meeting of Shareholders.
  - 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.
  - 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.

**Proposal 3: Election of Five (5) Directors Who Are Audit and Supervisory Committee Members**

The term of office of all of the five (5) current Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of five (5) Directors who are Audit and Supervisory Committee Members is proposed.

As regards this proposal, the consent of the Audit and Supervisory Committee has been obtained.

The candidates are as follows:

No.	Name		Positions and responsibilities	Attendance at meetings of the Board of Directors and the Audit and Supervisory Committee (number of times attended / number of meetings)
1	Tetsuo Kodera	Male Reelection Outside Independent	Director (Audit and Supervisory Committee Member)	Board of Directors 100% (14 times / 14 times) Audit and Supervisory Committee 100% (13 times / 13 times)
2	Akira Sasaki	Male New election	Executive Officer In Charge of Internal Control	—
3	Kenji Nishihara	Male Reelection Outside Independent	Director (Audit and Supervisory Committee Member)	Board of Directors 100% (14 times / 14 times) Audit and Supervisory Committee 100% (13 times / 13 times)
4	Eiji Maeda	Male Reelection Outside Independent	Director (Audit and Supervisory Committee Member)	Board of Directors 100% (14 times / 14 times) Audit and Supervisory Committee 100% (13 times / 13 times)
5	Kyoko Hirose	Female New election Outside Independent	—	—



No.

**1 Tetsuo Kodera**

(March 21, 1953)

Male
Reelection
Outside
Independent

**● Career summary, positions, responsibilities and significant concurrent positions**

April 1984	Became prosecutor	June 2018	Outside Director (Audit and Supervisory Committee Member) of the Company (current position)
July 2013	Chief Prosecutor of Sapporo District Public Prosecutor's Office		
September 2015	Registered as attorney-at law	February 2019	Outside Director of Samty Co., Ltd.
November 2015	Established Kodera Law Office (current position)	February 2023	Outside Director (Audit and Supervisory Committee Member) of Samty Co., Ltd. (current position)
February 2016	Outside Corporate Auditor of Samty Co., Ltd.		

**● Number of shares of the Company held**

1,812 shares

**● Attendance at meetings of the Board of Directors**

100% (14/14)

**● Attendance at meetings of the Audit and Supervisory Committee**

100% (13/13)

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

Tetsuo Kodera has been engaged in corporate legal practice as an attorney-at-law and possesses excellent expertise on law and deep insight into management, which is judged to be beneficial to ensuring the legality of the business execution and the adequacy of management decisions of the Company, and therefore he is nominated as a candidate.

After his appointment, we expect that he will provide advice, etc. mainly from his professional perspective as an attorney-at-law and fulfill his management supervision function from an independent and objective standpoint as the chair of the Nomination and Compensation Committee, a voluntary advisory body to the Board of Directors.

He has no experience of being involved in the management of a company in any way other than being an outside director or outside corporate auditor, but for the reasons stated above, we believe that he will be able to appropriately perform his duties as an Outside Director who is a member of the Audit and Supervisory Committee.



No.

**2 Akira Sasaki**

(May 3, 1966)

Male
New election

**● Career summary, positions, responsibilities and significant concurrent positions**

April 1990	Joined the Company	April 2020	Deputy General Manager of Administration
April 2017	Deputy General Manager of West Japan Branch Office (in charge of Administration) and General Manager of General Affairs Department, West Japan Branch Office	April 2021	Deputy General Manager of Administration Headquarters
April 2019	Deputy General Manager of West Japan Branch Office (in charge of Administration)	April 2023	Deputy General Manager of West Japan Branch Office (in charge of Administration)
April 2020	Executive Officer (current position)	April 2024	In Charge of Internal Control (current position)

**● Number of shares of the Company held**

8,988 shares

**Reason for Nomination as a Candidate for Director**

Akira Sasaki has served in positions including Deputy General Manager of West Japan Branch Office; Deputy General Manager of Administration Headquarters; and In Charge of Internal Control, 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.



No.

## 3 Kenji Nishihara

(July 19, 1956)

Male
Reelection
Outside
Independent

**● Career summary, positions, responsibilities and significant concurrent positions**

March 1985	Registered as certified public accountant	June 2020	Outside Director (Audit and Supervisory Committee Member) of the Company (current position)
August 1998	Representative Partner of Century Audit Corporation (currently Ernst & Young ShinNihon LLC)	June 2022	Outside Director (Audit and Supervisory Committee Member) of SHINYEI KAISHA (current position)
July 2019	Established Nishihara CPA Office (current position)		

● Number of shares of the Company held

903 shares

● Attendance at meetings of the Board of Directors

100% (14/14)

● Attendance at meetings of the Audit and Supervisory Committee

100% (13/13)

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

Kenji Nishihara has been engaged in corporate accounting practice as a certified public accountant and possesses excellent expertise on accounting and deep insight into management, which is judged to be beneficial to ensuring the appropriateness of the business execution and the adequacy of management decisions of the Company, and therefore he is nominated as a candidate.

After his appointment, we expect that he will provide advice, etc. mainly from his professional perspective as a certified public accountant and fulfill his 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.

He has no experience of being involved in the management of a company in any way other than being an outside director or outside corporate auditor, but for the reasons stated above, we believe that he will be able to appropriately perform his duties as an Outside Director who is a member of the Audit and Supervisory Committee.



No.

## 4 Eiji Maeda

(August 24, 1961)

Male
Reelection
Outside
Independent

**● Career summary, positions, responsibilities and significant concurrent positions**

April 1985	Joined the Bank of Japan	June 2020	President and Representative Director of Chiba-Bank Research Institute, Ltd. (current position)
May 2016	Executive Director of the Bank of Japan		
June 2020	Adviser of Chiba-Bank Research Institute, Ltd.	June 2022	Outside Director (Audit and Supervisory Committee Member) of the Company (current position)

● Number of shares of the Company held

600 shares

● Attendance at meetings of the Board of Directors

100% (14/14)

● Attendance at meetings of the Audit and Supervisory Committee

100% (13/13)

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

Eiji Maeda has served in various important positions at the Bank of Japan and also been involved in management of a company engaged in financial and economic research and management consulting, etc. He possesses abundant specialist knowledge in finance and economics and deep insight into management, which is judged to be beneficial to ensuring the adequacy of management decisions of the Company, and therefore he is nominated as a candidate.

After his appointment, we expect that he will provide advice, etc. mainly from his professional perspective as a corporate manager and fulfill his 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.



No.

**5** Kyoko Hirose

(March 27, 1959)

Female
New election
Outside
Independent

● Career summary, positions, responsibilities and significant concurrent positions

March 1982	Joined Hirose Manufacturing Co., Ltd.	November 2020	Vice-Chair of the Osaka Chamber of Commerce and Industry (current position)
March 1983	Director of Hirose Manufacturing Co., Ltd.	May 2022	Outside Director of Kintetsu Department Store Co., Ltd. (current position)
December 2001	President and Representative Director of Hirose Manufacturing Co., Ltd. (current position)		

