



Translation

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

July 31, 2026

Company Name: OHBA CO., LTD.
Representative: Shigeru Tsujimoto, Representative Director & President
(Code: 9765, Prime Market of the Tokyo Stock Exchange)
Contact: Hirofumi Katayama, Managing Executive Officer,
General Manager of Planning Headquarters (Tel. 03-5931-5888)

“Measures for Realizing Management with an Awareness of Capital Costs and Stock Prices”

In order to achieve sustainable growth and increase our corporate value over the medium to long term, we have endeavored to manage our business with an awareness of capital costs and stock prices. In this regard, on April 11, 2024, we disclosed our “Measures for Realizing Management with an Awareness of Capital Costs and Stock Prices,” and updated these measures again on August 1, 2025

We are now pleased to announce that we have once again updated the “Measures for Realizing Management with an Awareness of Capital Costs and Stock Prices” as follows.

1. OHBA’s Strengths

- (1) 100 Years of Corporate History, Tradition, and Achievements: Established October 1, 1922
- (2) Trust based on the spirit of “Sincerity, Positivity, and Harmony,” as well as the intangible assets of Credibility and Technological Capabilities
- (3) Accumulated know-how, knowledge, and experience centered on urban development. Entered into the residential land construction field in the early Showa period.
- (4) Provides one-stop solutions through comprehensive construction consultancy services: Wide-ranging business development
- (5) Strong in the private sector: Government Agency to Private Sector ratio = 1:1, mutually complementary, less susceptible to economic fluctuations
- (6) Improved profitability: Operating income has increased for 15 consecutive years while profit margin has also improved
- (7) Improved technological capabilities: Establishment of a system with 500 qualified personnel and training of polyvalent engineers (promotion of multi-skilled workers)
- (8) Strengthened financial conditions: Established a debt-free structure and increased shareholder equity
- (9) Improved capital efficiency: Return on equity (ROE) > Cost of equity. Securing excess returns PBR: Approx. 1.27, PER: Approx. 12.5 (as of May 31, 2026)

* As OHBA does not have any interest-bearing debt, we compare ROE and cost-of-equity
Return on Equity (ROE) = Net income / Shareholder equity. Approximately 10.9%
Cost of Equity Capital = Risk-free rate + Beta × Market risk premiums (CAPM model)
Approximately 6.0% to 8.0%
Excess Return = Return on Equity (ROE) - Cost of Equity

2. Growth Strategy

(1) Formulation of Medium-Term Management Plan

We formulated a medium-term management plan and announced it on July 13, 2023, in order to realize sustainable growth and increase our corporate value over the medium to long term. Based on our achievements and credibility as a company with a 100-year history, we will identify the areas we need to protect and those which we need to change. We will continue to stably grow our core business, which is centered on OHBA's strength of "community development," while taking on the challenge of developing new markets and new businesses to resolve social issues, and aiming for further growth.

(2) Resolving Societal Issues

As part of our efforts to resolve social issues, we will specifically work on: (i) disaster prevention and mitigation; national land resilience; (ii) defense civil engineering; (iii) urban development; (iv) urban restructuring; (v) an environmentally friendly and decarbonized society; (vi) smart cities and urban development DX; and (vii) business solutions and civil engineering assets (agency services, reconstruction of aging condominiums, etc.).

[Restoration and Reconstruction After the Noto Peninsula Earthquake]

We commenced work on the following tasks for restoration and recovery as soon as possible after the Noto Peninsula Earthquake:

- Survey of the current situation of damage from the Noto Peninsula Earthquake in 2024 (Part 1);
- Investigation of urban area reconstruction measures in response to the damage caused by the Noto Peninsula Earthquake in 2024 (Part 1);
- Consideration of commercialization measures for recovery from the Noto Peninsula earthquake in 2024 (Part 1);
- Group relocation for disaster prevention review and survey services in 2024; and
- Wajima City reconstruction urban development study services in 2025

[Resilience of National Land; Defense Civil Engineering]

In addition to disaster prevention, mitigation, and national resilience, we are engaged in the following defense civil engineering operations:

- Formulation of basic policies associated with the optimization of SDF facilities;
- Preparation of a master plan for optimization of SDF facilities (Part 1);
- Preparation of a master plan for optimization of SDF facilities (Part 6);
- Sapporo (6) Comprehensive Facility Optimization Design ;
- Hyakuri and other facilities (6) Comprehensive Facility Optimization Design ; and
- Asaka (6) Integrated Facility Optimization Design (Part 1)

[Development of Industrial Land and Land for Distribution]

The following operations are being undertaken against the backdrop of an increase in private-sector demand, including the return of production bases (manufacturing) to domestic operations and development-related operations for industrial sites and distribution sites due to the entry of overseas capital:

- Development licensing, civil engineering design work
- Kumamoto science park initiative - Related operations in connection with the construction of a semiconductor plant in Kumamoto; and
- Beginning in the Tohoku region, next-generation core logistics facilities directly linked to expressway IC (for automated driving) development-related operations

[Land Readjustment, Business Agency]

As an opportunity created by urban development around industrial hubs, we are also promoting our new urban land readjustment project and business agency business, triggered by the incorporation of urbanization areas, and are engaging in the following operations:

- Operations related to the Sen-en City Wide Area City Planning in Miyagi Prefecture; and
- Land readjustment replotting design and related services for the Haramizu station area, Kikuyo Town, Kumamoto Prefecture

[Civil Engineering and Asset Management]

On April 1, 2026, OHBA executed outsourcing contracts with the Kanto Local Finance Bureau of the Ministry of Finance for: (i) (R8) Survey of Unused State-owned Land

(Metropolitan Area) and Bid Support Services; and (ii) (R8) Survey of Unused State-owned Land (Northern Kanto and Shin-Etsu Areas). Accordingly, we hereby announce as follows. The services comprise the preparation of property schedules required for the disposal of unused state-owned land and other state-owned property, subsurface utility investigations, soil contamination surveys, surveying, and support for open competitive bidding for state-owned property. OHBA has been awarded a comprehensive commission for these services over a three-year period. With the recognition that these are critical survey services related to the sale of state-owned land entrusted by the Kanto Local Finance Bureau of the Ministry of Finance, we will leverage our continuous 16-year track record and further develop our organizational structure and enforce rigorous quality, schedule, and safety management as we execute these services.

(3) Investment in Human Capital

As we move toward our new 100-year “NEXT CENTURY” plan, the essence of achieving sustained growth and increasing corporate value over the medium to long term lies in improving our technological capabilities. We recognize that it is of paramount importance to strengthen our intangible assets, which are based on our creditworthiness and technological capabilities.

In the new stage of our medium-term management plan, we will continue to value our employees, who are the leaders of our technological capabilities, actively invest in human capital and other areas, share our aspirations with our employees, and grow together.

[Investment in Human Capital]

As part of our investment in human capital and other areas, we will strive to increase the number of employees who support our technological capabilities and to enhance their motivation.

(i) Increase in headcount

- Strengthen new graduate hiring

Approximately 30–35 hires per year; proactively recruit women.

- Strengthen mid-career hiring

Approximately 80 hires during the Medium-Term Management Plan period

(70 in technical divisions, 10 in sales/administrative divisions); utilize recruitment agencies and similar channels.

(ii) Boosting employee motivation

We are working to improve compensation and benefits as follows:

- Implementation of pay increases (continuously announcing plans for pay increases of 3% or more compared with the previous fiscal year); continued implementation of base pay raises and regular salary increases;
- Increase in technical allowances linked to measures to enhance technical capabilities;
- Increase in retirement benefit levels (approximately JPY 2.5 million increase on a model basis);
- Increase in the employee stock ownership plan incentive (raising the incentive from 10% to 20% of contributions)
- Various forms of support for asset building (introduction of DC plans, savings accumulation programs, and accumulated NISA; hosting asset-building seminars);
- Accelerated promotions for junior employees and earlier appointments to management positions (support for early-stage success);
- Promotion of women’s advancement (promoting appointment to management positions)
- Improving treatment for senior employees (introducing a performance-based bonus system, increasing regular bonuses, reviewing the mandatory retirement-from-position system, and revising treatment for continued-employment staff)
- Enhancement of various training programs (support for technical skills development and acquisition of certifications)
- Career Development (Introduction of a Career Interview System)
- Work-Life Balance (Utilization of Remote Work and Flextime)
- Enhancement of the employee benefits program

[Enhancement of Technical Capabilities]

To enhance our technical capabilities, we will establish an organization of 500 certified

technical professionals (Professional Engineer, RCCM (Civil Consulting Manager), First-Class Architect, and APEC Engineer), while also working to develop polyvalent engineers and promote multi-skilled work practices.

(i) Enhancement of technical capabilities

- Establishing a structure with 500 personnel holding technical qualifications
- As of the end of May 2026: 510 qualified personnel (including 249 Professional Engineers)
- Objectives: improving the rate of specific opportunity awards and strengthening compliance awareness
- Improving treatment of qualified personnel: increasing technical allowances
- Enhancing training programs for qualification acquisition: introducing field-specific and level-specific training programs

(ii) Developing polyvalent engineers and promoting multi-skilling

- Objective: Train engineers with a broad perspective and a high-level viewpoint through obtaining multiple qualifications and gaining a wide range of work experience
- Examples: Road engineers who understand urban planning; urban planning engineers who understand rivers; investment in human capital, etc.

(4) Details of Medium-Term Management Plan

The medium-term management plan covers the 5-year period from the fiscal year ending May 31, 2024, to the fiscal year ending May 31, 2028. We have positioned this as the first stage of our “Challenge” and “Leap Forward” plans that will vigorously cultivate the new 100-year “Next Century” and be pioneering for the future. We will continue to work hard toward achieving our quantitative targets of consolidated net sales of 20 billion yen, consolidated operating income of 2.4 billion yen, consolidated operating income margin of 12%, ROE of 12%, and ROIC of 12%.

[Medium-Term Management Plan Quantitative Targets]

	Year ended May 31, 2026 (Actual)	Year ending May 31, 2027 (Forecast)	Year ending May 31, 2028 (Medium-Term Management Plan)
Consolidated net sales	17.011 billion yen	17.5 billion yen	20 billion yen
Consolidated operating income	1.965 billion yen	2.05 billion yen	2.4 billion yen
Operating income ratio	11.6%	-	12%
ROE	10.9%	-	12%
ROIC	9.9%	-	12%

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

3. Boost Shareholder Returns

(1) Change in Shareholder Return Policy

On July 13, 2023, as our profitability and technological capabilities had been steadily improving along with our growth, and our financial position had been further enhanced, we decided to further strengthen shareholder returns and change our policy to aim for a total return ratio of around 60% and a dividend payout ratio of around 50% (from the fiscal year ended May 2024).

[Shareholder Return Policy]

Our basic policy is to pay stable dividends from the perspective of emphasizing shareholder returns. From the perspective of expanding shareholder returns, the Company will set a total return ratio (*) of around 60% for the foreseeable future and

determine the details of the returns for each fiscal year by comprehensively taking the economic conditions, financial conditions, business results outlook, and other factors at the time into account.

The amount of treasury stock held is limited to 10% of the total number of outstanding shares, and any excess of such amount is, in principle, retired each fiscal year.

Approximately 50% of consolidated net income is used as the source of dividends.

