

## Capital Policy in the Medium-term Management Plan

～Report on progress status～

January 29, 2026

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## ● Introduction

- We are approaching the final year of the Company's medium-term management plan "Sustainable Growth 2026: People, Passion, and the Future."
- We have continued the initiatives, including dialogue with capital markets, based on an announcement of the Company's capital policy dated January 31, 2024 and an update dated January 31, 2025. The following is a report of the progress status of those initiatives.

## ● Capital Policy: Progress Highlights

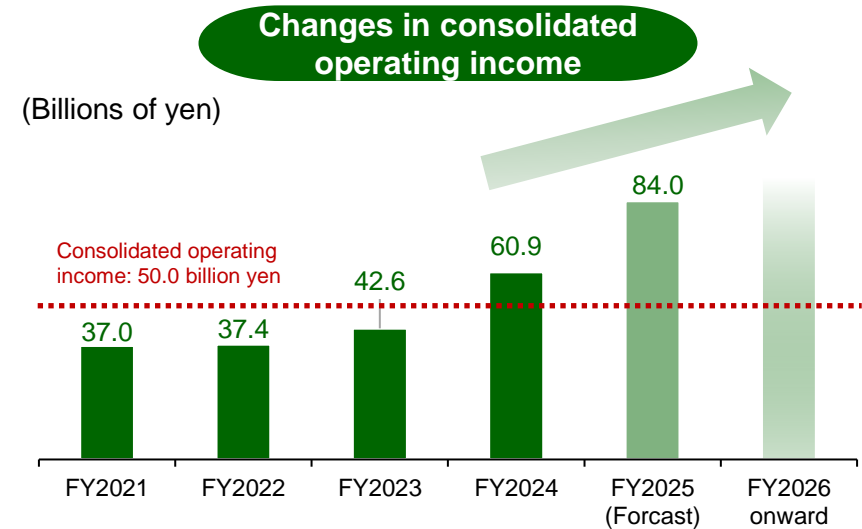
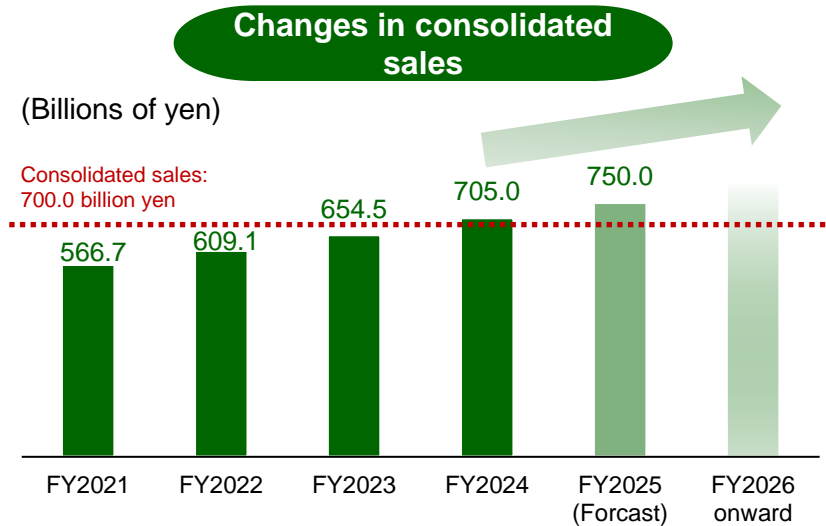
Items	Indicators and Capital Policy in the Medium-term Management Plan	
	Goals	Progress
<b>Growth Vision for FY2026</b>	<p><b>“Aiming for management with consolidated sales of on a scale 700 billion yen”</b>  As growth indicators: consolidated sales of around 700 billion yen, and consolidated operating income of around 50 billion yen</p> <p>Announced in "Medium-term Management Plan [Fiscal 2021 – 2026]"</p>	<ul style="list-style-type: none"> <li>• <b><u>Achieved two years in advance</u></b></li> <li>• FY2024 consolidated sales: 705.0 billion yen; consolidated operating income: 60.9 billion yen</li> <li>• Earnings forecast for FY2025: consolidated sales: 750.0 billion yen; consolidated operating income: 84.0 billion yen</li> </ul> <p>* Announced on January 29, 2026</p>
<b>Reduction of cross-shareholdings</b>	<ul style="list-style-type: none"> <li>• Work to reduce cross-shareholdings to a benchmark of 10% of net assets during the period of the medium-term management plan</li> </ul> <p>Announced in "Capital Policy in the Medium-term Management Plan" in January 2025</p>	<ul style="list-style-type: none"> <li>• Number of cross-held stocks: <u>Reduced from 117 at the end of FY2022 to 89 at the end of FY2024</u>, we are continuing to sell stocks in FY2025 and will continue to reduce cross-held stocks.</li> </ul>
<b>Return to shareholders</b>	<ul style="list-style-type: none"> <li>• Targeting a dividend payout ratio of 40% on a total basis* over the medium-term management plan period; Targeting a total payout ratio of 50–60% over the medium-term management plan period</li> </ul> <p>* Since announcing this initiative, FY2023–FY2026</p> <p>Announced in "Growth Investments in the Medium-term Management Plan and Initiatives to Enhance Corporate Value" in January 2024</p>	<ul style="list-style-type: none"> <li>• Three-year total (FY2023-FY2025)* <u>Dividend payout ratio: 37.9%</u></li> <li>• Three-year total (FY2023-FY2025)* <u>Total payout ratio: 54.0%</u></li> </ul> <p>*Figures for FY2025 are calculated based on the Company's forecast</p>
<b>Capital efficiency (ROE)</b>	<ul style="list-style-type: none"> <li>• Secure an ROE that exceeds the cost of shareholders' equity</li> <li>• Target for the initiative to improve capital efficiency: ROE of 7% or more</li> </ul> <p>Announced in "Capital Policy in the Medium-term Management Plan" in January 2025</p>	<ul style="list-style-type: none"> <li>• <u>ROE: FY2024 result: 8.1%</u>; ROE above initiative target secured</li> <li>• FY2025 ROE forecast: 10.6%</li> </ul>