● Number of shares of the Company held

600 shares

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

Kyoko Hirose has been involved in management of a company that manufactures and sells industrial sewing machine parts, and has been holding an important position at the Osaka Chamber of Commerce and Industry, where she has focused her efforts on empowering women. She 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 professional perspective as a 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:
- There are no special interests between each of the candidates and the Company.
  - Tetsuo Kodera is scheduled to be appointed as an Outside Director (Audit and Supervisory Committee Member) of Samty Holdings Co., Ltd. effective June 3, 2024 following the transition of Samty Co., Ltd. to a holding company structure.
  - Tetsuo Kodera, Kenji Nishihara, Eiji Maeda and Kyoko Hirose are candidates for Outside Director.
  - Tetsuo Kodera, Kenji Nishihara and Eiji Maeda are Independent Directors as set forth in the rules of the Tokyo Stock Exchange and have been filed accordingly.  
Kyoko Hirose is a candidate for Independent Director as set forth in the rules of the Tokyo Stock Exchange.
  - Tetsuo Kodera will have served as an Outside Director who is an Audit and Supervisory Committee Member for six (6) years at the conclusion of this General Meeting of Shareholders.  
Kenji Nishihara will have served as an Outside Director who is an Audit and Supervisory Committee Member for four (4) years at the conclusion of this General Meeting of Shareholders.  
Eiji Maeda will have served as an Outside Director who is an Audit and Supervisory Committee Member for two (2) years at the conclusion of this General Meeting of Shareholders.
  - The Company has concluded a liability limitation contract with Tetsuo Kodera, Kenji Nishihara and Eiji Maeda to ensure that they can fully perform their expected roles as non-executive directors. If the election of them is approved, the Company plans to continue the said contract with them.  
In addition, if the election of Akira Sasaki and Kyoko Hirose is approved, the Company plans to conclude the same liability limitation contract with them.  
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.
  - 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 3 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  
 [Percentage of Women on the Board of Directors: approx. 15%]
















If Proposals 2 and 3 are 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 and Responsibilities
Takanori Okumura	Male	President and Representative Director
Masahiro Kaneshige	Male	Representative Director and Senior Managing Executive Officer General Manager of Marketing & Sales Headquarters
Tamotsu Tsuchiya	Male	Director and Managing Executive Officer General Manager of Building Headquarters
Kunitake Konishi	Male	Director and Managing Executive Officer General Manager of West Japan Branch Office
Masanari Kashiki	Male	Director and Managing Executive Officer General Manager of East Japan Branch Office
Yasuyuki Nakatani	Male	Director and Managing Executive Officer General Manager of Civil Engineering Headquarters
Hiroyuki Matsushima	Male	Representative Director and Managing Executive Officer General Manager of Administration Headquarters
Rieko Ueda	Female Outside Independent	Director
Tetsuo Kodera	Male Outside Independent	Director (Audit and Supervisory Committee Member)
Akira Sasaki	Male	Director (Full-time Audit and Supervisory Committee Member)
Kenji Nishihara	Male Outside Independent	Director (Audit and Supervisory Committee Member)
Eiji Maeda	Male Outside Independent	Director (Audit and Supervisory Committee Member)
Kyoko Hirose	Female Outside Independent	Director (Audit and Supervisory Committee Member)

Consistency with the Medium Term Business Plan (FY2022–2024)	Increase corporate value
	Expand business domains
	Utilize human resources

- 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.  
 3. The “Consistency with the Medium-Term Business Plan” section indicates items that are particularly relevant to the basic policies of the business strategies set forth in the Medium-Term Business Plan (FY2022-2024).



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
●			●	●		●	○	◎
●			●	●			○	○
●				●	●			○
			●	●	●			○
			●	●				○
●			●	●	●			○
	●	●				●	○	○
●			●			●	○	
		●					◎	
	●	●				●		
	●	●					○	
●	●		●		●		○	
●			●		●	●	○	
								
								
								

## 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 (FY2022–FY2024) 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 and diversity of its knowledge, experience, and abilities.

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]

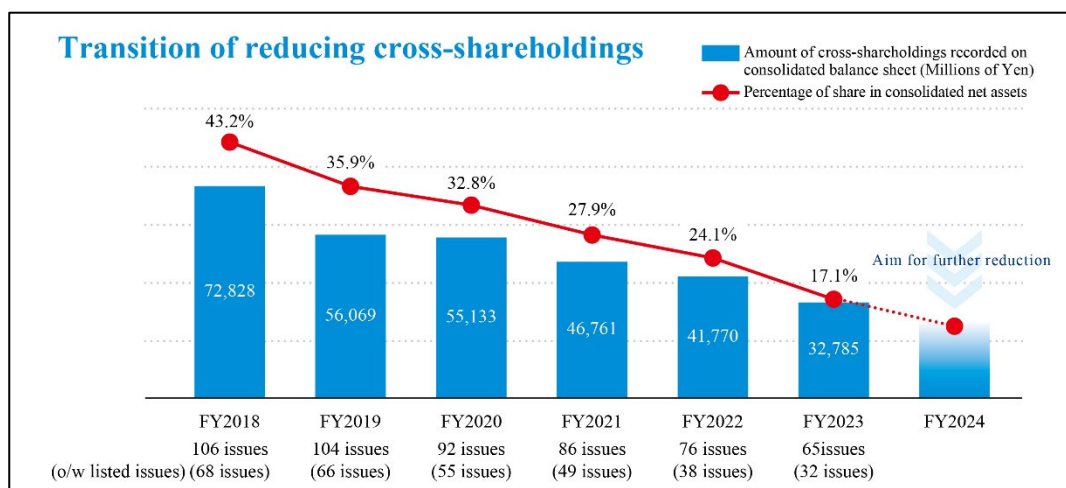
The Company owns cross-shareholdings for the purpose of maintaining and strengthening business relationships, and only when such holdings contribute to improving the Company's corporate value over the medium to long term. The Board of Directors annually reviews the cross-shareholdings. The Company keeps 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 Medium-Term Business Plan (FY2022–2024), the Company aims to further reduce its cross-shareholdings to 20% or less of consolidated net assets by the end of March 2025.

In FY2023, the number of listed issues was reduced to 32, and their percentage of shares in consolidated net assets reached 17.1%. Although the above target was achieved, the Company will continue efforts to reduce its cross-shareholdings.

Proceeds from the sale of these shares will be used to invest in growth to realize our “Vision toward 2030.”



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

## Business Report

(April 1, 2023–March 31, 2024)

### 1. Status of the Corporate Group

#### (1) Business Progress and Results

During the fiscal year ending on March 31, 2024 (the “fiscal year under review”), social and economic activities in Japan have moved toward normalization due to the reclassification of COVID-19 to a Class 5 infectious disease, etc. However, Japanese economic recovery remained at a slow pace due to continued inflation and the slowdown in overseas economies. Under these circumstances, the construction industry remained unpredictable mainly due to the persistently high material prices, although construction investment remained strong.

At the Group, net sales increased by 15.5% year on year to ¥288,146 million. On the profit front, primarily due to an increase in net sales, gross profit increased by 10.0% year on year to ¥35,191 million, operating profit increased by 15.7% year on year to ¥13,708 million, ordinary profit increased by 15.3% year on year to ¥14,878 million, and profit attributable to owners of parent increased by 10.9% year on year to ¥12,493 million.

#### 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	191,051	105,850	103,154	193,747
	Building	207,075	231,032	165,185	272,922
	Total	398,127	336,883	268,340	466,669
Investment Development, etc.		–	–	6,119	–
Total		398,127	336,883	274,460	466,669

#### (2) Capital Investments

Capital investments during the fiscal year under review came to ¥3,139 million. They were primarily related to the acquisition of rental land and buildings and the opening of X Innovation Center.

#### (3) Financing

The Group has concluded commitment line agreements totaling ¥8.0 billion with three banks for efficient financing of working capital. As of the end of the fiscal year under review, there was no outstanding balance under these agreements.

#### (4) Issues to Be Addressed

##### 1) Outlook for the business environment

The Japanese economy is expected to show a gradual recovery trend mainly on domestic demand backed by improvements in the employment and income environment, although clouded by uncertainties such as the state of the global economy and ongoing price hikes. Construction investment may remain firm in the construction industry. However, we anticipate that the business environment of the construction industry will remain less than optimistic especially with concerns about the impact of the new overtime work regulations that have been applied to the construction industry starting April 2024.