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

[Shareholder Return Results and Forecasts] *2

	Fiscal Year 5/2020 (Actual)	Fiscal Year 5/2021 (Actual)	Fiscal Year 5/2022 (Actual)	Fiscal Year 5/2023 (Actual)	Fiscal Year 5/2024 (Actual)	Fiscal Year 5/2025 (Actual)	Fiscal Year 5/2026 (Actual)	Fiscal Year 5/2027 (Forecast)
DPS (yen)	14	15	23	24	37	42	44	44
Payout ratio (%)	28.4	28.8	34.3	36.0	44.2	50.2	47.6	48.0
Share buyback (Millions of yen)	207	190	162	199	116	173	172	* 1
Total return ratio (%)	53.5	51.0	49.2	54.5	52.9	63.0	59.2	

*1 Share buybacks underway from June 2026 onward

*2 Separate shareholder benefit program with: (i) QUO Cards; and (ii) CHOCOLABO chocolate confectionery

(2) Expansion of Shareholder Benefit Program

Since individuals account for approximately 60% of our shareholder composition, we offer: (i) QUO Cards; and (ii) CHOCOLABO chocolate confectionery, as benefits under our shareholder benefit program.

[QUO Cards]

(Expanded effective from the record date for the fiscal year ending May 2025)

(For more details, please refer to the March 13, 2025, announcement, “Notice of Change (Expansion) in Shareholder Benefit Program”)

We are grateful for the daily support of our shareholders, and have decided to expand our shareholder benefit program with the aim of further enhancing the attractiveness of investing in our shares and ensuring that our shares are continuously held for a long period of time.

Specifically, we have increased the amount of QUO Cards for shareholders who have held at least 1,000 shares for less than 1 year and shareholders who have held their shares for at least 3 years.

<After the change> (The underlined part shows the changed content)

Number of Years Held	Number of Shares Held	Gift Details
Less than 1 year	100 to less than 500 shares	-
Less than 1 year	500 to less than 1,000 shares	Quo Card 1,000 yen
Less than 1 year	1,000 shares or more	Quo Card <u>4,000 yen</u>
1 year or more to <u>less than 3 years</u>	100 to less than 500 shares	Quo Card 500 yen
1 year or more to <u>less than 3 years</u>	500 to less than 1,000 shares	Quo Card 3,000 yen
1 year or more to <u>less than 3 years</u>	1,000 shares or more	Quo Card 7,000 yen
<u>3 years or more</u>	100 to less than 500 shares	Quo Card <u>800 yen</u>

<u>3 years or more</u>	500 to less than 1,000 shares	Quo Card <u>4,000 yen</u>
<u>3 years or more</u>	1,000 shares or more	Quo Card <u>10,000 yen</u>

[Gift of CHOCOLABO chocolate confectionery]

(Expanded effective from the record date for the interim period ended in November 2023)

CHOCOLABO (AOH) is the nation's first welfare chocolate workshop, and was established in 2012 with the aim of creating workplaces for and raising wages of people with disabilities. We endorse the activities of CHOCOLABO and, as part of our corporate citizenship activities, we have previously given CHOCOLABO chocolate confectionery to our shareholders who own more than 5,000 shares, regardless of the number of years they have held them.

In order to further enhance our social contribution activities, we recently decided to expand the scope of these activities to include shareholders who hold more than 2,500 shares (from the record date for the interim period-end of November 2023), in light of requests from our shareholders.

4. IR • SR - Enhancement of Services

In order to raise awareness in the stock market and promote communications with investors, as well as to deepen their understanding of us, we are actively working to strengthen our IR and SR (Investor Relations and Shareholder Relations) activities by enhancing timely disclosure and public relations disclosures, actively making disclosures in English, holding online briefings (financial results and medium-term management plans), holding IR seminars, and utilizing various forms of media.

(1) Enhancing Timely Disclosure and PR Disclosure, and Actively Disclosing in English

- Enhancing disclosure content and our website
- Actively making English-language disclosures of content that may affect investment decisions

(2) Publishing Analyst Reports (in Japanese and English)

- We have commissioned SESSA Partners Co., Ltd. to regularly issue sponsored research reports.
- We are actively distributing and posting these reports to domestic and overseas institutional investors through SESSA Partners (copyright holder) and ourselves.

(3) Publishing in Sumitomo Mitsui Trust Bank [Engagement Square] (English)

- SuMi TRUST Engagement Square is an information website that disseminates English-language corporate information to foreign institutional investors.
- We are helping to make OHBA even more attractive to overseas institutional investors by posting disclosure materials on this site

(4) Holding Online Briefings

[Financial Results Briefing for the 91st Fiscal Year Ended May 31, 2025]

- Date and Time: Thursday, August 7, 2025, 13:00 to 13:50
- Hosts: Shigeru Tsujimoto, Representative Director & President
Hirofumi Katayama, Managing Executive Officer, General Manager of Planning Headquarters

[Financial Results Briefing for the Second Quarter (Interim) of the Fiscal Year Ended May 31, 2026]

- Date and Time: Wednesday, February 4, 2026, 13:00 to 13:50
- Hosts: Shigeru Tsujimoto, Representative Director & President

Hirofumi Katayama, Managing Executive Officer, General Manager of Planning
Headquarters

(5) IR Seminars

[IR seminars for individual investors sponsored by Nihon Securities Journal]

- Date and Time: Wednesday, November 19, 2025, 14:00 to 14:50
- Hosts: Shigeru Tsujimoto, Representative Director & President
Hirofumi Katayama, Managing Executive Officer, General Manager of Planning
Headquarters
- 204 participants

(6) Holding Individual IR Meetings

- Individual IR meetings are held as needed, either directly or by introducing brokerage firms.

(7) Introduction of Shareholder and Investor Surveys

- Conducted the “Koekiku” questionnaire in the interim report for the fiscal year ended May 31, 2026 (92nd fiscal year) (Fourth time)
- Number of respondents to the questionnaire: 558

(8) Utilization of Various Forms of Media

- On September 12, 2022, an interview with the President of OHBA was posted in [Toyo Keizai] [Business ASPECT].
- On October 20, 2023, an interview with the President of OHBA was included in [Diamond Zai] [IR Report].
- On April 5, 2024, [Nihon Securities Journal] [Corporate Research] posted IR seminar points.
- On April 23, 2024, a top-level interview was published in the Nihon Securities Journal.
- On May 16, 2025, the Nihon Securities Journal published points for IR seminars in Corporate Studies.
- On July 1, 2025, a top-level interview was published in the Nihon Securities Journal (in English).
- On December 26, 2025, the Nihon Securities Journal published points for IR seminars in Corporate Studies.
- On February 12, 2026, a top-level interview was published in the Nihon Securities Journal (in English).
- In addition, several articles were published in Nikkei Construction, Daily Engineering & Construction News, and the Kensetsu Tsushin Shimbun.

(9) Distribution of Videos of General Meetings of Shareholders

- Distribution of videos of the General Meeting of Shareholders in a two-part structure of proceedings and business reports (on demand after the meeting)

(10) Video Distribution of the 100th Anniversary Commemorative Ceremony

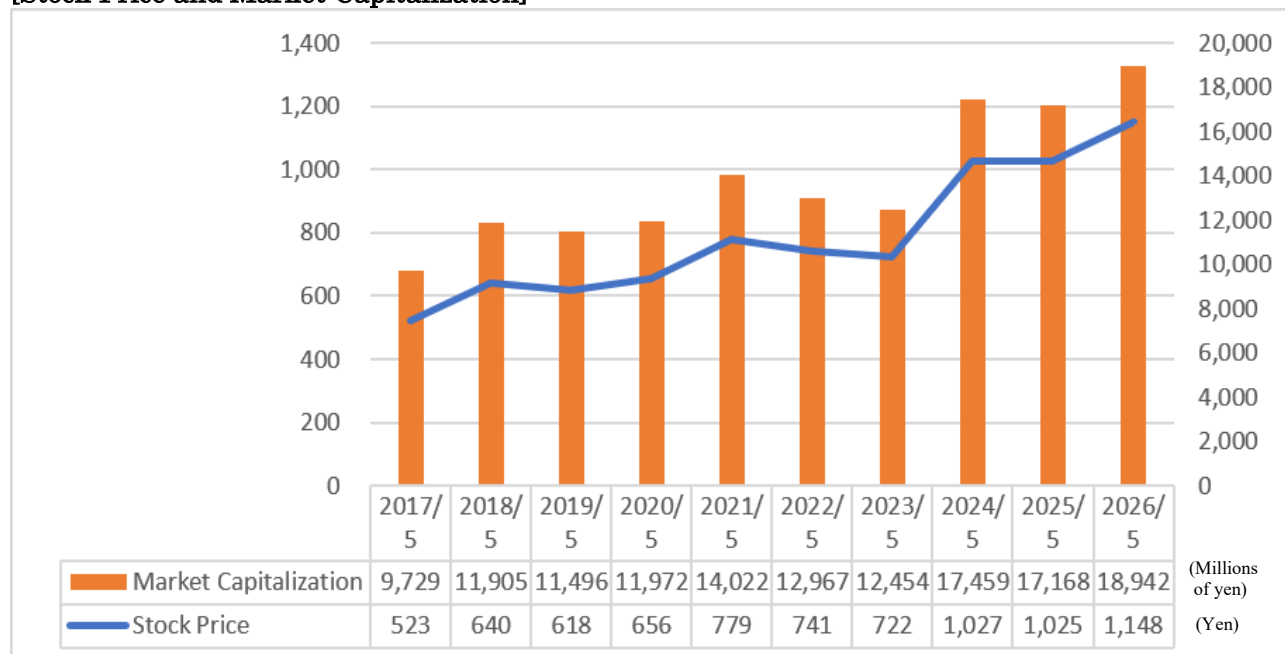
- Video streaming of the President’s speech at the 100th anniversary celebration (with English ticker)

5. Change in Share Price

Driven by the execution of the medium-term management plan, operating profit extended its streak to 15 consecutive fiscal periods of growth.

The share price has also risen by approximately JPY 400 since the medium-term management plan was announced three years ago, reaching about 1.5 times its level at that time (JPY 745 at the time of the announcement (2023/7/13) → JPY 1,148 (2026/5/31)). As a result, all Prime Market listing maintenance criteria have been met.

[Stock Price and Market Capitalization]



[Market Capitalization of Outstanding Shares]

Based on the average market price of shares outstanding from March to May 2026 = 1,211.38 yen.

$10,413,362.60 \text{ shares} \times 1,211.38 \text{ yen} \approx 12,614,539,186 \text{ yen} \geq 10 \text{ billion yen}$

(2026.5.31 Shares Outstanding) (Average Stock Price for March to May) (Market Capitalization of Outstanding Shares) (Based on Maintenance of Listing on the Prime Market)

[References]

- “Measures for realizing management that is conscious of capital costs and stock prices” [English disclosure available]
<https://ssl4.eir-parts.net/doc/9765/tdnet/2420293/00.pdf>
<https://ssl4.eir-parts.net/doc/9765/tdnet/2420305/00.pdf>
- “Measures for realizing management that is conscious of capital costs and stock prices” [English disclosure available]
<https://ssl4.eir-parts.net/doc/9765/tdnet/2664394/00.pdf>
<https://ssl4.eir-parts.net/doc/9765/tdnet/2664395/00.pdf>
- Notice of Formulation of Medium-Term Management Plan [with English disclosure]:
http://www.k-ohba.co.jp/pdf/about/plan_90th~94th_j.pdf
[http://www.k-ohba.co.jp/pdf/english/about/plan_%20\(90th~94th\).pdf](http://www.k-ohba.co.jp/pdf/english/about/plan_%20(90th~94th).pdf)
- Notice of Changes in Shareholder Return Policy and Shareholder Benefit Plan [with English disclosure]:
<https://ssl4.eir-parts.net/doc/9765/tdnet/2311617/00.pdf>
<http://www.k-ohba.co.jp/ohba/wp-content/uploads/2023/07/Notice-of-Change-to-Shareholder-Return-Policy-and-Change-to-Shareholder-Benefits-Program-.pdf>
- Notice of Change (Expansion) in Shareholder Benefit Program: [with English disclosure]
<https://ssl4.eir-parts.net/doc/9765/tdnet/2580407/00.pdf>
<https://ssl4.eir-parts.net/doc/9765/tdnet/2580409/00.pdf>

- “Status of Progress Based on the Plan for Compliance with the Listing Maintenance Criteria”
[with English disclosure]:
<https://ssl4.eir-parts.net/doc/9765/tdnet/2480802/00.pdf>
<https://ssl4.eir-parts.net/doc/9765/tdnet/2480803/00.pdf>
- Briefing Materials: [with some English disclosures]
<https://www.k-ohba.co.jp/information/ir/financial-statements/>([Link](#))
<https://www.k-ohba.co.jp/global/english/ir/news/>([Link](#))
- Analyst Report: [with English disclosure]
<http://www.k-ohba.co.jp/information/ir/analyst-report/>([Link](#))
<http://www.k-ohba.co.jp/global/english/ir/news/>([Link](#))
- OHBA Official YouTube channel: [with some English tickers]
<https://www.youtube.com/channel/UCx-D36Mn5l7GRwa4yyrX7Ew>

Action to Implement Management that is Conscious of Cost of Capital and Stock Price



OHBA & CO.