## ● Growth Vision for FY2026 Progress Status (1/2)

Announced in "Medium-term Management Plan [Fiscal 2021 – 2026]"

**Aiming for management with consolidated sales of on a scale 700 billion yen as a long-term growth vision for fiscal 2026**

- As growth indicators: consolidated sales of around 700 billion yen, and consolidated operating income of around 50 billion yen



- Growth targets were achieved two years in advance.
- Earnings forecasts for FY2025 were revised upward to 750.0 billion yen for consolidated sales and 84.0 billion yen for consolidated operating income\*.

\* Announced on January 29, 2026

- **Growth Vision for FY2026 Progress Status (2/2)**

**Aiming for management with consolidated sales of on a scale 700 billion yen as a long-term growth vision for fiscal 2026**

- The thoughts behind the medium-term management plan and growth vision are as follows:
  - ✓ Even in the face of various changes in the construction industry and market environment, our company must continue to make steady progress toward sustainable growth and development. We must meet the needs of our customers and society as well as fulfill our responsibilities as a company that supports social infrastructure.
  - ✓ To that end, we will proactively develop and expand our foundation centered on human resources, working toward growth with a future vision that aims for even greater heights.
  - ✓ This will lead to greater trust from customers and society and make us an appealing company that attracts people, technology, and attention from society.