##### 2) Medium-Term Business Plan (FY2022–FY2024)

The Group will develop business and services to meet changing needs in society while promoting ESG/SDGs-related initiatives with the aim of being a corporate group that continues to grow and responds to the trust of society through reliable technology and honest business operations. The Group is promoting initiatives based on the basic policies of the business strategy set forth in the Medium-Term Business Plan (FY2022–FY2024), the second step to achieve the “Vision toward 2030,” that shows where we want to be.



Specifically, the Group aims to increase corporate value through improving productivity and technological superiority by business and organizational reforms as well as the promotion of digital transformation (DX). At the same time, the Group has been working to enlarge business domains by further expanding the real estate business, building a robust overseas business foundation, and promoting biomass power plant projects beyond the traditional boundaries of construction companies. The Group has also been making efforts to utilize human resources by enhancing internal systems to maintain the work-life balance of all employees and creating an environment where diverse human resources can play an active role.

To accelerate these initiatives, we have opened a new office called X Innovation Center in October 2023 in Marunouchi, Tokyo, aiming to maximize the potential of a diverse workforce. Leveraging both internal and external resources, we will strongly promote open innovation, such as technological development through fostering collaboration across industry, government, academia, and the public sector, and undertaking new business through exchanges with startup companies.

## Outline of the Medium Term Business Plan (FY2022-2024)

### • Basic Policies of Business Strategy



### • Financial Targets

(Billions of Yen)

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

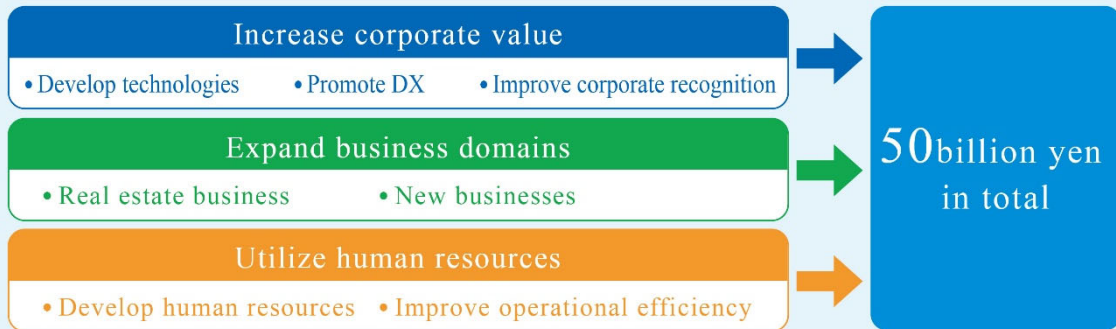
### • Non-financial Targets

	FY2022 (Actual)	FY2023 (Actual)	FY2024 (Target)
The amount of power generated from the renewable energy business	Provide a stable supply of power generated from renewable energy sources		
	77,000 MWh per year [Approx. 41,000 tons of CO <sub>2</sub> emissions per year]	184,000 MWh per year [Approx. 97,000 tons of CO <sub>2</sub> emissions per year]	180,000 MWh or more per year [Aim to contribute to reducing CO <sub>2</sub> emissions by 80,000 tons 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. 58,000 tons of CO <sub>2</sub> emissions per year]	21.11 tons of CO <sub>2</sub> emissions per 0.1 billion yen [Approx. 59,000 tons of CO <sub>2</sub> emissions per year]	21.21 tons or less of per 0.1 billion yen [Aim to reduce CO <sub>2</sub> emissions to less than 60,000 tons per year]
Operational energy consumption in buildings designed and constructed by Company	Promote measures to reduce CO <sub>2</sub> emissions at the design stage		
	Reduced by 35.0%	Reduced by 39.6%	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

• Investment Plan

To achieve the “Vision toward 2030,” the Company plans to invest approximately 50 billion yen over three years under the Medium Term Business Plan (FY2022–2024).



• Capital Policy

**Shareholder Return Policy**

We have set the following shareholder return policy to maintain proactive investment and steady returns to shareholders to realize the “Vision toward 2030.”

**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 <b>70%</b> or more	Maintain a minimum DOE ratio of 2.0% regardless of business results. <small>*DOE = Total annual dividends (interim + year-end) / equity</small>
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**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.”

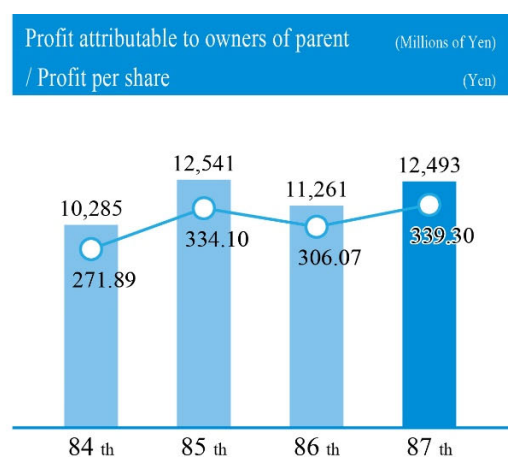
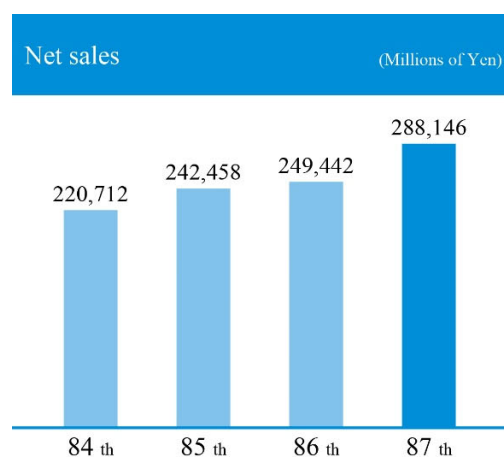
For the sustainable growth and medium- to long-term improvement of corporate value, the Company is determined to promote the Medium-Term Business Plan (FY2022–2024) together with all its executives and employees. We sincerely appreciate the understanding and support of our shareholders.

(5) Status of Assets and Earnings

1) The Group's assets and earnings

(Millions of Yen, unless otherwise specified)

Item	The 84th fiscal year ended March 31, 2021	The 85th fiscal year ended March 31, 2022	The 86th fiscal year ended March 31, 2023	The 87th fiscal year ended March 31, 2024
Net sales	220,712	242,458	249,442	288,146
Profit attributable to owners of parent	10,285	12,541	11,261	12,493
Profit per share (yen)	271.89	334.10	306.07	339.30
Total assets	329,005	332,348	343,727	384,750
Net assets	167,963	167,425	173,215	191,573