URBAN DEVELOPMENT &
CIVIL ENGINEERING, CONSULTANTS

Translation

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July 31, 2026

■ OHBA's Strengths

- OHBA's Strengths [Overall]
- OHBA's Strengths [Town Development]
- OHBA's Strengths [Finance, Valuation]

■ Management that is Conscious of Cost of Capital and Stock Price

■ Current Business Performance

- Topics Relating to Orders
- FY2027/5 Earnings Plan

■ Shareholder Returns

■ Growth Strategy

- Medium-Term Management Plan Quantitative Targets
- Sustainable Growth and Medium-Term Enhancement of Corporate Value
- Environment Surrounding OHBA
- Resolving Social Issues
- Investment in Human Capital, etc.
- Trends in Qualified Personnel
- M&A, Business Alliances

■ Appendix

OHBA's Strengths

OHBA's Strengths (1) [Overall]

- History, tradition and achievement as a 100-year-old company, trust built on the spirit of our company motto: Sincerity, Positivity, Harmony
- Urban development at the core (expertise, knowledge, accumulated experience). One-stop solutions through comprehensive construction consulting
- Operating profit expected to increase for 15th consecutive period, improved gross profit margin, organization with 500 qualified personnel, and debt-free foundation



History, tradition and achievement as a 100-year-old company



Trust built on the spirit of our company motto: Sincerity, Positivity, Harmony



Urban development at the core (expertise, knowledge, accumulated know-how)



One-stop solutions through comprehensive construction consulting



Excellence in the private sector
(Government: Private Sector ratio of 5:5)



Improved profitability (operating profit to increase for 15th consecutive period, improved profit margin)



Improved technological capabilities
(built an organization of 500 qualified personnel; promoting multi-skilled work)



Strengthened financial position (debt-free, strong capital structure)

OHBA 's Strengths (2) [Urban Development]

OHBA's unique strengths in urban development



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

OHBA's unique strengths in urban development

Urban
Development
Technological
Capabilities

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

One-Stop
Support
Capabilities

Providing total support for client urban development needs, from upstream processes (survey and planning) to downstream processes (design, construction management and project completion)

Consensus
Building
Capabilities

Bringing together local residents, government, business owners and other stakeholders to drive urban development

Comprehensive
Capabilities

Building on OHBA's four segments, including urban development, design, geospatial and environment

OHBA’s Strengths (3) [Finance, Valuation]

- ROE, ROIC, and ROA reflect high profitability among listed companies
- Share price valuations are among the highest in the industry
- Shareholder returns remain high among listed companies
- Financial strength is advantageous for securing orders, recruiting human resources, and expanding options for management strategies, such as M&A

< Performance >

- Sales growth is modest, but profit margins are high

< Valuation >

- ROE, ROIC, and ROA reflect high profitability among listed companies
- Share price valuations are among the highest in the industry

< Productivity >

- Industry-leading sales and operating profit per employee

< Shareholder Returns >

- Shareholder returns remain high among listed companies

(unit: %)	OHBA	Industry Avg.
OP Margin	11.6	8.3

(unit: %)	OHBA	Industry Avg.	TSE Prime Avg.
ROE	10.9	9.1	9.4
ROIC	9.9	6.8	-
ROA	7.6	5.5	3.1

(unit: JPY mn)	OHBA	Industry Avg.
Sales per employee	31.8	23.9
OP per employee	3.7	1.9

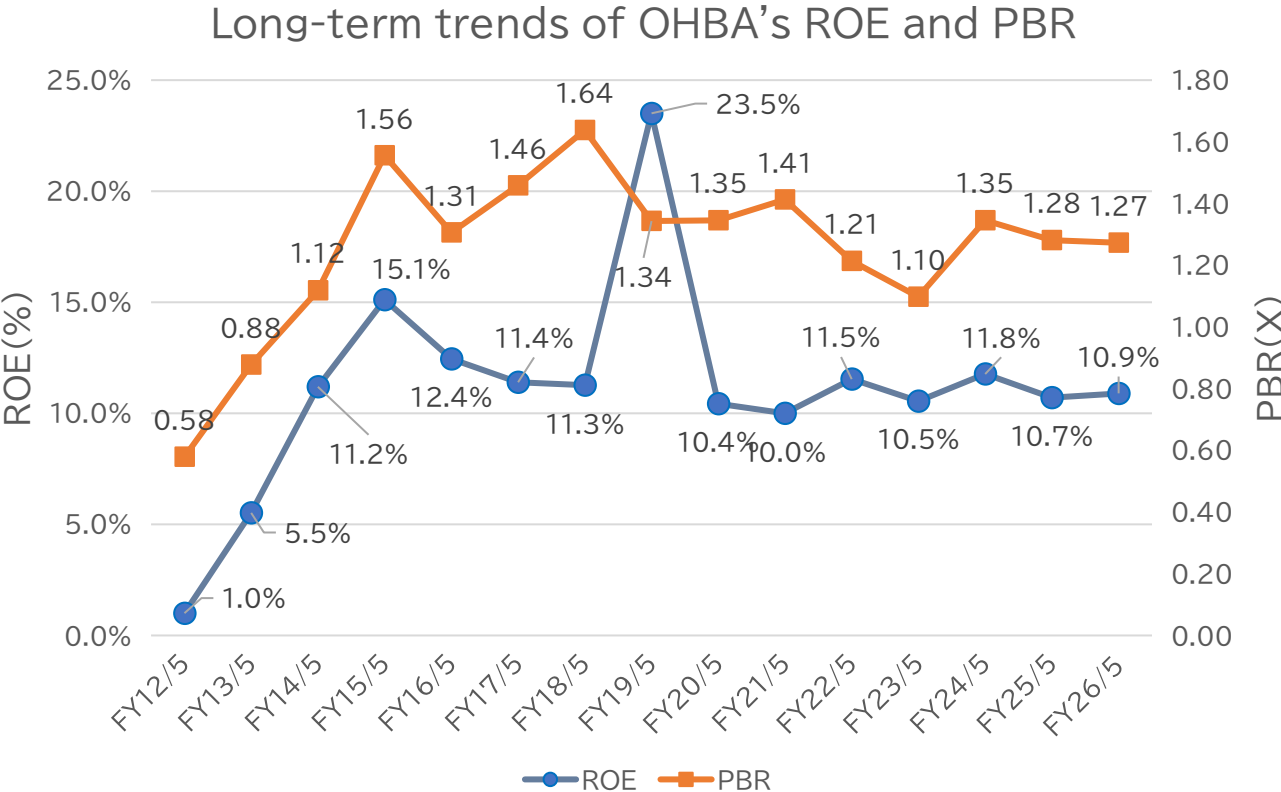
(unit: %)	OHBA	Industry Avg.	TSE Prime Avg.
Dividend payout ratio	47.6	39.1	35.7
Total return ratio	59.2	-	-

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

- Financial strength is advantageous for securing orders, recruiting human resources, and expanding options for management strategies, such as M&A.
- Need a strategy that ensures further growth and engages in constructive dialogue with investors to gain further market recognition

Management that is Conscious of Cost of Capital and Stock Price

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



P/B Linked to ROE Improvement

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

Aiming to improve ROE

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

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

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

■ Our cost of shareholders' equity assumptions

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

$$\text{Cost of shareholder's equity} = \text{Risk-free rate} + \text{Beta} \times \text{Market risk premium}$$

■ Our cost of shareholders' equity range

Our cost of equity ranges from 6.0% to 8.0%. ROE is currently 10.9%, which is above the cost of equity and secures excess returns.*

$$\text{Excess Return} = \text{ROE} - \text{Cost of shareholder's equity}$$

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

■ Reducing the cost of shareholders' equity

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

Initiatives since the previous fiscal year

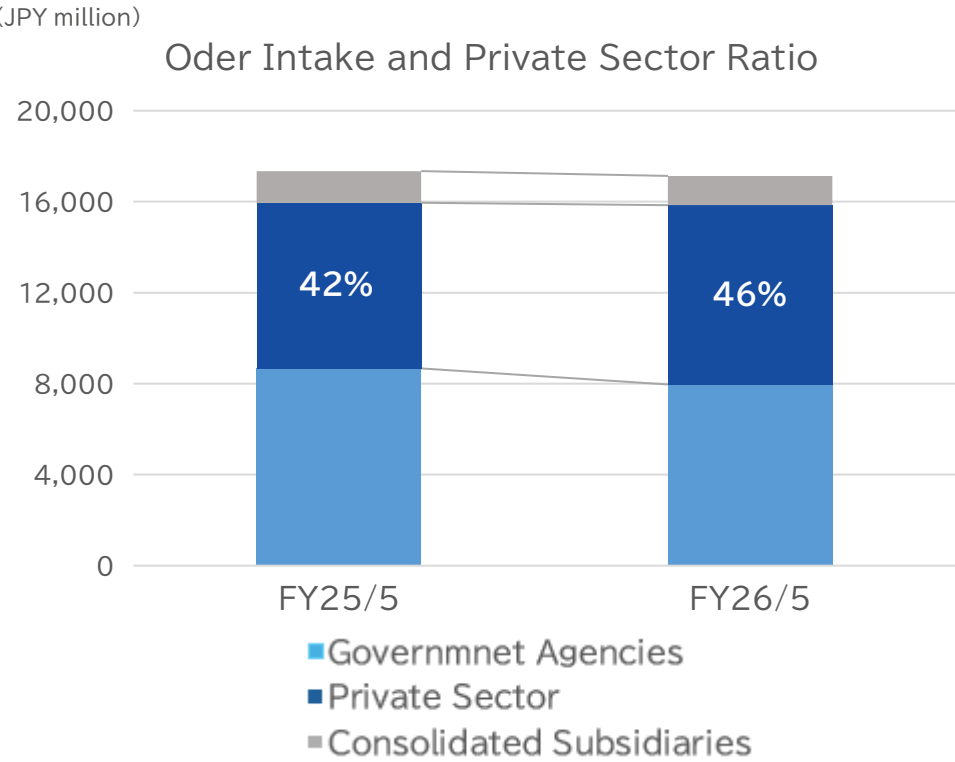
- Video release of financial results briefings (Q2 and full year)
- Publication of third-party research reports (in both Japanese and English)
- Holding IR seminars for individual investors
- Expansion of English-language information disclosure
- Establishment of IR/SR Office