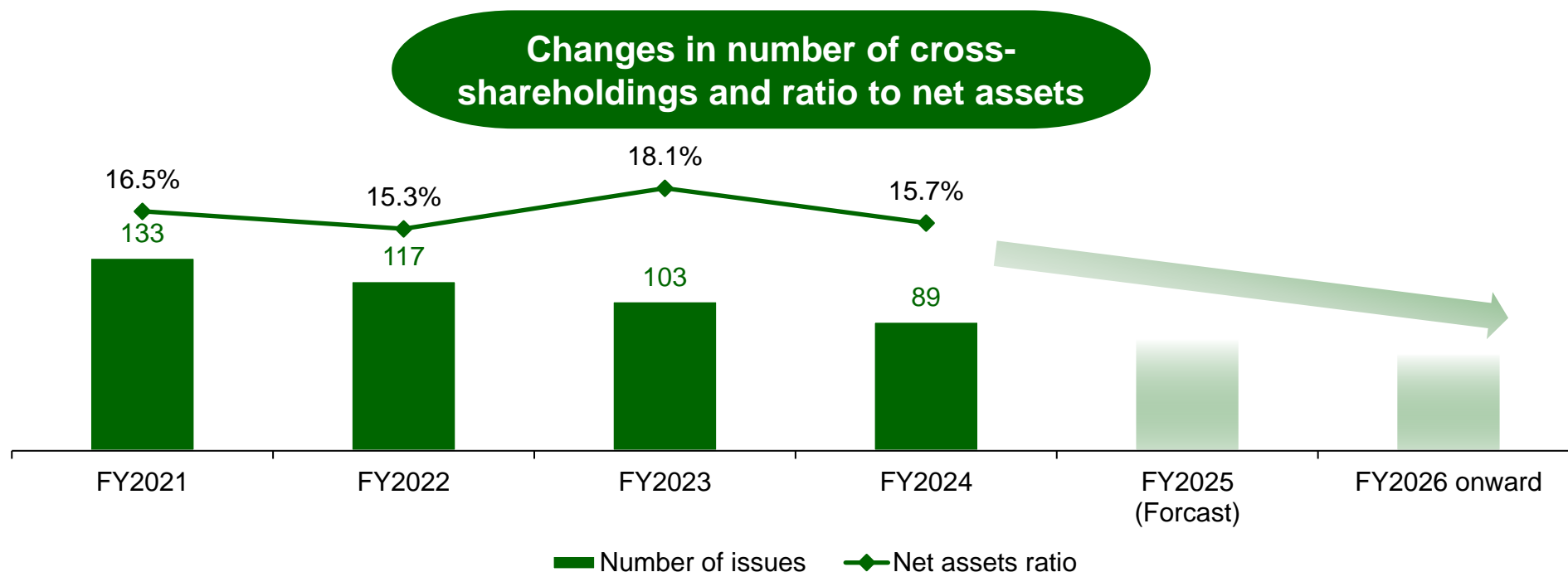


- **Although growth targets were achieved two years in advance, the purpose of the medium-term management plan is the Company's sustainable growth and development and developing and expanding the business infrastructure for that. We will continue advancing the plan and strive to become a more substantial company, while also engaging in value co-creation with multi-stakeholders, including capital markets.**

## ● Reduction of Cross-shareholdings Progress Status

Announced in "Capital Policy in the Medium-term Management Plan" in January 2025

**Cross-shareholdings: Reduce to a target of approximately 10% of net assets during the medium-term management plan period**



- The Company has steadily reduced the number of cross-held stocks through continuous sale.
- We will continue to make efforts to reduce cross-shareholdings.

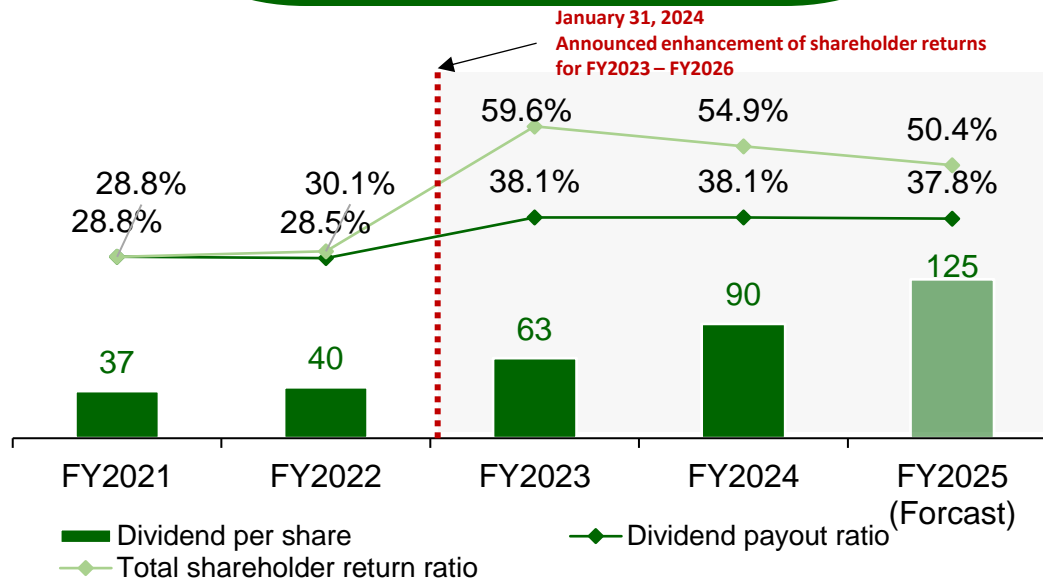
## ● Shareholder Returns Progress Status