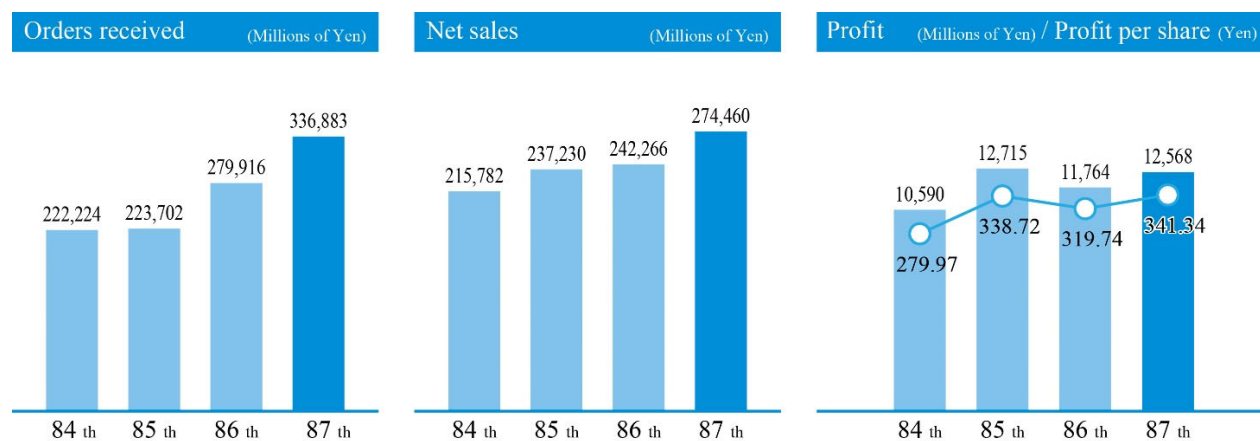




## 2) The Company's assets and earnings

(Millions of Yen, unless otherwise specified)

Item	The 84th fiscal year ended March 31, 2021	The 85th fiscal year ended March 31, 2022	The 86th fiscal year ended March 31, 2023	The 87th fiscal year ended March 31, 2024
Orders received	222,224	223,702	279,916	336,883
Net sales	215,782	237,230	242,266	274,460
Profit	10,590	12,715	11,764	12,568
Profit per share (yen)	279.97	338.72	319.74	341.34
Total assets	306,430	301,506	304,004	342,384
Net assets	164,553	161,192	166,653	180,119



## (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	970	-11
Building	1,243	63
Investment Development	57	9
Other	74	2
Total	2,344	63

### 2) Employees of the Company

No. of employees	Year-on-year change	Average age	Average years of service
2,265	61	42.4	15.8

(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	¥8,000 million
Sumitomo Mitsui Banking Corporation	¥8,000 million

## 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 1,562,409 treasury shares)
(3) Number of Shareholders	28,319 persons

### (4) Major Shareholders

Shareholder	No. of shares held	Shareholding ratio
	Thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,200	14.0
Okumura Employees' Shareholding Association	1,948	5.3
Custody Bank of Japan, Ltd. (Trust Account)	1,602	4.3
Resona Bank, Limited	1,214	3.3
Sumitomo Realty & Development Co., Ltd.	1,210	3.3
Nippon Life Insurance Company	643	1.7
Sumitomo Mitsui Banking Corporation	556	1.5
STATE STREET BANK AND TRUST COMPANY 505001	528	1.4
JP MORGAN CHASE BANK 385781	495	1.3
Takanori Okumura	471	1.3

- Notes: 1. The Company owns 1,562,409 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 20, 2023.

Classification	No. of shares	No. of recipients
Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	7,837	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, 2024)

Position	Name	Responsibility	Significant concurrent positions
President and Representative Director	Takanori Okumura		Chair, National General Contractors Association of Japan
Director	Yuichi Mizuno	General Manager, Marketing & Sales Headquarters	
Director	Toru Osumi	General Manager, West Japan Branch Office	
Director	Masahiro Kaneshige	General Manager, East Japan Branch Office	
Director	Tamotsu Tsuchiya	General Manager, Building Headquarters	
Director	Yasuyuki Nakatani	General Manager, Civil Engineering Headquarters	
Director	Rieko Ueda		President and Representative Director, Mothenet 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 Director (Audit and Supervisory Committee Member), Samty Co., Ltd.
Director (Full-time Audit and Supervisory Committee Member)	Kazutoshi Abe		
Director (Audit and Supervisory Committee Member)	Hiroyo Yashiro		Attorney-at-law (Iino Yashiro Law Office)

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.

- Notes: 1. As of the conclusion of the 86th Annual General Meeting of Shareholders held on June 29, 2023, Kenji Kotera resigned, having completed his term of office as Director.
2. At the 86th Annual General Meeting of Shareholders held on June 29, 2023, Yasuyuki Nakatani was elected and assumed office as Director.
3. Atsushi Tanaka, Representative Director (General Manager, Administration Headquarters) passed away on February 19, 2024 and resigned as Representative Director.
4. Masahiro Kaneshige, Director, assumed office as Representative Director on April 1, 2024.
5. Iino Yashiro Law Office where Hiroyo Yashiro, Director (Audit and Supervisory Committee Member) concurrently works was renamed as Yashiro Law Office on April 1, 2024.
6. Five Directors including Director Rieko Ueda and Directors (Audit and Supervisory Committee Members) Tetsuo Kodera, Hiroyo Yashiro, Kenji Nishihara, and Eiji Maeda are Outside Directors.
7. Five Directors including Director Rieko Ueda and Directors (Audit and Supervisory Committee Members) Tetsuo Kodera, Hiroyo Yashiro, Kenji Nishihara, and Eiji Maeda are Independent Directors as set forth in the rules of the Tokyo Stock Exchange.
8. Kazutoshi Abe, 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.
9. Kazutoshi Abe, Director (Full-time Audit and Supervisory Committee Member), has many years of experience in accounting and possesses a considerable degree of knowledge related to finance and accounting.
10. Kenji Nishihara, Director (Audit and Supervisory Committee Member), is a CPA and possesses a considerable degree of knowledge related to finance and accounting.
11. 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.
12. The Company has adopted an executive officer system, and the names and positions of the executive officers as of March 31, 2024, are as follows:

\*An asterisk indicates concurrent service.

*Executive Vice President	(General Manager, Marketing & Sales Headquarters)	Yuichi Mizuno
Executive Vice President	(in charge of Marketing & Sales, Marketing & Sales Headquarters, 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)	Shunso Iijima
Senior Managing Executive Officer	(Fellow of Tunnel Technology, Technology Headquarters)	Kenji Kotera
Managing Executive Officer	(General Manager, Kyushu Branch, West Japan Branch Office)	Hiroyuki Hayashi
*Managing Executive Officer	(General Manager, West Japan Branch Office)	Toru Osumi
Managing Executive Officer	(General Manager, Investment Development Headquarters)	Kazuyuki Yoshimi
*Managing Executive Officer	(General Manager, East Japan Branch Office)	Masahiro Kaneshige
Managing Executive Officer	(in charge of Technology, Technology Headquarters)	Wataru Onishi

*Managing Executive Officer	(General Manager, Building Headquarters)	Tamotsu Tsuchiya
Managing Executive Officer	(General Manager, Kansai Branch, West Japan Branch Office)	Sawayuki Kawatani
Managing Executive Officer	(in charge of Technology, Technology Headquarters)	Kazutoshi Yuyama
Managing Executive Officer	(in charge of Marketing & Sales, Marketing & Sales Headquarters)	Takanori Hayashi
Managing Executive Officer	(General Manager, Technology Headquarters)	Akira Okada
Executive Officer	(General Manager, ICT Management Center)	Naoki Magoori
Executive Officer	(General Manager, Safety, Quality & Environment Headquarters)	Hirohide Taniguchi
Executive Officer	(Deputy General Manager, East Japan Branch Office in charge of Civil Engineering Business)	Yoshinori Yasui
Executive Officer	(Deputy General Manager, West Japan Branch Office in charge of Building Business)	Kunitake Konishi
Executive Officer	(General Manager, Hiroshima Branch, West Japan Branch Office)	Nobuharu Suga
Executive Officer	(General Manager, Chuo Shinkansen Kanagawa Station Construction Office, East Japan Branch Office)	Yasuhiko Goto
Executive Officer	(Deputy General Manager, West Japan Branch Office in charge of Civil Engineering Business)	Hiroki Machida
Executive Officer	(General Manager, Tokyo Branch, East Japan Branch Office)	Kazuyoshi Okuma
Executive Officer	(Deputy General Manager, Administration Headquarters)	Hiroyuki Matsushima
Executive Officer	(Deputy General Manager, West Japan Branch Office in charge of Administration)	Akira Sasaki
Executive Officer	(in charge of Technology, Technology Headquarters)	Takami Nakada
Executive Officer	(Operational Reform Promotion Project Leader)	Koji Furusawa
Executive Officer	(General Manager, Tohoku Branch, East Japan Branch Office)	Masanari Kashiki
Executive Officer	(General Manager, Nagoya Branch, East Japan Branch Office)	Junichi Hori
Executive Officer	(Deputy General Manager, East Japan Branch Office in charge of Building Business)	Kenichi Abe
Executive Officer	(Deputy General Manager, Technology Headquarters)	Koichi Isogami
*Executive Officer	(General Manager, Civil Engineering Headquarters)	Yasuyuki Nakatani
Executive Officer	(in charge of Overseas Business, and General Manager, Overseas Construction Department, West Japan Branch Office)	Yuji Yamamoto
Executive Officer	(General Manager, Shikoku Branch, West Japan Branch Office)	Yoshihiro Kadotani
Executive Officer	(General Manager, Sapporo Branch, East Japan Branch Office)	Kazutaka Kuno