Current Business Performance

Order-Related Topics

[Overview] Order intake remained steady in both government agencies and the private sector

- Order intake: JPY 17,136 million (vs. JPY 17,345 million in the previous period)
- Backlog: JPY 9,584 million (vs. JPY 9,458 million in the previous period)



[Government Agencies] JPY 7,966 mn (vs. JPY 8,671 mn in previous period)

- **Supporting the swift recovery and reconstruction from the Noto Peninsula Earthquake.**
 - 2024 On-site damage survey work related to the Noto Peninsula Earthquake (Part 1)
 - 2024 Study and survey of urban reconstruction measures in response to the damage from the Noto Peninsula Earthquake (Part 1)
 - 2024 Study on project implementation measures for reconstruction from the Noto Peninsula Earthquake (Part 1)
 - 2025 Study on Wajima City Reconstruction and Urban Planning
- **In our efforts to address social issues, we placed emphasis on strengthening defense civil engineering.**
 - Basic policy formulation for optimizing Self-Defense Force facilities
 - Master plan development for optimizing Self-Defense Force facilities (Part 1)
 - Master plan development for optimizing Self-Defense Force facilities (Part 6)
 - 2025 design, management, and related services for optimizing Self-Defense Force facilities
 - Comprehensive facility optimization design for Hyakuri and other facilities (6)
 - Comprehensive facility optimization design for Sapporo (6)
 - Comprehensive facility optimization design for Asaka (6) (Part 1)

[Private Sector] JPY 7,881 mn (vs. JPY 7,282 mn in the previous period)

- **Growth in industrial and logistics land development-related work, backed by an increase in private-sector demand.**
 - Development permits, civil engineering design work, etc. related to the construction of a semiconductor plant in Kumamoto; services related to the Kumamoto Science Park Initiative
 - Development planning services for the first next-generation core logistics facility of its kind in the Tohoku region, directly connected to a highway interchange
- **New town land readjustment projects resulting from the incorporation of urbanization zones and town planning around an industrial hub.**
 - Miyagi Prefecture Wide-Area Sen-en City plan, Land Reallotment Design Services for the Haramizu station area land readjustment project, and town planning around an industrial hub

[Consolidated Subsidiaries] JPY 1,287 mn (vs. JPY 1,392 mn in the previous period)

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

FY2027/5 Earnings Plan

- **Government Agencies:** Public investment remains firm, supported by ongoing efforts in disaster prevention and mitigation, maintenance of aging social infrastructure, national resilience, and defense-related civil engineering. The order environment is expected to remain roughly on par with the previous period.
- **Private Sector** The increase in private demand, such as the domestic relocation of production bases (manufacturing) and support for industrial land and logistics site development due to investment from overseas, is expected to continue to see a favorable order environment.
- **Land Readjustment** We are focusing on continuously securing large-scale land readjustment projects and launching new districts in both the public and private sectors, as well as being focused on promoting new urban land readjustment projects and project agency services initiated by the incorporation into urbanized areas.

(JPY million)

	FY26/5 Actual	FY27/5 Plan	Amount of Change	% Change
Net sales	17,011	17,500	488	2.9%
Operating profit	1,965	2,050	84	4.3%
Ordinary profit	2,141	2,100	-41	-1.9%
Profit attributable to owners of parent	1,468	1,450	-18	-1.3%

Shareholder Returns

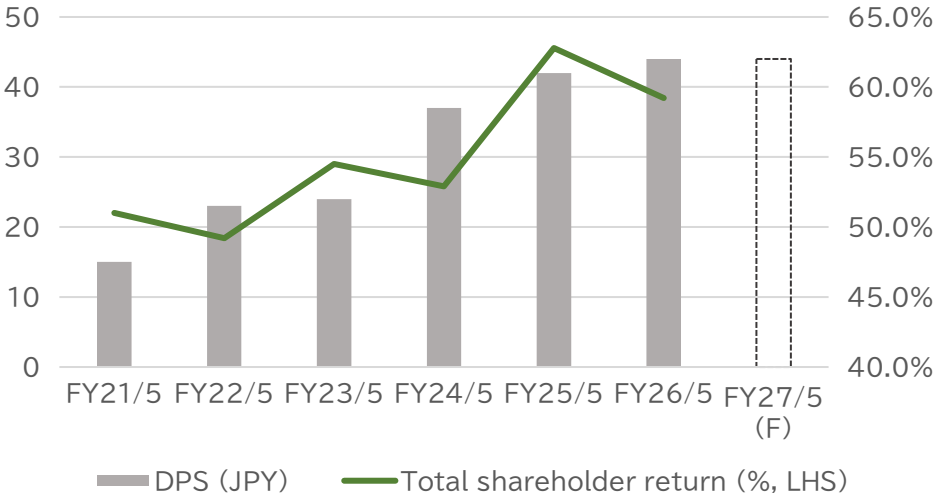
Shareholder Returns

- **Shareholder return policy:** Based on the shareholder return policy set forth in the Medium-Term Management Plan, we aim for a total return ratio of around 60% and a dividend payout ratio of around 50%.
- **Dividends:** FY2026/5: Annual DPS of JPY 44 with a 47.6% payout ratio, FY2027/5: Annual DPS of JPY 44 (expectation)
- **Share buy-back:** For FY2026/5, we acquired treasury shares worth JPY 172 million, resulting in a total return ratio of 59.2%. We have continued acquiring treasury shares since June 2026.

Track records of shareholder returns, and forecast

	FY22/5	FY23/5	FY24/5	FY25/5	FY26/5	FY27/5 (F)
DPS (JPY)	23	24	37	42	44	44
Dividend payout ratio (%)	34.3%	36.0%	44.2%	50.2%	47.6%	48.0%
Share buy-back (JPY million)	162	199	116	173	172	-
Total shareholder return (%)	49.2%	54.5%	52.9%	63.0%	59.2%	-

Changes in DPS/total shareholder return, and DPS forecast



Shareholder Benefit Program (1) QUO Cards [General-purpose prepaid cards]

In appreciation of our shareholders’ continued support, and with the aim of further enhancing the attractiveness of our stock as an investment and encouraging long-term ownership, we have decided to expand our shareholder benefits program.

< Prior to Change >

Holding Period	Number of Shares Held	Benefit
Less than 1 year	100 to less than 500 shares	—
Less than 1 year	500 to less than 1,000 shares	QUO Card 1,000 JPY
Less than 1 year	1,000 shares or more	QUO Card 2,000 JPY
1 year or more	100 to less than 500 shares	QUO Card 500 JPY
1 year or more	500 to less than 1,000 shares	QUO Card 3,000 JPY
1 year or more	1,000 shares or more	QUO Card 7,000 JPY

< After Change > (Underlined parts show the changes)

Holding Period	Number of Shares Held	Benefit
Less than 1 year	100 to less than 500 shares	—
Less than 1 year	500 to less than 1,000 shares	QUO Card 1,000 JPY
Less than 1 year	1,000 shares or more	QUO Card <u>4,000 JPY</u>
1 year to <u>less than 3 years</u>	100 to less than 500 shares	QUO Card 500 JPY
1 year to <u>less than 3 years</u>	500 to less than 1,000 shares	QUO Card 3,000 JPY
1 year to <u>less than 3 years</u>	1,000 shares or more	QUO Card 7,000 JPY
<u>3 years or more</u>	100 to less than 500 shares	QUO Card <u>800 JPY</u>
<u>3 years or more</u>	500 to less than 1,000 shares	QUO Card <u>4,000 JPY</u>
<u>3 years or more</u>	1,000 shares or more	QUO Card <u>10,000 JPY</u>

A “Holding Period” of “1 year or more” refers to shareholders who have held the Company’s shares for more than one year as of the last day of May each year, in an amount equal to or greater than the base “number of shares held”. Shareholders who have continuously held the Company’s shares for “1 year or more” mean shareholders who have been listed or recorded five or more consecutive times in the Company’s shareholder registry as of the last day of May of the previous year, the last day of August of the previous year, the last day of November of the previous year, and the last day of February and the last day of May of the present year under the same shareholder number.

Regarding the “Holding Period” of “3 Years or More,” shareholders who have continuously held the required number of shares or more for over three years as of May 31 each year will be eligible. A “shareholder who has continuously held shares for over three years” refers to those who, under the same shareholder number, have been listed or recorded in the shareholder register for 13 or more consecutive record dates (end of May, end of August, end of November, end of February, and end of May) as of May 31 each year.*

Shipping Schedule: Planned for late August.

Shareholder Benefit Program (2) “Chocolabo” Chocolate Confectionery

At our company, as part of our shareholder benefit program, starting from the record date at the end of the interim period in November 2023, we began to present shareholders holding 2,500 shares or more with chocolate confectionery from “Chocolabo” once a year. “Chocolabo” is a chocolate workshop founded in Yokohama with the aim of creating job opportunities for people with disabilities. As part of our corporate social responsibility, we support and endorse the mission and philosophy of “Chocolabo”.

Chocolabo: Japan’s first welfare-based chocolate workshop, established in 2012 (located in Tsuzuki Ward, Yokohama City; Representative Director: Noriyuki Ito)
Shipping date: Late April each year



Growth Strategy

Quantitative Targets of Medium-Term Management Plan (1)

- Target Period: FY5/24– FY5/28 (5 years)
- Positioning: Drive forward into the Next Century; the first stage of “taking on challenges” and “making strides into the future”
- Quantitative Targets: Net sales of JPY 20 billion, consolidated operating profit of JPY 2.4 billion, consolidated operating margin of 12%, ROE of 12%, ROIC of 12%

Target Period	FY5/24– FY5/28 (5 years)		
Positioning	•Drive forward into the Next Century •The first stage of “taking on challenges” and “making strides into the future”		
Quantitative Target	• Consolidated net sales	FY5/28 (plan):	JPY 20,000 million (JPY 17,011 million)*
	• Consolidated operating profit	FY5/28 (plan):	JPY 2,400 million (JPY 1,965 million)
	• Stable growth of core businesses + development of new markets and new businesses to aid in resolving social issues ⇒ (1) Improve profitability (promoted from the previous medium-term management plan, profit from scale, etc.) + (2) Improve top line (boost number of technicians, revise technician prices, improve productivity, etc.)		
	• Consolidated operating margin	FY5/28 (plan):	12% (11.6%)
	• ROE	FY5/28 (plan):	12% (10.9%)
	• ROIC	FY5/28 (plan):	12% (9.9%)
	* Figures in parentheses are FY5/26 results		

Quantitative Targets of Medium-Term Management Plan (2)

- Target Period: FY5/24– FY5/28 (5 years)
- Positioning: Drive forward into the Next Century; the first stage of “taking on challenges” and “making strides into the future”
- Quantitative Targets: Net sales of JPY 20 billion, consolidated operating profit of JPY 2.4 billion, consolidated operating margin of 12%, ROE of 12%, ROIC of 12%

Shareholder Returns

- Total payout ratio for FY5/28 (plan): **60%** (59.2%)
- Dividend payout ratio for FY5/28 (plan): **50%** (47.6%)

As OHBA’s profitability and technological capabilities have steadily improved, and our financial position has been further enhanced, we would like to provide even greater shareholder returns and aim for a total shareholder return ratio of approx. 60% and a dividend payout ratio of approx. 50%.