Announced in “Growth Investments in the Medium-term Management Plan and Initiatives to Enhance Corporate Value” in January 2024

**Targeting a dividend payout ratio of 40% and a total payout ratio of 50-60% on a total basis\* over the medium-term management plan period**

\* Since announcing this initiative, FY2023–FY2026

### Changes in various indicators related to shareholder returns



	Progress Status	Shareholder Return Target
<b>Dividend payout ratio</b>	Three-year total* (FY2023-FY2025) 37.9%	A benchmark of 40% of the FY2023 - FY 2026 total
<b>Total payout ratio</b>	Three-year total* (FY2023-FY2025) 54.0%	A benchmark of 50-60% of the FY2023 - FY 2026 total

\*Figures for FY2025 are calculated based on the Company's forecast

- The dividend per share for FY2025 has been revised upwards: initially announced at 100 yen at the beginning of the fiscal year, increased to 120 yen at the interim period, and now further revised up to 125 yen.\*
- We aim to provide value to our shareholders through total returns that combine income gains and capital gains.

\* Announced on January 29, 2026

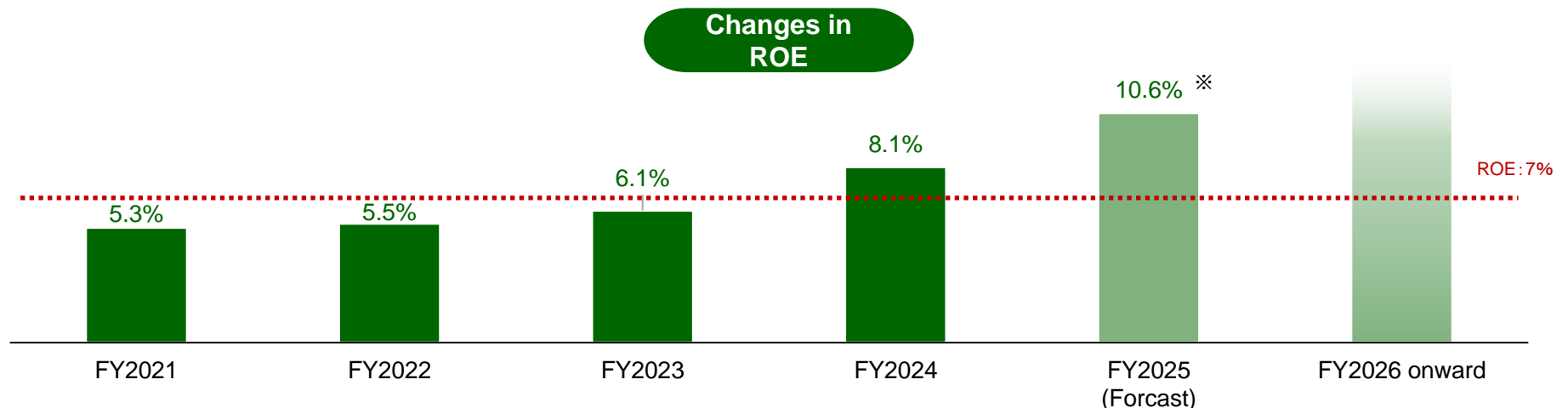


## ● Capital Efficiency (ROE) Progress Status

Announced in "Capital Policy in the Medium-term Management Plan" in January 2025

**Continue to secure an ROE that exceeds the cost of shareholders' equity; target for the initiative to improve capital efficiency: ROE of 7% or more**