13. As of April 1, 2024, the Executive Officers have changed as follows:

	Before	After
Yuichi Mizuno	Executive Vice President (General Manager, Marketing & Sales Headquarters)	Executive Vice President (in charge of Marketing & Sales at Head Office)
Hajime Kosaka	Executive Vice President (in charge of Marketing & Sales, Marketing & Sales Headquarters, and in charge of diversity)	Executive Vice President (Assistant to President in charge of Marketing & Sales, and in charge of diversity)
Shunso Iijima	Senior Managing Executive Officer (in charge of West Japan Management, Marketing & Sales Headquarters, and in charge of Expo and IR)	Senior Managing Executive Officer (in charge of Marketing & Sales at Head Office)
Kenji Kotera	Senior Managing Executive Officer (Fellow of Tunnel Technology, Technology Headquarters)	Senior Managing Executive Officer (in charge of Technology at Head Office)
Toru Osumi	Managing Executive Officer (General Manager, West Japan Branch Office)	Senior Managing Executive Officer (in charge of West Japan Management, Marketing & Sales Headquarters, and in charge of Expo and IR)
Masahiro Kaneshige	Managing Executive Officer (General Manager, East Japan Branch Office)	Senior Managing Executive Officer (General Manager, Marketing & Sales Headquarters)
Wataru Onishi	Managing Executive Officer (in charge of Technology, Technology Headquarters)	Senior Managing Executive Officer (in charge of Technology, Technology Headquarters)
Kazutoshi Yuyama	Managing Executive Officer (in charge of Technology, Technology Headquarters)	Senior Managing Executive Officer (in charge of Technology, Technology Headquarters)
Hiroyuki Hayashi	Managing Executive Officer (General Manager, Kyushu Branch, West Japan Branch Office)	Managing Executive Officer (in charge of Marketing & Sales, West Japan Branch Office)
Kazuyuki Yoshimi	Managing Executive Officer (General Manager, Investment Development Headquarters)	Managing Executive Officer (in charge of Investment Development)
Sawayuki Kawatani	Managing Executive Officer (General Manager, Kansai Branch, West Japan Branch Office)	Managing Executive Officer (in charge of Marketing & Sales, West Japan Branch Office)
Kunitake Konishi	Executive Officer (Deputy General Manager, West Japan Branch Office in charge of Building Business)	Managing Executive Officer (General Manager, West Japan Branch Office)
Takami Nakada	Executive Officer (in charge of Technology, Technology Headquarters)	Managing Executive Officer (in charge of Technology, Technology Headquarters)
Masanari Kashiki	Executive Officer (General Manager, Tohoku Branch, East Japan Branch Office)	Managing Executive Officer (General Manager, East Japan Branch Office)
Yasuyuki Nakatani	Executive Officer (General Manager, Civil Engineering Headquarters)	Managing Executive Officer (General Manager, Civil Engineering Headquarters)
Yoshinori Yasui	Executive Officer (Deputy General Manager, East Japan Branch Office in charge of Civil Engineering Business)	Executive Officer (General Manager, Chuo Shinkansen Kanagawa Station Construction Office, East Japan Branch Office)



Nobuharu Suga	Executive Officer (General Manager, Hiroshima Branch, West Japan Branch Office)	Executive Officer (in charge of Marketing & Sales, West Japan Branch Office)
Yasuhiko Goto	Executive Officer (General Manager, Chuo Shinkansen Kanagawa Station Construction Office, East Japan Branch Office)	Executive Officer (Assistant General Manager, Chuo Shinkansen Kanagawa Station Construction Office, East Japan Branch Office)
Hiroki Machida	Executive Officer (Deputy General Manager, West Japan Branch Office in charge of Civil Engineering Business)	Executive Officer (General Manager, Nagoya Branch, East Japan Branch Office)
Hiroyuki Matsushima	Executive Officer (Deputy General Manager, Administration Headquarters)	Executive Officer (General Manager, Administration Headquarters)
Akira Sasaki	Executive Officer (Deputy General Manager, West Japan Branch Office in charge of Administration)	Executive Officer (in charge of Internal Control)
Junichi Hori	Executive Officer (General Manager, Nagoya Branch, East Japan Branch Office)	Executive Officer (Deputy General Manager, Kansai Branch, West Japan Branch Office)
Hiroyuki Tamamura	General Manager, Civil Engineering Marketing & Sales Management Department, Kansai Branch, West Japan Branch Office	Executive Officer (General Manager, Kansai Branch, West Japan Branch Office)

## (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>

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% if the target performance index is achieved.

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

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; 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 report of the Committee, 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 yen 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)	9 (1)	¥162 million (¥7 million)	¥35 million (-)	¥30 million (-)	¥228 million (¥7 million)
Directors (Audit and Supervisory Committee Members) (of which Outside Directors)	5 (4)	¥48 million (¥30 million)	- (-)	- (-)	¥48 million (¥30 million)
Total	14	¥210 million	¥35 million	¥30 million	¥277 million

Notes: 1. The above includes compensation, etc. of Directors who resigned as of the conclusion of the 86th Annual General Meeting of Shareholders held on June 29, 2023 and a Director who passed away on February 19, 2024 and resigned as Director.

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 ¥13,708 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 Kodera	Tetsuo Kodera attended all 14 meetings of the Board of Directors and all 13 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)	Hiroyo Yashiro	Hiroyo Yashiro attended all 14 meetings of the Board of Directors and all 13 meetings of the Audit and Supervisory Committee held during the fiscal year under review. She has provided advice, etc., contributing to ensuring the legality of business execution and the validity of management decisions, primarily by voicing her expert opinion as an attorney. 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)	Kenji Nishihara	Kenji Nishihara attended all 14 meetings of the Board of Directors and all 13 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 all 14 meetings of the Board of Directors and all 13 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.

#### 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

¥56 million

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

¥61 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.

## **5. Overview of Systems for Ensuring Appropriateness of Operations and Operational Status**

### **I. Basic Approach**

The Company has established and operates an internal control system to manage risks associated with its businesses and increase profits while fulfilling its corporate social responsibility in the midst of an ever-changing business environment.