Figures in parentheses are FY5/26 results

Other

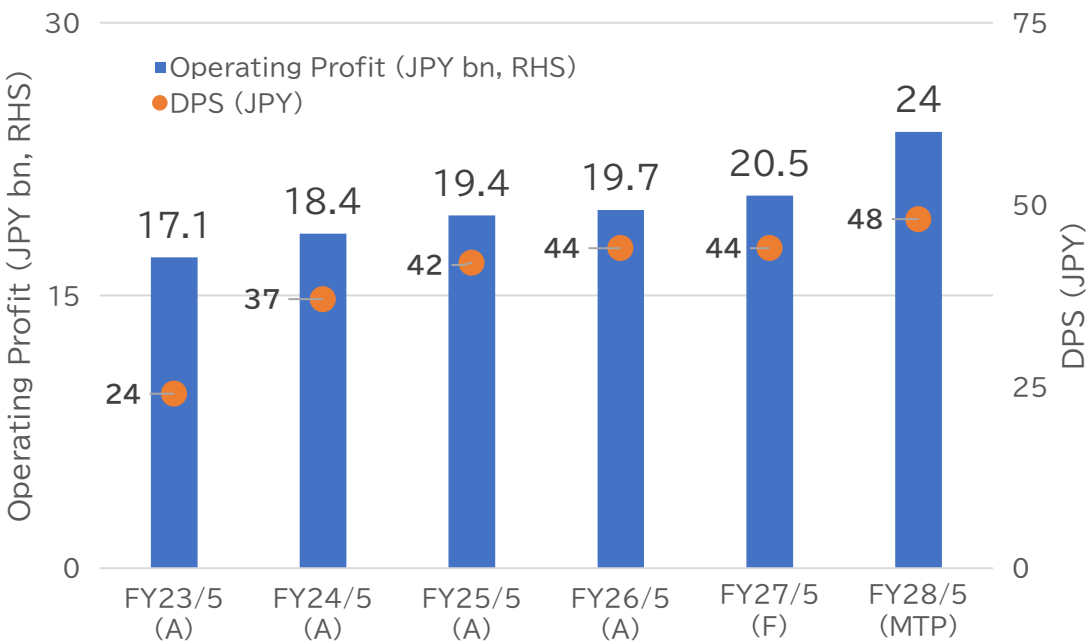
- Consolidated employee headcount in FY5/28 (plan): **650** (535)
- Consolidated qualified personnel headcount in FY5/28 (plan): **650** (510) *

Figures in parentheses are FY5/26 results

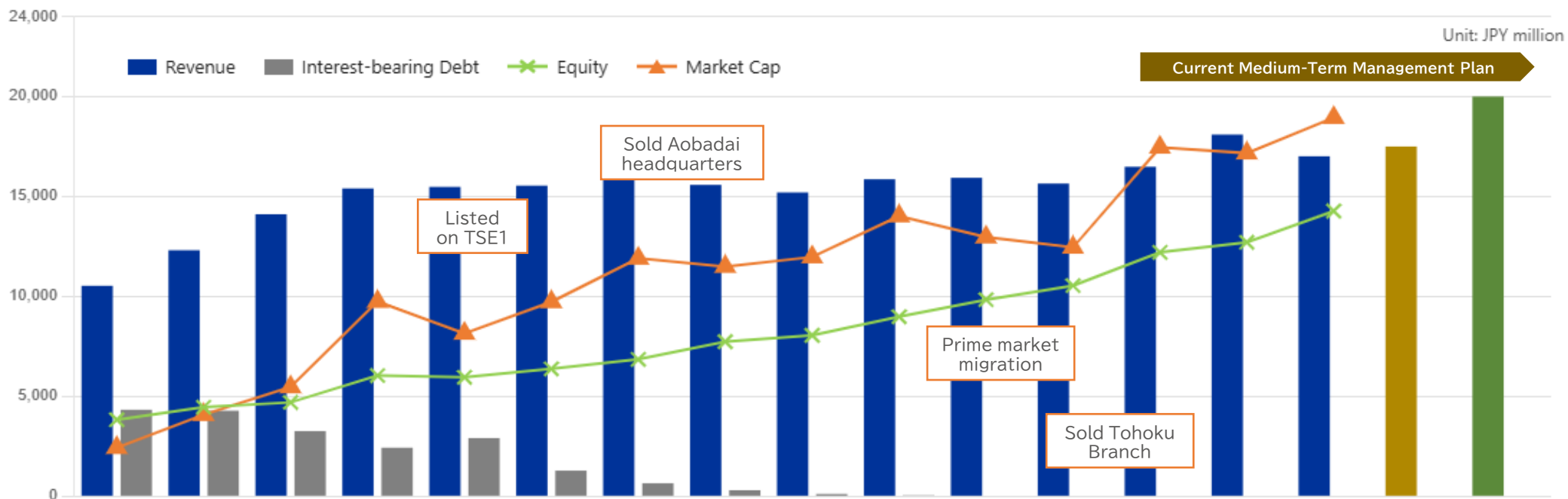
- Technicians: 430 (399), Certified Engineers: 300 (249), RCCM: 270 (206), First-class Architects: 30 (21) APEC: 50 (34)

Figures in parentheses are FY5/26 results

Image of dividend increases during the Medium-Term Management Plan period



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



	FY12/5	FY13/5	FY14/5	FY15/5	FY16/5	FY17/5	FY18/5	FY19/5	FY20/5	FY21/5	FY22/5	FY23/5	FY24/5	FY25/5	FY26/5	FY27/5 Forecast	FY28/5 Mid-term Plan
Revenue	10,534	12,312	14,112	15,402	15,479	15,542	16,086	15,581	15,202	15,862	15,933	15,647	16,485	18,096	17,011	17,500	20,000
Operating Profit	171	317	583	790	915	1,045	1,073	1,104	1,144	1,334	1,582	1,714	1,842	1,936	1,965	2,050	2,400
Operating Margin	1.6%	2.6%	4.1%	5.1%	5.9%	6.7%	6.7%	7.1%	7.5%	8.4%	9.9%	11.0%	11.2%	10.7%	11.6%		12.0%
Net Profit	39	229	512	811	746	702	744	1,715	823	852	1,085	1,075	1,339	1,334	1,468	1,450	
Interest-bearing Debt	4,333	4,286	3,265	2,437	2,918	1,291	658	312	120	60	0	0	0	0	0		0
Equity	3,838	4,462	4,702	6,044	5,955	6,378	6,852	7,738	8,055	8,984	9,839	10,545	12,208	12,711	14,273		
Equity Ratio	37.7%	37.4%	39.5%	52.3%	46.9%	57.5%	60.6%	62.8%	62.1%	65.7%	68.2%	65.4%	68.0%	71.0%	68.9%		
ROE	1.0%	5.5%	11.2%	15.1%	12.4%	11.4%	11.3%	23.5%	10.4%	10.0%	11.4%	10.6%	11.8%	10.7%	10.9%		12.0%
Stock Price	130	218	292	520	435	523	640	618	656	779	741	722	1,027	1,025	1,148		
Market Cap	2,436	4,085	5,471	9,744	8,151	9,729	11,905	11,496	11,972	14,022	12,967	12,454	17,459	17,168	18,942		

*1 FY18/5 figures include real estate sales of JPY 2,050 million (transfer gain JPY 230 million).

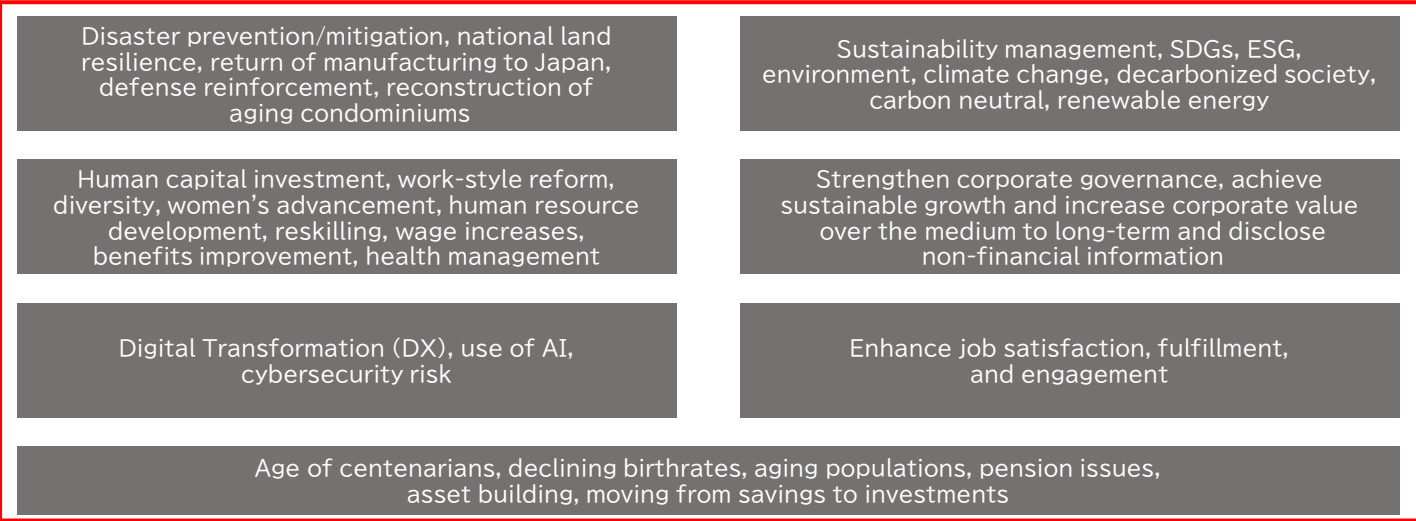
*2 FY19/5 figures include extraordinary gain of JPY 1,409 million from business real estate sales.

*3 Stock price and market capitalization are based on the closing price on the last day of the fiscal year period.

Environment Surrounding Our Company

- Operating profit has increased for 15 consecutive periods, and core business operations have shown stable growth.
- In addition, there are new fields with potential for market expansion driven by resolving social issues, etc.
- Specific examples include disaster prevention/mitigation, national land resilience, return of manufacturing to Japan, expansion of foreign companies into Japan, defense civil engineering, etc.

< Social Issues >



< Industry Trends >



Our Understanding of the Environment

- Japanese companies will return their manufacturing operations to Japan, and foreign companies will enter the Japanese market.
 - Demand for defense civil engineering will increase as the defense budget increases.
 - Earthquake reconstruction-related demand is decreasing, but disaster prevention/mitigation and national land resiliency-related demand will grow.
- Market for zoning and business outsourcing will be large, especially in the Tohoku region following its incorporation of urbanization zones.
 - Sustainability initiatives, human capital investment, etc. are essential.
 - Securing and developing human resources is essential to achieving our targets, amidst intensifying competition for human resources.

Resolving Social Issues (1)

■ Resolving Social Issues

- ① Disaster Prevention/Mitigation, National Land Resilience
- ② Defense Civil Engineering
- ③ Urban Planning
- ④ Urban Reconstruction

- ⑤ Environment and Building a Decarbonized Society
- ⑥ Smart City/Urban Planning DX
- ⑦ Business Solutions and Civil Engineering Management (Reconstruction of Aging Condominiums, etc.)

① Disaster Prevention/Mitigation, National Land Resilience

- National Land Resilience Plan
- Pre-disaster recovery reconstruction urban planning plan (secure orders for guidelines to make pre-disaster recovery reconstruction preparations mainstream)
- Undergrounding-related work (secure orders for guidelines to move utility poles underground in urban planning projects)
- Compensation survey for infrastructure development
- Inspection and asset management for roads, bridges, and other infrastructure facilities
- Basin flood-control related work
- Investigation and restoration work in the event of natural disasters
 - ⇒ 2024 On-site damage survey work related to the Noto Peninsula Earthquake (Part 1)
 - 2024 Study and survey of urban reconstruction measures in response to the damage from the Noto Peninsula Earthquake (Part 1)
 - 2024 Study on project implementation measures for reconstruction from the Noto Peninsula Earthquake (Part 1)
 - 2024 Feasibility Study on Group Relocation for Disaster Prevention
 - 2025 Wajima City Reconstruction and Town Planning Study
 - Project to support reconstruction from the torrential rains in western Japan (opening of Mabifureai Park, Kurashiki City, Okayama Prefecture)
- Hazard investigation and analysis of foundation survey, etc. based on the Specific Fill Regulation Act.