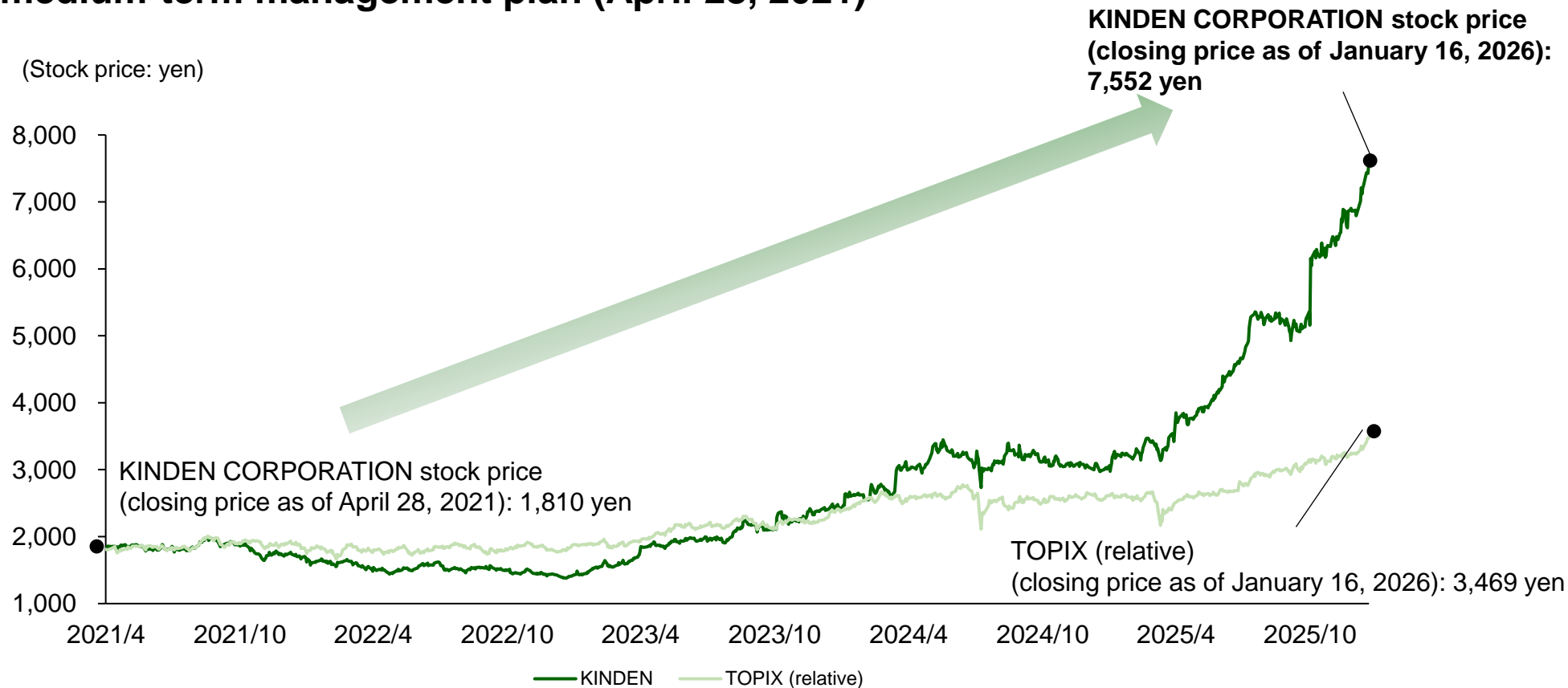
- An ROE of 7% or more is an indicator of our initiatives to improve capital efficiency, which comprehensively take into consideration the sustainable, long-term growth of our business; the necessary internal investment in our business infrastructure and human capital; the securing of liquidity on hand; and the level of shareholder returns. We will ensure an ROE that exceeds the cost of shareholders' equity.



\*Figures for FY2025 are calculated based on the Company's forecast

- The result for ROE in FY2024 was 8.1%, surpassing the initiative target of 7%; the ROE forecast for FY2025 is 10.6%.
- We will continue to perform management with awareness of capital efficiency and continuously aim to secure an ROE of 7% or more.