### **II. Basic Policy**

Systems to Ensure that the Execution of Duties by Directors and Employees Is in Compliance with Laws, Regulations, and the Articles of Incorporation

- (1) In accordance with the provisions of laws, regulations, the Company's Articles of Incorporation, and the Regulations of the Board of Directors, the Board of Directors shall establish a policy for the Company's business execution and continually supervise the execution of duties by the Directors and Executive Officers.
- (2) In order to ensure that decision-making at the Board of Directors and the execution of duties by the Directors, Executive Officers, and employees comply with laws, regulations, and the Articles of Incorporation, the Company shall seek confirmation and advice from experts such as attorneys, certified public accountants, etc. as appropriate.
- (3) Considering compliance as one of the highest management priorities, the Company shall establish a Compliance Committee as an advisory body for decision-making and execution of duties by the Board of Directors and Representative Directors. The committee is chaired by a Director that the Company appoints and includes attorneys at law.
- (4) In order to ensure thorough compliance with the Antimonopoly Act, the Company shall establish an expert committee on preventing collusion consisting of outside experts under the Compliance Committee to propose measures to prevent violation of the act and to verify and ensure the appropriateness and effectiveness of those measures.
- (5) In order to promote penetration and firm establishment of compliance awareness and to ensure the properness of business execution by internal organizations, the Company shall establish and implement Basic Regulations on Compliance and related regulations based on the Management Philosophy and Corporate Code of Conduct while the Internal Audit Division shall carry out monitoring as appropriate.
- (6) The Representative Directors shall focus on internal education and awareness building activities to ensure thorough compliance, including severing of relationships with antisocial forces.
- (7) In accordance with Internal Whistleblowing Regulations, the Company shall swiftly and firmly respond to complaints lodged with contact points inside the Company and the attorney's office.

Systems to Store and Manage Information Related to the Execution of Duties by Directors

- (1) The Company prepares and stores information related to the execution of duties by the Directors in accordance with laws and regulations and manages it so that the Directors, Accounting Auditor, and others can access it as needed.
- (2) Through the operation of an integrated management system and monitoring by the Internal Audit Division, the Company verifies the retention period for legal documents, etc., and the organization, storage, etc. of documents requesting approval related to decision-making.
- (3) In addition to protecting information assets from threats such as loss, theft, destruction, and unauthorized access, the Company manages information based on an Information Security Policy and Privacy Policy in order to protect personal information.
- (4) The persons in charge of handling information and the IR Team verify the information and disclose it according to the Disclosure Policy in order to provide shareholders and investors with timely, accurate, and unbiased information.

Regulations and Other Systems to Manage the Risk of Loss

- (1) In order to ensure the effective functioning of internal control over financial reporting, the Company continually reviews its systems in accordance with the Basic Policy on Financial Reporting.
- (2) The Company prepares and manages a natural disaster response manual and a crisis communication manual, etc. and works on making continual improvements to the Business Continuity Plan (BCP) to prevent the spread of losses.

- (3) In order to keep track of the risks that significantly impact the business on a daily basis and take the necessary measures to address them, the Company continuously reviews the risk management system and takes swift and appropriate action when risks manifest themselves.

#### Systems to Ensure the Efficient Execution of Duties by Directors

- (1) The Company adopts an executive officer system to expedite decision-making by the Board of Directors and enhance the execution of duties by Executive Officers.
- (2) The Company establishes a Management Committee with Representative Directors at the core to deliberate on and decide matters related to the execution of the Company's business other than those matters to be submitted to the Board of Directors and those matters to be decided by the Board of Directors.
- (3) The Board of Directors establishes management targets, business plans, etc., based on the Management Philosophy, and the President and Representative Director and Executive Officers carry out duties to achieve them, while the Board of Directors supervises the status of execution.
- (4) In order to maintain a governance structure suited to the business environment, the Company continuously reviews the organization and operations.

#### Systems to Ensure the Appropriateness of Business Operations of the Corporate Group Consisting of the Company and Its Subsidiaries

- (1) The Internal Audit Division plays a central role in auditing and instructing subsidiaries so that the Company's basic approach to and initiatives for internal control continually spread throughout the entire Group.
- (2) The Company's Audit and Supervisory Committee requests business reports from subsidiaries as necessary and/or investigates the status of their operations and assets.
- (3) The Company dispatches its Executive Officers and/or employees to subsidiaries to serve as Directors or Corporate Auditors. In addition to monitoring and supervising the status of business execution, the Company's Internal Audit Division reports to the Company's Board of Directors, Representative Directors, and Audit and Supervisory Committee as necessary on the results of audits, including those of subsidiaries.

#### Matters Related to Employees Who Are Requested to Assist the Audit and Supervisory Committee in Their Duties

- (1) The Company assigns both dedicated and non-dedicated staff to the Internal Audit Division to assist the Audit and Supervisory Committee with its duties.
- (2) Staff assigned to the Internal Audit Division shall be recommended by departments executing business and approved by the Audit and Supervisory Committee beforehand. If the Audit and Supervisory Committee makes a request concerning the personnel assigned as staff, the Company addresses the request as appropriate.
- (3) A clear distinction is made between the Internal Audit Division and departments executing business to ensure independence, and confirmation is obtained from the Audit and Supervisory Committee concerning staff goal management and performance evaluations.
- (4) Staff belonging to the Internal Audit Division that receive instructions from the Audit and Supervisory Committee do not receive instructions from Directors (excluding Directors who are Audit and Supervisory Committee Members) when executing said instructions and report the results only to the Audit and Supervisory Committee.

#### Systems to Report to the Audit and Supervisory Committee

- (1) Representative Directors make arrangements to exchange opinions with Audit and Supervisory Committee on policies related to business execution and other such matters.
- (2) In order to contribute to the audit policies and sharing of duties established by the Audit and Supervisory Committee, Audit and Supervisory Committee Members are requested to attend meetings of the Management Committee and other important meetings.
- (3) When so requested by the Audit and Supervisory Committee, Directors (excluding Directors who are Audit and Supervisory Committee Members), Executive Officers, and employees report on the status of execution of their duties and present the important approval documents as well as investigate and report on the status of operations and assets at the head office, branch offices, and subsidiaries.



- (4) When discussions are conducted on the effectiveness of the internal control system, compliance violations or whistleblowing at meetings of the Compliance Committee, the content is reported to the Audit and Supervisory Committee via the Internal Audit Division.
- (5) If a Director (excluding Directors who are Audit and Supervisory Committee Members), Executive Officer or employee learns of something that will bring significant damages to the Company and its subsidiaries or a serious violation of the laws and regulations or Articles of Incorporation in the execution of duties, they report it immediately to the Audit and Supervisory Committee.
- (6) The Internal Whistleblowing Regulations apply to those who report to the Audit and Supervisory Committee, and they are not be treated unfavorably because of the report.

#### Systems to Ensure that the Audit and Supervisory Committee Conducts Audits Effectively

- (1) In order to contribute to the duties of the Audit and Supervisory Committee, the Internal Audit Division discusses audit policies and plans with the Audit and Supervisory Committee and reports on the results of internal audits in a timely manner.
- (2) In order to strengthen coordination between the Audit and Supervisory Committee and the Accounting Auditor, opportunities are provided for discussing the audit plan and status of implementation.
- (3) The ERP backbone system, etc. are continuously reviewed to provide an environment in which the Audit and Supervisory Committee can monitor the financial status and profit and loss situation of the Company in a timely manner.
- (4) Soundness and transparency of management are ensured by making four of the five members of the Audit and Supervisory Committee Outside Directors.
- (5) The Company bears the costs arising from the execution of duties by the Audit and Supervisory Committee and accepts advance payment thereof.

### III. Overview of Operational Status

#### (1) Execution of duties by Directors and employees

The Company's Board of Directors consists of 13 Directors (including one director resigned on February 19, 2024). In principle, the Board of Directors meets once per month. It also holds extraordinary meetings as necessary and makes decisions on important matters concerning management, including the Medium-Term Business Plan. Five of the members are Independent Outside Directors in order to strengthen the management supervision function.