② Defense Civil Engineering

- Survey and design work for optimizing bases and garrisons to strengthen Self-Defense Force facilities
 - ⇒ Basic policy formulation for optimizing Self-Defense Force facilities
 - Master plan development for optimizing Self-Defense Force facilities (Part 1)
 - Master plan development for optimizing Self-Defense Force facilities (Part 6)
 - 2025 Design and Management of Optimization of Self-Defense Forces Facilities
 - Comprehensive facility optimization plan for Hyakuri and other facilities
 - Comprehensive facility optimization plan for Sapporo (6)
 - Comprehensive facility optimization plan for Asaka (6) (Part1)

③ Urban Planning

- Develop industrial and logistics sites with the return of production bases to Japan and the entry of foreign investment
 - ⇒ Development permits, civil engineering design work, etc. related to the construction of a semiconductor plant in Kumamoto; services related to the Kumamoto Science Park Initiative.
 - Development planning services for the first of its kind next-generation core logistics facility (for autonomous driving) in the Tohoku region, directly connected to a highway interchange
- Develop land along high-standard main highways
 - New town land readjustment projects resulting from the incorporation of urbanization zones and town planning around an industrial hub
 - ⇒ Miyagi Prefecture, Sen-en City plan, Reallotment design services for the Haramizu station area Land Readjustment Project in Kumamoto Prefecture
 - Former US military base sites
 - ⇒ Former Kamiseya telecommunication facility area land rezoning project (for the 2027 International Horticultural Exposition)
 - Conversion of land use of former large factories, etc.



Note: The matters shown in red text indicate large-scale contracts

Resolving Social Issues (2)

■ Resolving Social Issues

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

④ Urban Reconstruction

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

⑤ Environment and Building a Decarbonized Society

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



Note: Red letters indicate large-scale contracts

⑥ Smart City/Urban Planning DX

- Creating new public-private model associated with the shift to open data
- Implementation of smart urban planning
- Digital transformation of infrastructure deterioration diagnostics, compensation surveys, disaster assessments, etc. through 3D data measurement, analysis, and model creation

⑦ Business Solutions and Civil Engineering Management

- Business outsourcing
⇒ Miyagi Prefecture. Sen-en wide-area city planning
- Consulting for reconstruction of aging condominiums
- Inheritance tax, real estate utilization consulting
- Maintenance and management of public and private idle land
- Surveying and measurement
- Support for sale and disposal
⇒ (2026) Survey of unutilized state-owned land (greater Tokyo area), bidding support services, and (2026) survey of unutilized state-owned land (Kitakanto & Shinetsu region) services

Investment in Human Capital, etc. (1)

- Boost Headcount ⇒ ① Step Up Recruitment of New Graduates ② Step Up Recruitment of Mid-Career Professionals (Employee Recruitment)
- Improve Employee Motivation ⇒ ① Improve Treatment ② Accelerate Promotion to Managerial Positions ③ Promote Women's Advancement ④ Improve Compensation for Senior Employees ⑤ Career Development ⑥ Work-Life Balance ⑦ Enhance Welfare System
- Third-Party Certification ⇒ Eruboshi (2 levels) , Platinum Kurumin, Hataraku Yell (Welfare Promotion Organization)

Boost Headcount

- Step Up Recruitment of New Graduates (Recruitment of Women)
 - Hire approx. 30-35 people per year; actively recruit women
- Step Up Hiring of Mid-Career Professionals (Employee Recruitment)
 - Hire approx. 80 people during the Medium-Term Management Plan period (70 in engineering, 10 in sales and administrative divisions), and encourage the use of human resource agencies, etc.

Improve Employee Motivation

• Improve Treatment

- Announced plans to increase wages by 3% or more YoY for the fourth consecutive period
- Raising wages of young employees (Continue raising base pay consistently) → Lifted starting salaries over the six-year period from FY5/21 to FY5/26, and plan to continue this from FY5/27 onward
- Accelerating promotion for younger employees
- Raising technological allowances in line with measures aimed at improving technological capabilities
- Increasing retirement benefits

• Accelerate Promotion to Managerial Positions

- Promoting early active participation of young employees (in their 30s)

Investment in Human Capital, etc. (2)

- Boost headcount ⇒
 - ① Step-up recruitment of new graduates
 - ② Step-up recruitment of mid-career professionals (employee recruitment)
- Improve employee motivation ⇒
 - ① Improve treatment ② Accelerate promotion to managerial positions
 - ③ Promote women's advancement ④ Improve compensation for senior employees
 - ⑤ Career development ⑥ Work-life balance ⑦ Enhance welfare system
- Third-party certification⇒ Eruboshi (2 levels) , Platinum Kurumin, Hataraku Yell (Welfare Promotion Organization)

- Promote women's advancement

- Encourage promotion to management positions

- Improve compensation for senior employees

- Introduce performance bonus system for senior employees
 - Increase regular bonuses for senior employees
 - Review of the retirement program for managerial positions
 - Review of employment conditions for re-employed workers

- Career development

- Introduce career consultation system (understand each employee's wishes through career consultation and promote appropriate human resource allocation)

- Work-life balance

- Promote flexible workstyles that are efficient and conducive to work-life balance by utilizing remote working and flextime systems

- Enhance welfare system

- Enhance welfare system from various perspectives to help motivate employees

Third-party certification

•Eruboshi (2 levels) , Platinum Kurumin, Hataraku Yell



Eruboshi Level 2
2019

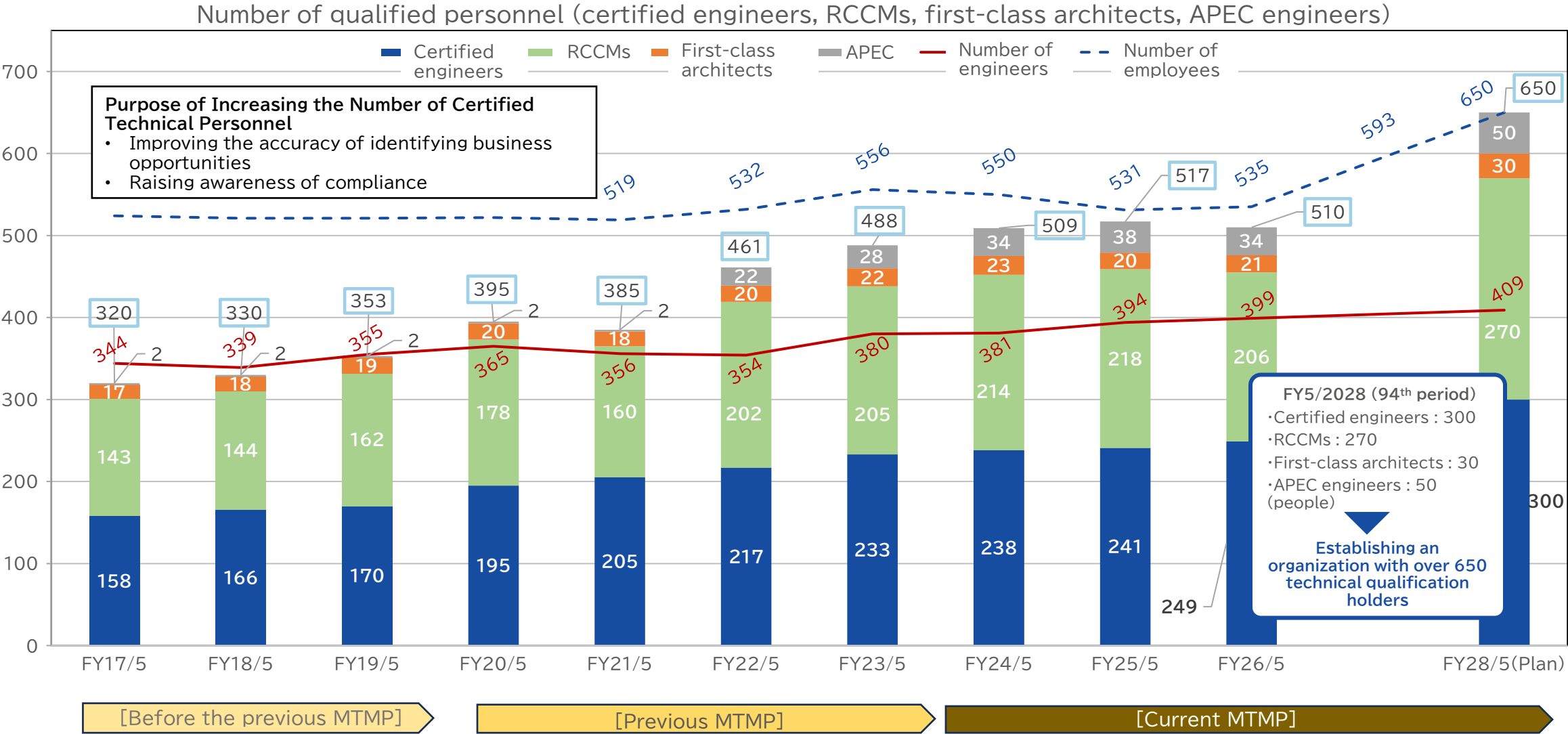


Platinum Kurumin
2022



Hataraku Yell
2026

Number of Qualified Personnel



M&A, Business Alliances

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

⇒Expect further growth

M&A Within the Same Industry

• Expand business through M&A deals with other companies in the same industry

- Increase in engineers and qualified personnel through the addition of personnel
- Synergy effects from expanding business areas
 - Made OHBA Research and Land Surveys Co., Ltd. a subsidiary (in May 2023)
 - Alliance with Pacific Consultants Ltd. (August 9, 2024)
- Analyze growth markets and open areas, consider expansion, etc.
- Streamline by effectively utilizing management resources within the Group

Business Alliances with Other Industries

• Expand business areas through business alliances with other industries (architectural design offices, etc.)

- Expand from land development to redevelopment by leveraging track record and expertise in land development

Our aim for the acquisition of OHBA Research and Land Surveys Co., Ltd. (OLS)

1) There is little overlap in the client base and business fields between OHBA and OLS, and a wide range of synergies can be expected through horizontal expansion, such as cross-selling OHBA’s consulting services to OLS’s tier-one clients.

2) Positioning OLS as the highest priority subcontractor for our geospatial information division will enable us to improve the Group’s in-house production.