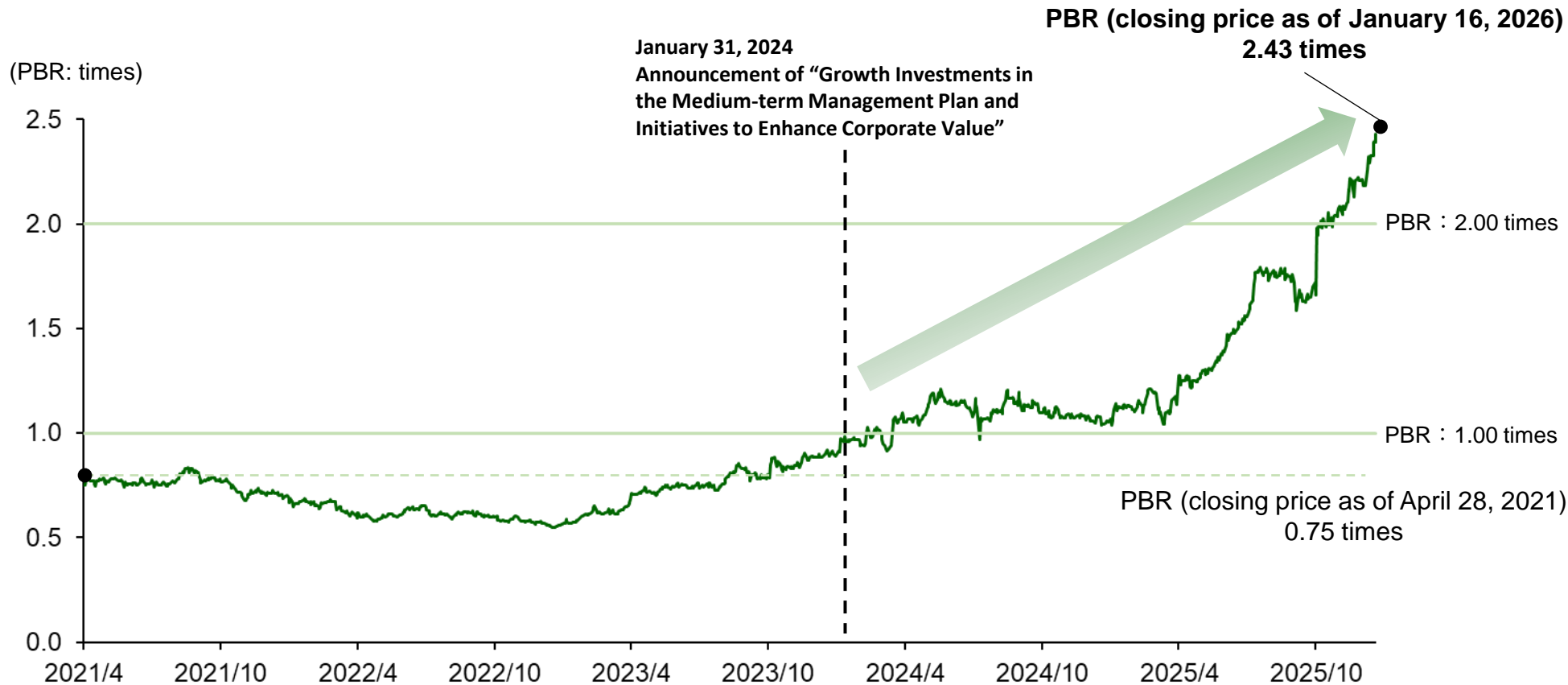
● **Reference: Change in the Company's stock price following announcement of the medium-term management plan (April 28, 2021)**



\*Uses the closing price as of the announcement of the medium-term management strategy (April 28, 2021), relative to TOPIX

- The Company's stock price has increased to approximately 4.2 times its price at the time of the announcement of the medium-term management plan, significantly outperforming TOPIX.

●Reference: Change in the Company's PBR following announcement of the medium-term management strategy (April 28, 2021)



- PBR was 0.75 times at the time of the announcement of the medium-term management plan, but has recently increased to above 2.00 times due to capital policy initiatives.

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