Independent Outside Directors are brought on as members of the Management Committee (consisting of the Representative Directors and members selected by the Board of Directors), which deliberates on and decides important matters related to the execution of the Company's business other than those matters to be decided by the Board of Directors and matters to be submitted to the Board of Directors, to increase management transparency. During the fiscal year under review, the Management Committee met 13 times.

In order to strengthen the internal control function and verify the status of implementation, the Company has a structure in which the Audit Office, which is in charge of accounting audits, and the Compliance Office, which is in charge of auditing other general business execution, coordinate to perform internal audits. The results of those audits are reported to the Board of Directors, the Management Committee, Representative Directors, and the Audit and Supervisory Committee in a timely manner so that they can be reflected in decision-making, business execution, and management supervision.

The Company has established a Compliance Committee comprised of Independent Outside Directors, the General Manager of Marketing & Sales Headquarters, the General Manager of Civil Engineering Headquarters, the General Manager of Building Headquarters, the General Manager of Administration Headquarters, the General Manager of the Human Resources Department, Attorneys, and the Manager of the Audit Office, who is responsible in the Internal Audit Division and the Manager of the Compliance Office. The committee works to educate and instruct officers and employees. During the fiscal year under review, the Compliance Committee met nine times.

In order to spread and establish compliance awareness, the Company has prepared Basic Regulations for Compliance, Internal Whistleblowing Regulations addressing the Whistleblower Protection Act, and Manual on Responding to Organized Crime Groups, etc. At the same time, the Company informs all officers and employees of the "Guide on Compliance," which provides the code of conduct for business execution, the methods and means of achieving that, and the legal grounds as a summary, distributing it directly to them as necessary and carrying out education and training. The Representative Directors focus on internal education and awareness building activities to ensure

thorough compliance. During the fiscal year under review, training was carried out on the theme of “understanding interactions with public officers and quasi-public officers” and “optimizing construction system.”

(2) Managing the risk of loss

The Company has developed and implemented proper internal control over financial reporting in accordance with the Basic Policy on Financial Reporting. In addition, through supervision by the Board of Directors and internal audits conducted by the Internal Audit Division, the Company verifies and evaluates the effectiveness of internal control over financial reporting and carries out ongoing review of the system, as necessary.

The Company identifies risks related to business, etc. that may have a significant impact on stakeholders’ judgment. The Compliance Office regularly checks, verifies, and reports to the Representative Directors on the status of relevant efforts at divisions of the head office and branch offices, etc. By reporting to the Representative Directors and providing internal notification of matters requiring attention, the Company works to prevent the manifestation of risks.

Based on the disaster response know-how cultivated to date, the Company has developed a Business Continuity Plan (BCP) and is working to enhance its effectiveness through ongoing review and regular training and verification.

(3) Ensuring the effectiveness of audits

The Company holds an audit and supervisory committee (with five Directors who are Audit and Supervisory Committee Members) and elects a full-time Audit and Supervisory Committee Member to ensure the effectiveness of audits. The Audit and Supervisory Committee is comprised of one full-time Audit and Supervisory Committee Member and four Independent Outside Directors. The Chair is elected from among the Outside Directors.

A monthly report is provided at the Audit and Supervisory Committee on the status of audits covering general management conducted by the full-time Audit and Supervisory Committee Member, and each Audit and Supervisory Committee Member confirms and examines the report.

The Audit and Supervisory Committee coordinates with the Company’s Internal Audit Division in accordance with the audit policies and sharing of duties. By attending important meetings, asking Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees about the status of execution of their duties, reviewing important approval documents, and interviewing the Representative Directors, the committee expresses its opinion and investigates the status of operations and assets at the head office and major workplaces, seeking business reports from group companies as necessary as well.

In order to strengthen coordination with the Audit Office (three members), which is the Internal Audit Division, and the Compliance Office (eight members), the Audit and Supervisory Committee discusses audit plans and the status of implementation and has monthly opportunities for sharing information and opinions. In addition, the Audit and Supervisory Committee receives reports on the results of internal audits conducted by the Internal Audit Division in a timely manner. The Audit and Supervisory Committee also provides opportunities, as necessary, for exchanging information and share understanding with Outside Directors (excluding Directors who are the Audit and Supervisory Committee Members).

In order to strengthen coordination between the Audit and Supervisory Committee and Deloitte Touche Tohmatsu LLC, which is the Accounting Auditor, opportunities are provided for discussing the audit plan and status of implementation, and information and opinions are shared in a timely manner.

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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, 2024)

(Millions of Yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>220,418</b>	<b>Current liabilities</b>	<b>146,367</b>
Cash and deposits	30,248	Notes payable, accounts payable for construction contracts and other	52,074
Notes receivable, accounts receivable from completed construction contracts and other	172,323	Short-term borrowings	16,701
Real estate for sale	933	Lease liabilities	6
Costs on construction contracts in progress	3,695	Income taxes payable	3,385
Costs on real estate investment, development business and other	1,960	Advances received on construction contracts in progress	19,161
Work in process	926	Deposits received	19,519
Raw materials and supplies	582	Provision for warranties for completed construction	627
Other	9,937	Provision for bonuses	3,641
Allowance for doubtful accounts	(189)	Provision for bonuses for directors (and other officers)	39
<b>Non-current assets</b>	<b>164,332</b>	Provision for loss on construction contracts	859
<b>Property, plant and equipment</b>	<b>75,476</b>	Asset retirement obligations	86
Buildings and structures	22,279	Suspense receipt of consumption taxes	23,960
Machinery, vehicles, tools, furniture and fixtures	17,235	Other	6,305
Land	35,149	<b>Non-current liabilities</b>	<b>46,809</b>
Leased assets	17	Long-term borrowings	5,108
Construction in progress	794	Non-recourse borrowings	22,333
<b>Intangible assets</b>	<b>1,806</b>	Lease liabilities	15
Goodwill	348	Deferred tax liabilities	18,740
Other	1,457	Provision for share awards	150
<b>Investments and other assets</b>	<b>87,049</b>	Asset retirement obligations	393
Investment securities	68,732	Other	67
Long-term loans receivable	58	<b>Total liabilities</b>	<b>193,176</b>
Retirement benefit asset	5,525	<b>(Net assets)</b>	
Deferred tax assets	2	<b>Shareholders' equity</b>	<b>148,673</b>
Other	14,661	Share capital	19,838
Allowance for doubtful accounts	(1,930)	Capital surplus	26,466
		Retained earnings	107,684
		Treasury shares	(5,316)
		Accumulated other comprehensive income	40,017
		Valuation difference on available-for-sale securities	34,976
		Deferred gains or losses on hedges	3,840
		Remeasurements of defined benefit plans	1,201
		Non-controlling interests	2,882
		<b>Total net assets</b>	<b>191,573</b>
<b>Total assets</b>	<b>384,750</b>	<b>Total liabilities and net assets</b>	<b>384,750</b>

## Consolidated Statement of Income

(April 1, 2023 through March 31, 2024)

(Millions of Yen)