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

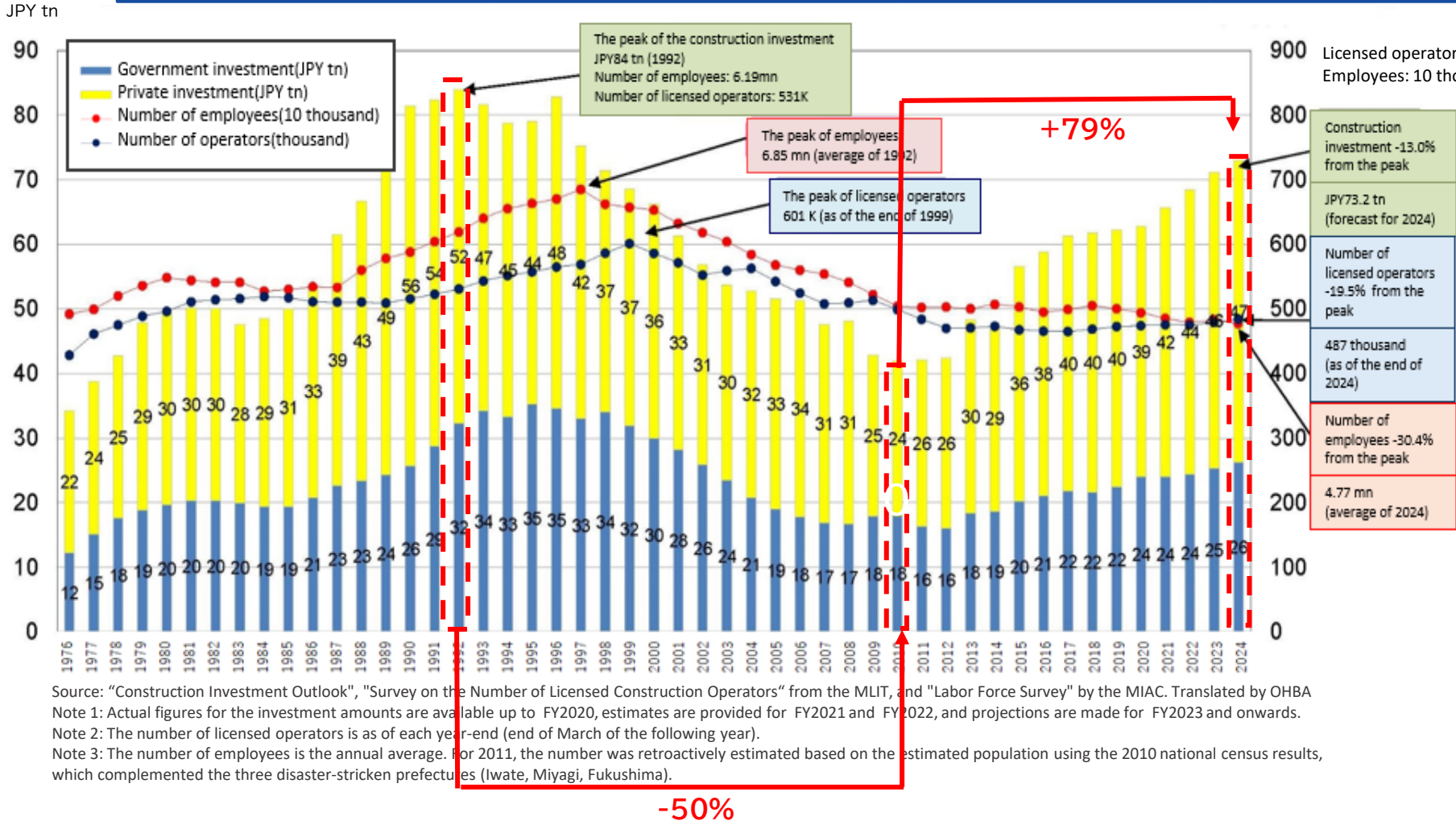
1) Since collaborating on reconstruction projects after the Great East Japan Earthquake, our company and Pacific Consultants Co., Ltd. have worked together on various infrastructure projects to tackle societal issues.

2) With the recent formation of this business partnership, both companies aim to complement and utilize each other's technologies, knowledge, experience, and personnel resources. The goal is to provide even more optimal services for a wide range of societal challenges, including complex infrastructure projects, intensified natural disasters, and recovery and reconstruction efforts.

Appendix

Trends of Construction Investment, Number of Licensed Operators, and Number of Employees

- The amount of construction investment declined from appx. JPY 84 tn in the peak year of 1991 to around JPY 42 tn in 2010, but then turned to an increase, with an expected amount of around JPY 76 tn in 2025 (a decrease of approx. 10% from the peak).
- The number of construction operators (as of the end of 2024) is approx. 480,000, a decrease of about 20% from the peak (at the end of 1999).
- The number of construction industry employees (average for 2024) is 4.77 million, a decrease of approx. 30% from the peak (average for 1997).



Construction investment in Japan JPY trillion

	1992	2010	Change from 1992	2025	Change from 2010	Change from 1992
Private	52	24	-54%	50	101%	96%
Public	32	18	-44%	25	39%	78%
Total	84	42	-50%	75	79%	89%

OHBA's consolidated order intake JPY million

	1992	2010	Change from 1992	2025	Change from 2010	Change from 1992
Order Intake	22,303	10,548	-53%	17,136	62%	77%

Note: Year 1992 is for the parent company only

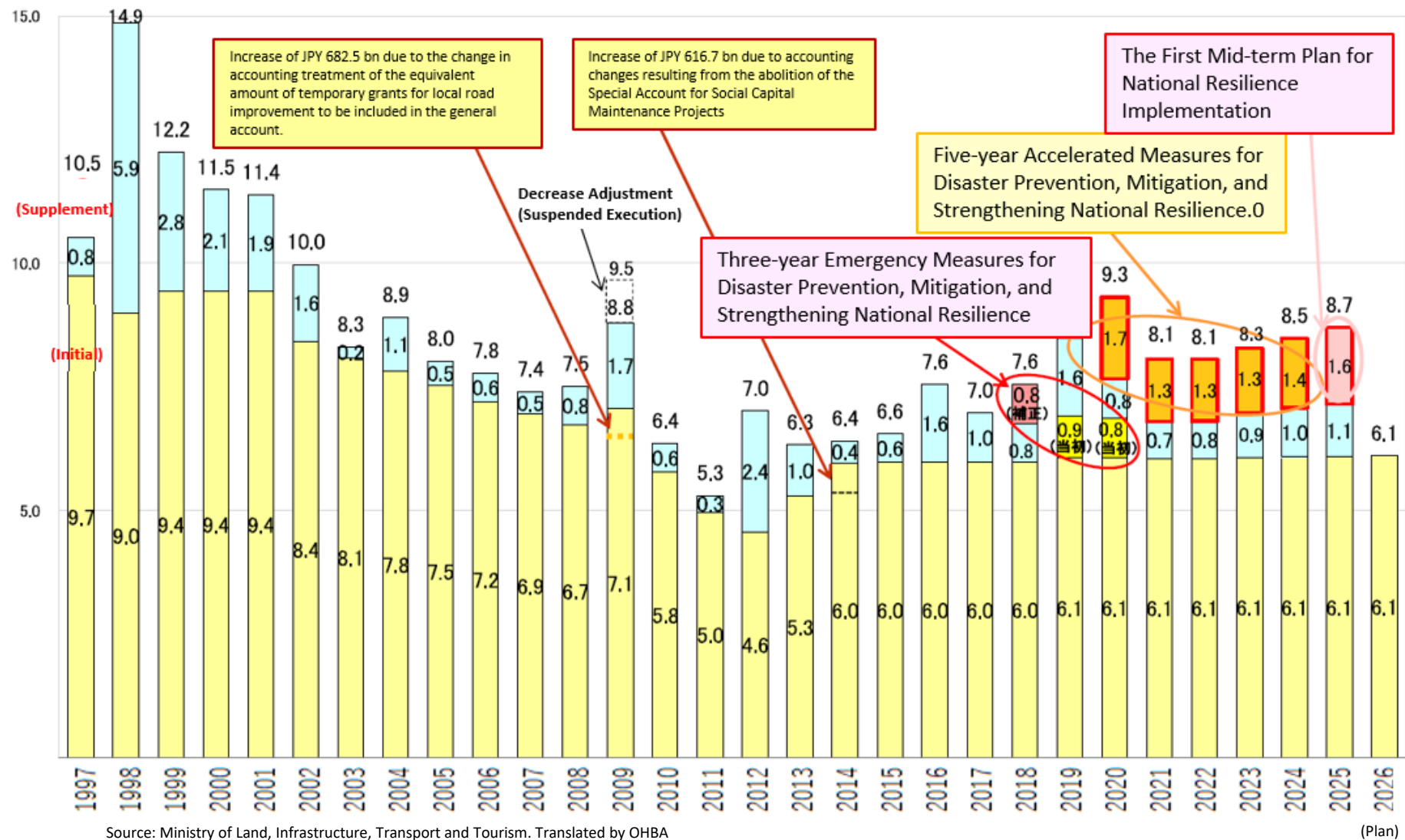
Source: "Construction Investment Outlook", "Survey on the Number of Licensed Construction Operators" from the MLIT, and "Labor Force Survey" by the MIAC. Translated by OHBA

Note 1: Actual figures for the investment amounts are available up to FY2020, estimates are provided for FY2021 and FY2022, and projections are made for FY2023 and onwards.

Note 2: The number of licensed operators is as of each year-end (end of March of the following year).

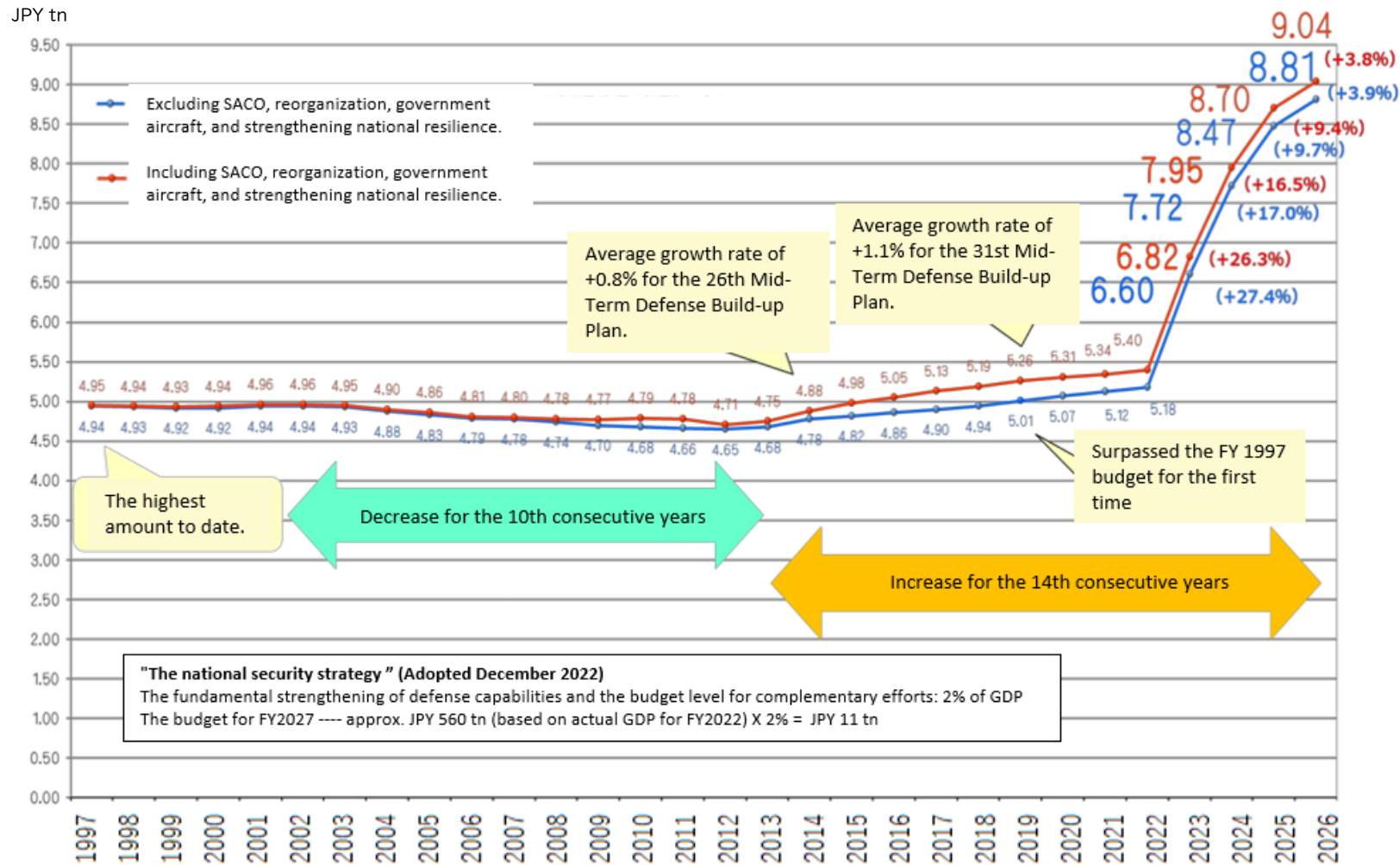
Note 3: The number of employees is the annual average. For 2011, the number was retroactively estimated based on the estimated population using the 2010 national census results, which complemented the three disaster-stricken prefectures (Iwate, Miyagi, Fukushima).