Description	Amount	
<b>Net sales</b>		
Net sales of completed construction contracts	268,340	
Net sales of real estate investment, development business and other	19,805	288,146
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	238,012	
Cost of real estate investment, development business and other	14,942	252,954
<b>Gross profit</b>		
Gross profit on completed construction contracts	30,328	
Gross profit on real estate investment, development business and other	4,863	35,191
<b>Selling, general and administrative expenses</b>		21,483
<b>Operating profit</b>		13,708
<b>Non-operating income</b>		
Interest income	73	
Dividend income	1,226	
Foreign exchange gains	351	
Other	243	1,894
<b>Non-operating expenses</b>		
Interest expenses	606	
Other	118	724
<b>Ordinary profit</b>		14,878
<b>Extraordinary income</b>		
Gain on sale of investment securities	3,205	
Other	710	3,915
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	513	
Loss on tax purpose reduction entry of non-current assets	108	622
<b>Profit before income taxes</b>		18,171
Income taxes - current	5,770	
Income taxes - deferred	237	6,008
<b>Profit</b>		12,163
Loss attributable to non-controlling interests		329
<b>Profit attributable to owners of parent</b>		12,493

## Consolidated Statement of Changes in Equity

(April 1, 2023 through March 31, 2024)

(Millions of Yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2023	19,838	26,240	103,827	(5,185)	144,720
Changes during period					
Dividends of surplus			(8,635)		(8,635)
Profit attributable to owners of parent			12,493		12,493
Purchase of treasury shares				(971)	(971)
Disposal of treasury shares		226		839	1,066
Net changes in items other than shareholders' equity					
Total changes during period	—	226	3,857	(131)	3,952
Balance as of March 31, 2024	19,838	26,466	107,684	(5,316)	148,673

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2023	24,801	1,829	662	27,293	1,201	173,215
Changes during period						
Dividends of surplus						(8,635)
Profit attributable to owners of parent						12,493
Purchase of treasury shares						(971)
Disposal of treasury shares						1,066
Net changes in items other than shareholders' equity	10,175	2,010	538	12,724	1,680	14,404
Total changes during period	10,175	2,010	538	12,724	1,680	18,357
Balance as of March 31, 2024	34,976	3,840	1,201	40,017	2,882	191,573

# Non-Consolidated Financial Statements

## Non-Consolidated Balance Sheet

(As of March 31, 2024)

(Millions of Yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>212,933</b>	<b>Current liabilities</b>	<b>142,476</b>
Cash and deposits	27,063	Notes payable - trade	1,962
Notes receivable - trade	1,798	Accounts payable for construction contracts	47,713
Electronically recorded monetary claims - operating	1,548	Short-term borrowings	19,821
Accounts receivable from completed construction contracts	165,632	Lease liabilities	2
Real estate for sale	933	Income taxes payable	3,186
Costs on construction contracts in progress	3,801	Advances received on construction contracts in progress	19,122
Costs on real estate investment, development business and other	1,960	Deposits received	19,005
Raw materials and supplies	9	Provision for warranties for completed construction	607
Other	10,362	Provision for bonuses	3,562
Allowance for doubtful accounts	(176)	Provision for bonuses for directors (and other officers)	35
<b>Non-current assets</b>	<b>129,451</b>	Provision for loss on construction contracts	859
<b>Property, plant and equipment</b>	<b>45,094</b>	Asset retirement obligations	18
Buildings and structures	13,305	Suspense receipt of consumption taxes	23,960
Machinery and vehicles	495	Other	2,617
Tools, furniture and fixtures	489	<b>Non-current liabilities</b>	<b>19,789</b>
Land	30,012	Long-term borrowings	5,108
Leased assets	5	Lease liabilities	3
Construction in progress	786	Deferred tax liabilities	14,267
<b>Intangible assets</b>	<b>1,088</b>	Provision for share awards	150
<b>Investments and other assets</b>	<b>83,268</b>	Asset retirement obligations	192
Investment securities	66,547	Other	67
Shares of subsidiaries and associates, investments in capital of subsidiaries and associates	2,752	<b>Total liabilities</b>	<b>162,265</b>
Long-term loans receivable	8,899	<b>(Net assets)</b>	
Prepaid pension costs	3,794	<b>Shareholders' equity</b>	<b>146,278</b>
Other	3,213	<b>Share capital</b>	<b>19,838</b>
Allowance for doubtful accounts	(1,939)	<b>Capital surplus</b>	<b>25,548</b>
		Legal capital surplus	25,322
		Other capital surplus	226
		<b>Retained earnings</b>	<b>106,207</b>
		Legal retained earnings	4,959
		Other retained earnings	101,247
		Reserve for investment loss on developing new business	108
		Reserve for tax purpose reduction entry of non-current assets	3,708
		General reserve	87,800
		Retained earnings brought forward	9,631
		<b>Treasury shares</b>	<b>(5,316)</b>
		<b>Valuation and translation adjustments</b>	<b>33,840</b>
		Valuation difference on available-for-sale securities	33,840
		<b>Total net assets</b>	<b>180,119</b>
<b>Total assets</b>	<b>342,384</b>	<b>Total liabilities and net assets</b>	<b>342,384</b>

## Non-Consolidated Statement of Income

(April 1, 2023 through March 31, 2024)

(Millions of Yen)

Description	Amount	
<b>Net sales</b>		
Net sales of completed construction contracts	268,340	
Net sales of real estate investment, development business and other	6,119	274,460
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	238,224	
Cost of real estate investment, development business and other	2,785	241,009
<b>Gross profit</b>		
Gross profit on completed construction contracts	30,116	
Gross profit on real estate investment, development business and other	3,334	33,450
<b>Selling, general and administrative expenses</b>		20,532
<b>Operating profit</b>		12,918
<b>Non-operating income</b>		
Interest and dividend income	1,722	
Foreign exchange gains	329	
Other	231	2,284
<b>Non-operating expenses</b>		
Interest expenses	199	
Commission expenses	54	
Loss on investments in investment partnerships	52	
Other	0	307
<b>Ordinary profit</b>		14,895
<b>Extraordinary income</b>		
Gain on sale of investment securities	3,205	
Other	610	3,815
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	512	
Other	9	522
<b>Profit before income taxes</b>		18,189
Income taxes - current	5,440	
Income taxes - deferred	180	5,620
<b>Profit</b>		12,568

## Non-Consolidated Statement of Changes in Equity

(April 1, 2023 through March 31, 2024)

(Millions of Yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings					
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
						Reserve for investment loss on developing new business	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance as of April 1, 2023	19,838	25,322	–	25,322	4,959	134	3,565	87,000	6,615	102,274
Changes during period										
Provision of general reserve								800	(800)	–
Dividends of surplus									(8,635)	(8,635)
Profit									12,568	12,568
Purchase of treasury shares										
Disposal of treasury shares			226	226						
Provision of reserve for investment loss on developing new business						108			(108)	–
Reversal of reserve for investment loss on developing new business						(134)			134	–
Provision of reserve for tax purpose reduction entry of non-current assets							176		(176)	–
Reversal of reserve for tax purpose reduction entry of non-current assets							(32)		32	–
Net changes in items other than shareholders' equity										
Total changes during period	–	–	226	226	–	(26)	143	800	3,015	3,933
Balance as of March 31, 2024	19,838	25,322	226	25,548	4,959	108	3,708	87,800	9,631	106,207



(Millions of Yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance as of April 1, 2023	(5,185)	142,250	24,403	24,403	166,653
Changes during period					
Provision of general reserve		–			–
Dividends of surplus		(8,635)			(8,635)
Profit		12,568			12,568
Purchase of treasury shares	(971)	(971)			(971)
Disposal of treasury shares	839	1,066			1,066
Provision of reserve for investment loss on developing new business		–			–
Reversal of reserve for investment loss on developing new business		–			–
Provision of reserve for tax purpose reduction entry of non-current assets		–			–
Reversal of reserve for tax purpose reduction entry of non-current assets		–			–
Net changes in items other than shareholders' equity			9,437	9,437	9,437
Total changes during period	(131)	4,028	9,437	9,437	13,465
Balance as of March 31, 2024	(5,316)	146,278	33,840	33,840	180,119