Trends in Public Works-related Expenses (government-wide)



- December 2020
Five-Year Acceleration Plan for Disaster Prevention, Mitigation, and National Resilience (FY2021– FY2025), approx. JPY 15 tn
- June 2025
First Medium-Term Management Plan for National Resilience Implementation (FY2026– FY2030), approx. over JPY 20 tn

Trends in Defense-related Expenses (initial budget)-1



Source: "Defense of Japan 2025" Defense White Paper. Translated by OHBA

Note 1: The expenses related to the introduction of a new government-exclusive aircraft have been included from FY 2015 to FY 2022.

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

Trends in Defense-related Expenses (initial budget)-2

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

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

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

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

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

Defense Civil
Engineering

Trends in Defense-related Expenses (initial budget)-3

Category		Total program expenses for five years	Program expenses for FY2023	Program expenses for FY2024	Program expenses for FY2025	Program expenses for FY2026
Stand-off defense capability		Approx. 5 Trillion Yen	1,413.0 Billion Yen	712.7 Billion Yen	939.0 Billion Yen	973.3 Billion Yen
Integrated air and missile defense capabilities		Approx. 3 Trillion Yen	982.9 Billion Yen	1,228.4 Billion Yen	533.1 Billion Yen	509.0 Billion Yen
Unmanned defense capabilities		Approx. 1 Trillion Yen	179.1 Billion Yen	114.6 Billion Yen	111.0 Billion Yen	273.3 Billion Yen
Cross-domain operation capabilities	Space	Approx. 1 Trillion Yen	152.9 Billion Yen	98.4 Billion Yen	211.9 Billion Yen	135.2 Billion Yen
	Cyberspace	Approx. 1 Trillion Yen	236.3 Billion Yen	202.6 Billion Yen	261.5 Billion Yen	230.6 Billion Yen
	Vehicles, ships, aircraft, etc.	Approx. 6 Trillion Yen	1,176.3 Billion Yen	1,339.1 Billion Yen	1,138.5 Billion Yen	990.6 Billion Yen
Command and control/intelligence-related functions		Approx. 1 Trillion Yen	305.3 Billion Yen	424.8 Billion Yen	385.2 Billion Yen	364.4 Billion Yen
Mobile deployment capabilities/civil protection		Approx. 2 Trillion Yen	239.6 Billion Yen	565.3 Billion Yen	454.5 Billion Yen	192.4 Billion Yen
Sustainability and resiliency	Ammunition, guided missiles	Approx. 2 Trillion Yen (Incl. other fields: Approx. 5 Trillion Yen)	212.4 Billion Yen (Incl. other fields: 828.3 Billion Yen)	401.5 Billion Yen (Incl. other fields: 924.9 Billion Yen)	287.6 Billion Yen (Incl. other fields: 767.5 Billion Yen)	253.3 Billion Yen (Incl. other fields: 907.5 Billion Yen)
	Sustainment and Maintenance for Equipment	Approx. 9 Trillion Yen (Incl. other fields: Approx. 10 Trillion Yen)	1,793.0 Billion Yen (Incl. other fields: 2,335.5 Billion Yen)	1,909.4 Billion Yen (Incl. other fields: 2,336.7 Billion Yen)	1,769.6 Billion Yen (Incl. other fields: 2,224.7 Billion Yen)	1,741.3 Billion Yen (Incl. other fields: 2,124.0 Billion Yen)
	Improving the Resiliency of Facilities	Approx. 4 Trillion Yen	474.0 Billion Yen	631.3 Billion Yen	695.3 Billion Yen	878.4 Billion Yen
Reinforcing defense production base		Approx. 0.4 Trillion Yen (Incl. other fields: Approx. 1 Trillion Yen)	97.2 Billion Yen (Incl. other fields: 146.9 Billion Yen)	83.0 Billion Yen (Incl. other fields: 92.0 Billion Yen)	96.4 Billion Yen (Incl. other fields: 99.6 Billion Yen)	67.8 Billion Yen (Incl. other fields: 95.7 Billion Yen)
Research and development		Approx. 1 Trillion Yen (Incl. other fields: Approx. 3.5 Trillion Yen)	232.0 Billion Yen (Incl. other fields: 896.8 Billion Yen)	225.7 Billion Yen (Incl. other fields: 822.5 Billion Yen)	218.9 Billion Yen (Incl. other fields: 638.7 Billion Yen)	209.7 Billion Yen (Incl. other fields: 709.5 Billion Yen)
Base measures		Approx. 2.6 Trillion Yen	514.9 Billion Yen	513.8 Billion Yen	536.1 Billion Yen	546.2 Billion Yen
Education and training expenses, fuel expenses, etc.		Approx. 4 Trillion Yen	943.7 Billion Yen	911.8 Billion Yen	794.5 Billion Yen	808.2 Billion Yen
Total		Approx. 43.5 Trillion Yen	Approx. 8.9525 Trillion Yen	Approx. 9.3625 Trillion Yen	Approx. 8.4332 Trillion Yen	Approx. 8.2607 Trillion Yen

Defense Civil Engineering

Including Defense Civil Engineering

Source: "Defense of Japan 2026" by Ministry of Defense, translated by OHBA
Note: Figures may not exactly add up due to rounding

1. What is the unit price of engineers for design work, etc.?

- A nationwide uniform unit price used for estimating design work outsourcing, etc. (design, surveying, geology, etc.) ordered by the Ministry of Land, Infrastructure, Transport and Tourism.
- Set unit price for 20 occupations (job classification) based on the results of the annual salary survey.

2. Summary of the unit price for engineers in FY2026

[Simple average of all occupations (job classifications)] JPY 51,715

YoY change (compared with FY2012)
+4.3% (+65.5%)

(Breakdown by occupation)		YoY change
Design work (7)	avg. JPY 62,157	+4.2% (+62.1%)
Surveying (5)	avg. JPY 44,460	+2.2% (+96.0%)
Aeronautical and maritime work (5)	avg. JPY 47,580	+7.0% (+56.8%)
Geological survey work (3)	avg. JPY 46,333	+3.8% (+69.9%)

Note: (numbers) show job classification

(Reference) Growth rate in the past 10 years (average of all occupations (classifications))										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
All occupations	+3.8%	+3.1%	+3%	+3.7%	+3.1%	+1.6%	+3.2%	+5.4%	+5.5%	+5.7%

Source: Translated by OHBA from MLIT website

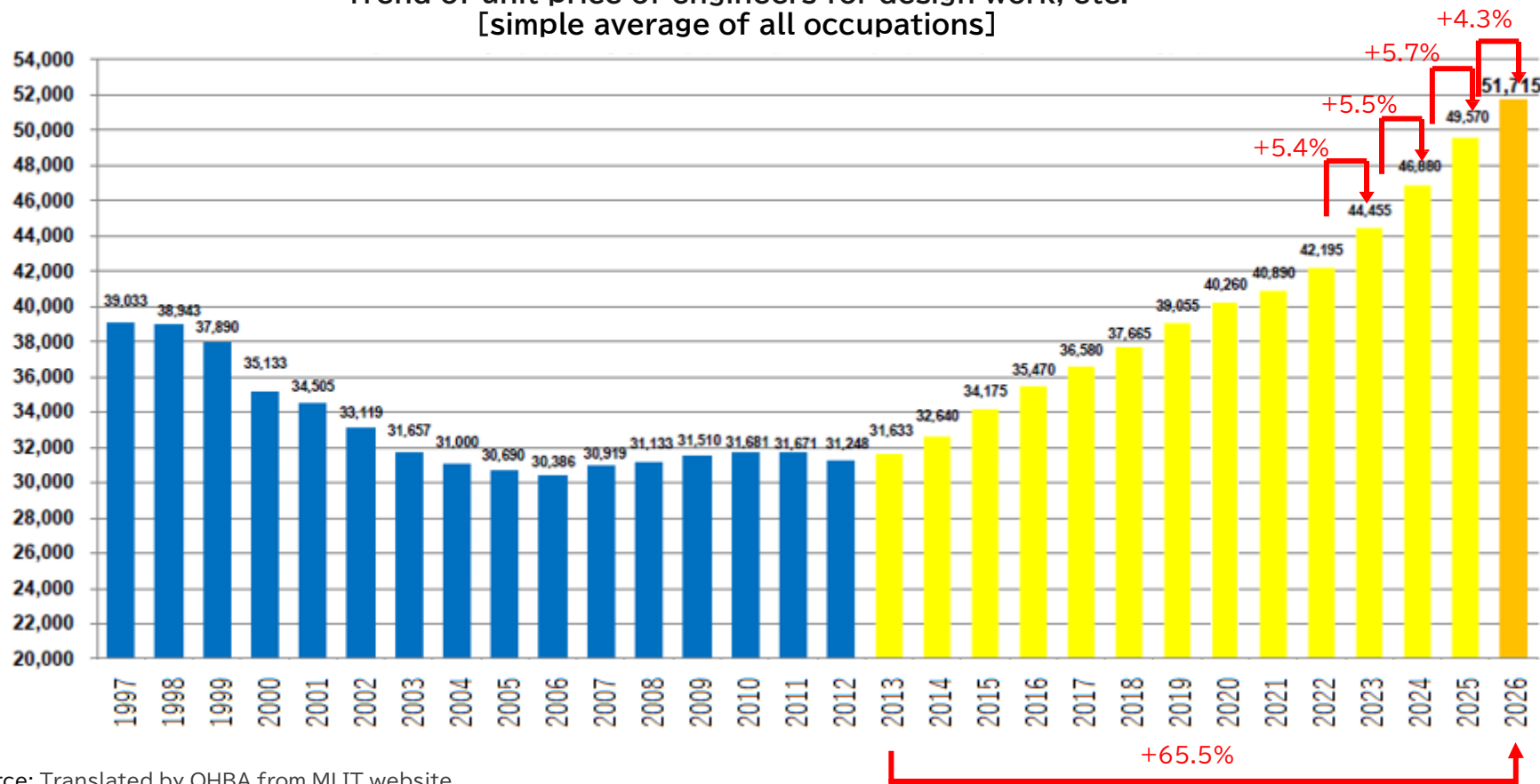
MLIT's Unit Price of Engineers for Design Work, etc. (2)(effective as of March 2026)

Design work, etc. (design, surveying, geological surveying)

◆ Properly and promptly reflected the recent labor cost situation

➡ Average of all occupations: JPY 51,715 Change from March 2025; +4.3%
(Change from 2012 +65.5%)

Trend of unit price of engineers for design work, etc.
[simple average of all occupations]



Source: Translated by OHBA from MLIT website

Important Notes:

Business forecasts and other forward-looking statements are based on information available to the company at the current time and certain assumptions deemed reasonable. Actual results may differ due to various risks and uncertain factors.

Inquiries regarding IR:

Please send your inquiry via the following website:

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